

VILLAGE OF PALATINE, ILLINOIS



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2023

VILLAGE OF PALATINE, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Year Ended
December 31, 2023**

Prepared by the Finance Department

Paul D. Mehring, CPA
Finance Director/Village Treasurer

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INTRODUCTORY SECTION

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2023

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

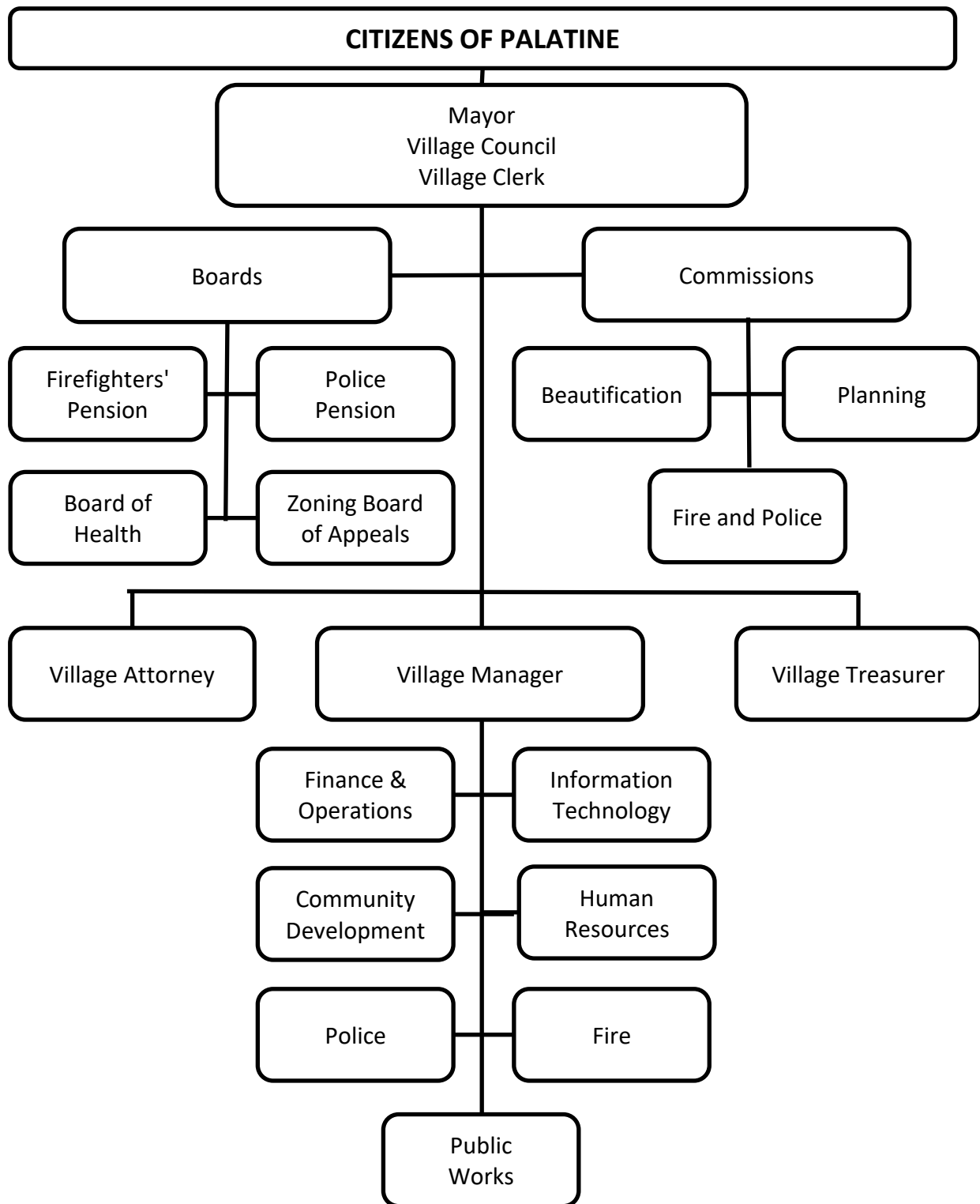
ADMINISTRATIVE

Reid Ottesen	Village Manager
Patrick Brankin	Village Attorney
Paul Mehring	Finance Director/Village Treasurer

VILLAGE OF PALATINE, ILLINOIS

ORGANIZATION CHART

December 31, 2023





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, 2022

Christopher P. Morill

Executive Director/CEO

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DEPARTMENT OF FINANCE & OPERATIONS

200 E. Wood Street · Palatine, IL 60067-5339

Telephone (847) 359-9088 · Fax (847) 202-6672

www.palatine.il.us

May 21, 2024

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, 2023.

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 CPA 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, 2023, 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, 2023, 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, and Coronavirus State and Local Fiscal Recovery Grant Fund this comparison is presented 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.

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 2023 increased by 2.7% 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 224 N. Northwest Highway is underway, which will result in the transformation of the former restaurant site into a new drive-through oil change facility. One of the two new warehouse/distribution buildings, both totaling nearly 425,000 square feet, constructed on the former Weber-Stephens site has been occupied by S&C Electric Company. The re-establishment of the former gas station at the corner of Northwest Highway and Creekside Drive has received zoning approval and is currently in the building permit review process. This project will include the replacement of the underground fuel storage tanks and the conversion of the existing building into two separate commercial tenant spaces.

Rand and Dundee Corridors – The development of a new Belle Tire store was recently completed on Rand Road, just south of the Arlington Toyota site. The redevelopment of multiple properties on the west side of Rand Road, between Hicks and Lake Cook Roads, has been proposed. This development would result in a new 58,000 sq. ft. warehouse/distribution building on the nearly 8-acre site. The new Bloc cannabis dispensary facility recently opened at 333 E. Lake Cook Road. The redevelopment of the 3-acre property at 2239 N. Rand Road into a new car wash facility has received their zoning approvals and will commence construction this spring. Lastly, the former Wendy's site at 1142 E. Dundee Road is currently being redeveloped with a new drive-through Popeye's restaurant, with a projected opening later this spring.

Other Areas – The development of an approximately 25 acre site on Algonquin Road was recently completed. The project resulted in the construction of a new 368,000 square foot warehouse/distribution building that has been entirely occupied by AIT Worldwide Logistics.

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 2023, the Village spent over \$9.1 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 sewer) infrastructure. In 2022, the Village performed a Village-wide study and evaluation of the current state of its storm water infrastructure in addition to looking out 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 2023, over \$5.2 million was spent to maintain and improve water and 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 2023, the Village provided for General Fund contributions 1) above and beyond the actuarially required amount to the Police and Firefighters' Pension Funds to amortize the unfunded liability more quickly, and 2) towards a debt service reserve to call and redeem outstanding general obligation bonds, 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, 2022. This was the 23rd 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
Finance Director/Village Treasurer

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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, 2023, 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, 2023, 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 investment in the joint venture of the Northwest Water Commission, which represents 27.27%, 28.60% and 2.37%, respectively, of the assets, net position and revenues of the Waterworks 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 16 to the financial statements, in 2023, the Village adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 12 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 and supplementary information 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 and supplementary information 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 and supplementary information 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, statistical sections and additional disclosures required by SEC Rule 15c2-12 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 May 21, 2024 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 CPA LLC

Naperville, Illinois
May 21, 2024

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2023, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois

May 21, 2024

General Purpose External Financial Statements

VILLAGE OF PALATINE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of Palatine Management 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.

As management of the Village of Palatine (Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village. We encourage readers of this document to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal that begins on page iv and the Village's financial statements that begin on page 6.

FINANCIAL HIGHLIGHTS

VILLAGE FUNDS AS A WHOLE

The Village created and partially funded a debt service reserve in the amount of \$13.5 million. This reserve, held in the General Obligation Bond Fund, is intended to be fully funded in CY 2024 to provide for all future debt service payments for all currently outstanding general obligation bonds.

The Village's combined contribution to the PPERS and FPERS exceeded the actuarially required contribution by \$1.03 million to accelerate the amortization of the net pension liability beyond the actuarially calculated amount.

The Village implemented GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*.

The statement of net position presents information on all the Village's assets/deferred outflows and liabilities/deferred inflows with the difference reported as net position.

- **Net position** was \$253.3 million.
- **Change in net position** was an increase of \$25.2 million.
- **Combined revenues** totaled \$126.4 million, an increase of 6.1%.
- **Combined expenses** totaled \$101.2 million, an increase of 5.5%.

GENERAL FUND

- **Revenues** for the fiscal year totaled \$73.1, an increase of \$0.5 million.
- **Expenditures** for the fiscal year totaled \$64.8 million, a decrease of \$0.4 million.
- **Fund Balance** as of year-end was \$36.3 million.
- **Net change in fund balance** was a decrease of \$4.6 million.

BUSINESS-TYPE ACTIVITIES

- **Operating revenues** totaled \$24.7 million, an increase of \$2.3 million.
- **Operating expenses** totaled \$18.6 million, an increase of \$1.7 million.
- **Depreciation of capital assets**, a non-cash expense totaling \$2.3 million, is included in the operating expenses total.

LONG-TERM DEBT

- **Bonded Debt for governmental activities outstanding** at year-end decreased \$2.4 million to \$27.0 million during the year.
- **Bonded Debt for business-type activities outstanding** at year-end decreased \$0.8 million to \$1.7 million during the year.
- **Net Pension Liability for Public Safety Pensions** decreased \$8.4 million to \$127.8 million. This includes the liabilities for both Police and Firefighters' Pension Funds.
- **Net Pension Liability for IMRF** (non-sworn employees) increased to \$7.7 million as of December 31, 2022.

CAPITAL INVESTMENT

- **Village-wide tangible and intangible capital assets**, net of depreciation and amortization, total \$260.7 million at year-end, an increase of \$2.9 million.
- **Governmental tangible and intangible capital assets**, net of depreciation and amortization, increased \$1.3 million to \$209.4 million.
- **Business-type capital assets**, net of depreciation, increased \$1.6 million to \$51.3 million, primarily for infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Village's basic financial statements. The notes to the financial statements are considered integral to the financial statements. In addition to the basic financial statements and notes, this report also contains required supplementary, other supplementary, and statistical information.

The Village's basic financial statements comprise two components: 1) Government-wide financial statements and 2) Fund financial statements. The combination of government-wide and fund financial statements allows the Village to present fairly and with full disclosure, the funds and activities of the Village and to demonstrate compliance with finance-related legal and contractual provisions.

Government-wide Financial Statements are intended to provide an aggregated overview of the Village's net position and changes in net position. The government-wide financial statements report on the government as a whole using the same basis of accounting and measurement focus as a private-sector business. The government-wide financial statements can be found on pages 6 – 8 of this report.

Fund financial statements assist in assessing whether the government has raised and spent financial resources in accordance with budget plans and in compliance with finance-related legal requirements. Certain funds, referred to as governmental funds, focus on the short-term flow of current financial resources, rather than on the flow of economic resources. Other funds, referred to as proprietary and fiduciary funds, account for the business-type and certain fiduciary activities of the government. These funds follow accounting and reporting principles similar to those of business organizations.

Governmental funds. These funds are a generic classification used to refer to all funds other than proprietary and fiduciary funds. The Village has sixteen (16) governmental funds to account for governmental functions. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for those governmental funds considered to be "major" funds.

Governmental funds account for the inflows and outflows of current financial resources. No long-lived assets such as land, buildings, and equipment, nor any long-term liabilities such as bonds payable, are reported on the governmental funds balance sheet. Financial resources must be available to pay current-period obligations. The basic governmental fund financial statements can be found on pages 9 - 14 of this report.

Proprietary funds. These funds are sometimes referred to as business-type funds of local government. Examples of proprietary funds are enterprise funds and internal service funds. The Village maintains four enterprise funds: the Waterworks, Sewerage, Motor Vehicle Parking System, and Refuse Collection Funds. The Waterworks and Sewerage Funds are considered to be major funds of the Village. The Village maintains two internal service funds: the Fleet Services and Casualty and Liability Insurance Funds. The basic proprietary fund financial statements can be found on pages 15 - 20 of this report.

Fiduciary funds. These funds are used to account for resources held for the benefit of parties outside the government. This includes the Village's two pension trust funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The basic fiduciary fund financial statements can be found on pages 21 - 22 of this report.

Notes to the financial statements. These 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 23 - 75 of this report.

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Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits, as well as budgetary comparison schedules for major funds for which an appropriation was approved. Required supplementary information can be found on pages 76 - 95 of this report.

Other supplementary information. This includes combining and individual fund statements and schedules, which can be found beginning on page 130 of this report.

Statistical information. The statistical section of the annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementation information says about the Village's overall financial health. Statistical information can be found beginning on page 148.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The Statement of Net Position (presented in millions) is a high-level view of the total assets, deferred outflows, liabilities and deferred inflows of the primary government. The resulting net position is allocated to three categories: Net Investment in Capital Assets, Restricted funds and Unrestricted funds. Net assets may serve over time as a useful indicator of a government's financial position.

	<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	\$ 148.2	\$ 37.8	\$ 186.0	\$ 144.8	\$ 36.1	\$ 180.9
Capital assets	209.4	51.3	260.7	205.6	49.7	255.3
Total Assets	357.6	89.1	446.7	350.4	85.8	436.2
Deferred outflows of resources	40.6	2.6	43.2	48.2	1.6	49.8
Noncurrent liabilities	177.0	4.7	181.7	180.5	4.3	184.8
Other liabilities	11.5	2.6	14.1	16.3	2.4	18.7
Total liabilities	188.5	7.3	195.8	196.8	6.7	203.5
Deferred inflows of resources	40.4	0.4	40.8	52.3	2.1	54.4
Net position						
Net investment in capital assets	184.8	49.4	234.2	179.8	46.9	226.7
Restricted	31.4	-	31.4	24.1	-	24.1
Unrestricted	(46.9)	34.6	(12.3)	(54.4)	31.7	(22.7)
Total net position	\$ 169.3	\$ 84.0	\$ 253.3	\$ 149.5	\$ 78.6	\$ 228.1

VILLAGE OF PALATINE, ILLINOIS
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Total assets increased \$10.5 million during the year, inclusive of an increase of \$21.7 million in cash and investments due to net operations. Receivables decreased by \$6.5 million resulting from second installment property taxes from the prior year being collected. The current year also includes an increase of \$0.3 million for a total of \$15.4 million in the Village's equity investment in 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. Capital assets increased \$5.4 million for the year.

Deferred outflows of resources decreased \$6.6 million over the year. This is mostly attributable to the pension items for the Police and Firefighters Pension Funds, which decreased a combined \$6.7 million due to positive investment experience during the year. Other Post-Employment Benefits (OPEB) saw a slight increase of \$0.04 million. OPEB liability relates to health insurance provided to 1) retired eligible employees who pay the full premium, and 2) health insurance costs for any public safety employees awarded Public Safety Employee Benefits Act (PSEBA) benefits due to sustained catastrophic injuries while responding to emergencies. Another required deferred outflow represents the cost to retire water wells from service calculated at \$1.2 million.

Total liabilities decreased \$7.7 million for the year. Other liabilities decreased \$4.6 million. Non-current liabilities also decreased \$3.1 million. Of this amount, the net pension liability for public safety pensions (sworn employees) decreased \$8.4 million. The net pension liability for non-sworn employees through the Illinois Municipal Retirement Fund (IMRF) increased \$17.0 million, changing it from a net pension asset of \$9.3 million to a net pension liability of \$7.7 million. Outstanding bonded debt decreased \$3.2 million.

Deferred inflows of resources decreased \$13.6 million over the year. Deferred inflows for pension items accounted for most of the net decrease at \$13.1 million. IMRF decreased \$10.9 million and the police and fire pensions saw a combined decrease of \$2.2 million. Changes to deferred inflows relating to leases and other postemployment benefits make up the remainder of the change.

As of year-end, net position for the Village was \$253.3 million. The largest portion of the Village's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire those assets still outstanding. Although the Village's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Village's net assets (\$31.4 million) represents resources that are subject to external restrictions relative to their use.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The remaining balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors. Unrestricted net position is in a deficit position at year-end as GASB requires the Village to recognize the net pension liability totaling \$135.5 million at year-end for its three pension plans and requires the Village to recognize net other postemployment benefit obligations totaling \$11.4 million. Unrestricted net position increased \$10.4 million from the previous fiscal year primarily due to revenues exceeding expenses.

Statement of Activities

The Statement of Activities illustrates the change in net position throughout the fiscal year. A snapshot of the statement is provided below.

	<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>
Revenues						
Program revenues						
Charges for services	\$ 15.4	\$ 23.2	\$ 38.6	\$ 15.3	\$ 22.7	\$ 38.0
Operating grants	3.6	0.6	4.2	3.8	-	3.8
Capital grants and contributions	1.6	0.1	1.7	4.7	-	4.7
General revenues						
Property taxes	34.3	-	34.3	35.4	-	35.4
Other taxes	11.1	-	11.1	11.0	-	11.0
Other revenues	35.7	0.8	36.5	27.7	(0.3)	27.4
Total revenues	101.7	24.7	126.4	97.9	22.4	120.3
Expenses						
Governmental activities						
General government	4.5	-	4.5	3.9	-	3.9
Public safety	59.3	-	59.3	56.6	-	56.6
Public works	14.2	-	14.2	12.4	-	12.4
Economic development	3.9	-	3.9	5.0	-	5.0
Interest & fiscal charges	0.7	-	0.7	0.9	-	0.9
Business-type activities						
Waterworks	-	8.7	8.7	-	7.7	7.7
Sewerage	-	4.8	4.8	-	3.5	3.5
Motor vehicle parking	-	0.5	0.5	-	1.2	1.2
Refuse collection	-	4.6	4.6	-	4.5	4.5
Total expenses	82.6	18.6	101.2	78.8	16.9	95.7
Change in net position before transfers	19.1	6.1	25.2	19.1	5.5	24.6
Transfers	0.7	(0.7)	-	0.7	(0.7)	-
Change in net position	19.8	5.4	25.2	19.8	4.8	24.6
Net position, beginning	149.5	78.6	228.1	129.7	73.8	203.5
Net position, ending	\$ 169.3	\$ 84.0	\$ 253.3	\$ 149.5	\$ 78.6	\$ 228.1

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

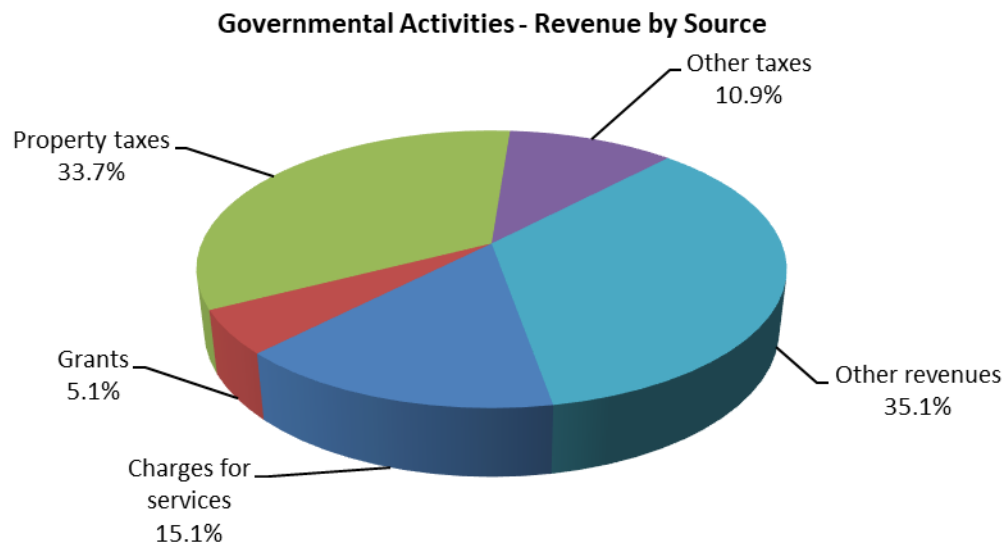
Overall, revenues for the Village totaled \$126.4 million, an increase of \$6.1 million from the prior year. Expenses village-wide totaled \$101.2 million, an increase of \$5.5 million from the prior year. The resulting change from the fiscal year activities is an increase in net position of \$25.2 million, representing growth of 2.4%.

Governmental Activities

As is typical for governmental activities of local governments, program revenues cover a small percentage of program expenses, with general revenues covering the majority of expenses. For this year, governmental program expenses of \$82.6 million exceeded program revenues of \$20.6 million by \$62.0 million; general revenues of \$81.1 million are used to make up the difference. With governmental revenues performing better than anticipated while expenses remained low, the Village experienced a \$19.8 million surplus in governmental activities.

Revenues

The following graph indicates the breakdown of governmental revenue by type for the year. Diversification by source is an important factor in financial stability. The Village does not rely heavily on any one category.

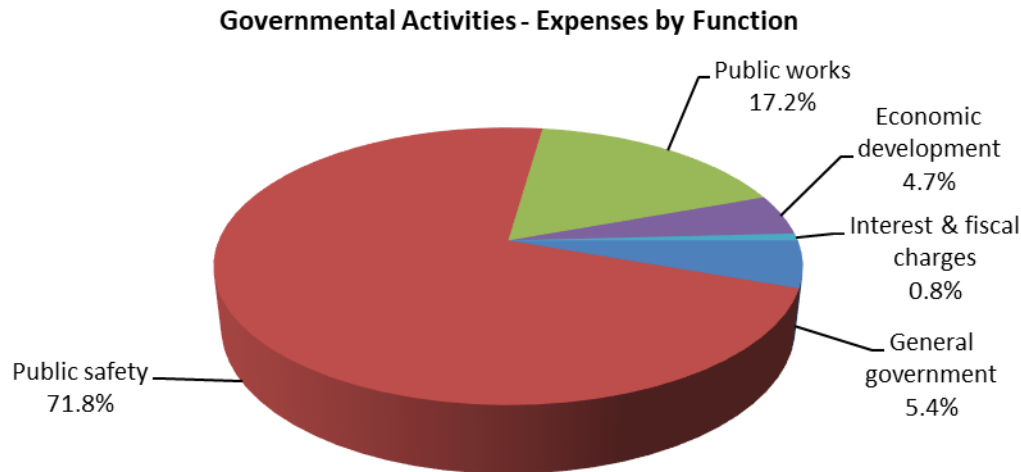


- Charges for services increased \$0.1 million for the year and grant revenues decreased by \$3.3 million.
- Revenue from taxes decreased \$1.0 million. The Property Tax decreased by \$1.1 million and Home Rule Sales Tax increased by \$0.1 million.
- Other revenues of \$35.7 million (including transfers) increased \$8.0 million. This category includes state shared sales and income taxes, other intergovernmental revenues, investment income, and other miscellaneous revenues.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Governmental activity expenses represent the costs to operate the Village's core services, excluding water, sewer, and refuse service and commuter parking. The following chart shows the breakdown of governmental expenses by activity.



- Public safety expenses, which account for the largest share, increased by \$2.7 million (4.8%) to \$59.3 million. Most of the increase in police and fire pension liability due to negative market returns represents a significant portion of the increase in public safety expenses. As the change in pension obligation is not a source or use of funds, it is only shown in the high-level Statement of Activities and not the remainder of financial reports within the report. There was also a large capital outlay expenditure related to pandemic grant funding.
- Public works expenses increased \$1.8 million (14.5%) over the prior year. This increase is due to increased capital outlay expenditures on the Village's transportation systems (streets, sidewalks, rights-of-way).
- General government expenses increased \$0.6 million (15.4%) from the prior year due to an increase in expenditures that had been suspended/delayed due to the pandemic.

Business-Type Activities

The Waterworks, Sewerage, Commuter Parking System, and Refuse Funds' activity resulted in an increase to net position of \$5.4 million from the year's activity. Net position ended the year with \$84.0 million.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues

Total revenue for the business-type activities experienced a \$2.3 million (10.3%) increase in the current year comprised of \$0.5 million due to increased water and sewer rates and \$1.8 million due to increased grants and other revenues.

Expenses

Business-type activity total expenses increased by \$1.7 million (10.1%), which was mainly a result of an increase in water and sewer maintenance activities.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the year, the Village's governmental funds reported combined ending fund balances of \$101.0 million, an increase of \$18.2 million from the prior year. The unassigned portion of the ending fund balances totaled \$36.1 million and is available to spend at the Village's discretion. The remainder of the combined ending fund balance is restricted or assigned to indicate it is not available for spending. Restricted and assigned funds are reserved to pay debt service, street improvement or other specific costs.

General Fund

At the end of the year, the General Fund had a fund balance of \$36.3 million, with \$36.1 million as unassigned. As a measure of the General Fund's capacity to provide a sufficient cash flow for day-to-day operations, offset unanticipated downturns to General Fund revenues or provide an ability to make emergency purchases, it may be useful to compare unassigned fund balance to operating expenditures. The unassigned fund balance represented 55.7% of General Fund operating expenditures.

The ending fund balance of the General Fund decreased by \$4.6 million. General Fund revenues totaled \$73.1 million, an increase of \$0.5 million (0.7%). Taxes and Intergovernmental were down by \$1.0 million and \$1.6 million, respectively, based on economic conditions while Investment income was up \$1.6 million due to favorable interest rates. General Fund expenditures totaled \$64.8 million, a decrease of \$0.4 million (0.6%). Transfers in increased by \$0.6 million and Transfers out increased by \$11.8 million, which provided funding to the Village's debt service reserve.

VILLAGE OF PALATINE, ILLINOIS
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Downtown TIF Fund

The Downtown TIF Fund had a fund balance of \$23.6 million. This was an increase of \$8.7 million from annual activity. Revenues increased \$1.5 million (19.5%) to \$9.2 million. The primary revenue source of the Fund is incremental property taxes. Expenditures of TIF dollars are restricted in Illinois State Statutes – generally, infrastructure improvements and economic development-related expenditures. Expenditures decreased \$3.3 million (86.8%) representing decreased capital outlay and redevelopment agreements.

Coronavirus State and Local Fiscal Recovery Grant Fund

This Fund had no fund balance. This was a decrease of \$0.2 million from annual activity. Revenues decreased \$0.6 million to \$2.7 million. The primary revenue source of the Fund is the Coronavirus State and Local Fiscal Recovery Grant from the Department of Treasury. Expenditures decreased \$1.0 million representing capital outlay for eligible projects, most notably in-car cameras for the Police Department and a new tower truck for the Fire Department.

General Obligation Bond Fund

The General Obligation Bond Fund had a balance of \$16.1 million, an increase of \$14.0 million. The primary revenue source of the Fund is property taxes. The General Fund also transfers money into this fund for a Debt Service Reserve to provide for all future debt service payments (after December 1, 2024) for all currently outstanding general obligation bonds. It is anticipated that this reserve will be fully funded in CY 2024

Capital Equipment Acquisition Fund

The Capital Equipment Acquisition Fund had a fund balance of \$7.9 million. This was an increase of \$0.8 million from annual activity. Revenues increased \$1.1 million (81.8%) to \$2.0 million. The primary revenue sources are electric use taxes, video gaming taxes, and rental income from communication tower rentals. Additionally, several other funds transfer money into this Fund. Expenditures increased \$0.1 million (5.0%) representing increased capital outlay resulting from supply chain issues from the prior year and moving certain outlays forward from the following year due to availability.

Other Governmental Funds

The Village maintains 12 other governmental funds. In aggregate, fund balances of other governmental funds increased \$13.6 million from the previous year. Highlights from some of these funds include:

- The Motor Fuel Tax Fund had a fund balance of \$2.2 million, a decrease of \$0.7 million. The entire balance is restricted for purposes of roadway improvements. Expenditures of Motor Fuel Tax dollars require authorization from the Illinois Department of Transportation.

- The Federal Equitable Sharing and State Equitable Sharing Funds consist of revenues collected by the Police Department related to asset forfeitures. These restricted accounts are governed by State or Federal statutes. These funds are limited in their potential uses and must be used by the Police Department for purposes allowed by the governing statutes – generally, drug related enforcement and prevention. The ending fund balance in the Federal Equitable Sharing and State Equitable Sharing Funds was \$0.4 million and \$0.6 million, a decrease of \$0.1 million and \$2,000, both respectively.
- The Rand Road Corridor TIF Fund had a fund balance of \$5.9 million, an increase of \$0.3 million. The primary revenue source of the Fund is incremental property taxes. The entire balance is restricted for purposes of economic development. Expenditures of TIF dollars are restricted in Illinois State Statutes – generally, infrastructure improvements and economic development-related expenditures.
- The Rand/Lake Cook TIF Fund had a fund balance of \$2.1 million, a decrease of \$0.4 million. The primary revenue source of the Fund is incremental property taxes. The entire balance is restricted for purposes of economic development. Expenditures of TIF dollars are restricted in Illinois State Statutes – generally, infrastructure improvements and economic development-related expenditures.

Proprietary Funds

Proprietary funds are sometimes referred to as business-type funds of a local government. The Village maintains six proprietary funds (four enterprise and two internal service). The Waterworks, Sewerage, Commuter Parking System, and Refuse Collection enterprise funds are used to account for the acquisition, operations and maintenance of Waterworks, Sewerage, Commuter Parking System, and Refuse Collection facilities and services and are predominately self-supporting through user charges. The Fleet Services and Casualty and Liability Insurance Funds are internal service funds that account for assets associated with funding the maintenance activities of the Village's fleet and funding the Village's casualty and liability self-insurance program through charges to the various Village Departments.

Total combined net position of the enterprise funds increased \$5.4 million through annual activity to \$84.0 million at year-end. Of the total, \$49.4 million represents the Village's net investment in capital assets. The remaining \$34.6 million of total net position represents unrestricted net position. Expenses include water and sewer system maintenance, flood control improvements, maintenance of parking facilities, and collection and disposal of refuse.

The internal service funds had a combined ending fund balance of \$5.3 million, all of which is unrestricted. Most revenues (\$3.7 million) came from charges to the various Village Departments. Expenditures of \$1.9 million and \$2.3 million represent fleet maintenance activities and liability insurance premiums and claims, respectively.

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GENERAL FUND BUDGETARY HIGHLIGHTS

As the main operating fund of the Village, the General Fund represents a range of revenues and expenditures. Revenues that are not restricted, committed, or assigned to other functions are recorded in the General Fund. Operating costs of most major departments are recorded here as well, such as police and fire protection, street maintenance, economic development, planning and zoning, code enforcement, engineering, and administration.

Actual revenues of \$73.1 million surpassed budget expectations by \$3.6 million.

Expenditures ended the year \$2.9 million below budget. Other financing uses reflect the issuance of a new SBITA for \$0.04 million, a transfer in from other funds of \$0.6 million, and a \$13.5 million transfer out to provide funding of a debt service reserve to call and redeem outstanding debt service.

**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	\$ 67.6	\$ 69.5	\$ 73.1	\$ 72.6
Expenditures	65.7	67.7	64.8	65.2
Excess (deficiency) of revenues over expenditures	1.9	1.8	8.3	7.4
Other financing sources (uses)	(1.6)	(13.0)	(12.9)	(1.7)
Net change in fund balance	\$ 0.3	\$ (11.2)	\$ (4.6)	\$ 5.7

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.

Major General Fund Revenues

Property tax revenue of \$20.6 million was slightly below budgeted expectations by \$1.0 million. The property tax is a very stable revenue source and generally the last revenue source the Village increases when preparing its annual budget.

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State sales tax revenue of \$12.2 million exceeded its budgeted amount by \$0.4 million. Receipts from sales tax have not only rebounded from the COVID-19 pandemic but also continue to grow as prices rise with inflation. Starting January 2021, the State began classifying online retail purchases into the State Sales Tax distributions by purchase destination rather than as Use Tax and distributed per capita. So, in addition to sales of groceries and general merchandise, online purchases are now supporting State Sales Tax revenues.

Home rule sales tax revenue of \$6.6 million slightly outpaced its budgeted expectations by \$0.1 million. Purchases of groceries are exempt from Home Rule Sales Tax, however staple items and online retail orders are not exempted.

State income tax revenue of \$10.8 million lagged its budgeted amount by \$0.3 million. An improving labor market and higher corporate income tax receipts have helped to bolster the Village's income tax revenue.

Major General Fund Expenditures

Across all functions, spending within the General Fund ended the fiscal year under budget. This is a combination of savings from a variety of items. Some savings include the following:

- Personnel and related expenditures ended the year \$1.8 million below budget due to staff turnover, which created attrition savings.
- Supplies and Services expenditures ended the year \$1.1 million below budget due to reduced outlays for deferred and/or cancelled projects and a reduction in training.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business-type activities amounts to \$260.7 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 \$5.4 million net increase (including additions and deductions) from the prior year. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements.

The net capital assets for governmental activities increased by \$3.8 million and net capital assets for business-type activities increased from last year by \$1.6 million. The change in net capital assets for governmental and business-type activities was due to net capital additions exceeding depreciation.

DEBT OUTSTANDING

The Village currently has six general obligation bond series with total outstanding principal of \$28.7 million of general obligation bonds.

\$3.7 million (12.9%) of the \$28.7 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.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In addition to the residual impacts of the pandemic, high inflation, supply chain issues, and geopolitical conflicts continue to inject uncertainty into the economy. However, the Village enjoys a healthy mix of retail diversity which has proven to weather economic downturns well. Management continually monitors revenues sources and cash balances into order to ensure sufficient resources are available to support Village services.

Some revenue sources of the Village rely on the allocation and distribution of funds from the State of Illinois, such as Income Tax and Use Tax. The State has reduced the municipal share of Income Tax historically and may look to this source again to offset their own fiscal shortages. The State budget contains a structural financial imbalance. Since the pressures of this imbalance will continue into the next budget, it is likely that additional local government diversions may be proposed in future years.

To keep the calendar year 2024 budget balanced, the Village continues to utilize spending control measures that include taking advantage of cooperative purchasing opportunities through joint purchasing agreements, seeking competitive bids, and avoiding filling vacated positions unless they are critical to Village operations. Whenever possible, grant funding is sought to offset program and project costs.

A combined water and sewer rate increase of 6.4% will go into effect on January 1, 2024. These increases provide a necessary funding mechanism to allow these funds to remain financially independent and provide for increased capital investment to maintain water and sewer infrastructure systems.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

The fiscal year 2024 budget continues funding the General Fund in a progressive and responsible manner inclusive of no increase in the property tax levy. This marks the tenth time in the last twelve years that the levy has either decreased or remained constant from the prior year. General Fund services include Police, Fire, Community Development, Streets, Forestry, Facilities Maintenance, as well as Legal, and Village Administration. Bonds are not to be used to finance operating deficits and fund balances are maintained in accordance with Village financial policies.

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, Finance Director/Village Treasurer, Village of Palatine, 200 E. Wood Street, Palatine, IL 60067.

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VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 105,203,952	\$ 19,880,177	\$ 125,084,129
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	22,536,834	-	22,536,834
Accounts	-	2,221,723	2,221,723
Other	1,184,543	52,603	1,237,146
Due from other governments	6,240,833	89,126	6,329,959
Accrued interest	224,506	22,056	246,562
Leases	7,011,924	177,198	7,189,122
Prepaid items	71,941	-	71,941
Inventories	274,635	-	274,635
Land held for resale	5,454,130	-	5,454,130
Capital assets not being depreciated	151,371,945	4,858,690	156,230,635
Tangible and intangible capital assets being depreciated and amortized (net of accumulated depreciation and amortization)	58,043,823	46,424,694	104,468,517
Investment in joint venture	-	15,408,440	15,408,440
Total assets	357,619,066	89,134,707	446,753,773
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	32,035	-	32,035
Asset retirement obligation items	-	1,153,550	1,153,550
Pension items	38,604,630	1,409,882	40,014,512
OPEB items	1,946,398	35,072	1,981,470
Total deferred outflows of resources	40,583,063	2,598,504	43,181,567
LIABILITIES			
Accounts payable	2,839,492	1,979,003	4,818,495
Accrued payroll	967,879	36,583	1,004,462
Accrued interest payable	69,205	6,200	75,405
Deposits payable	682,014	430,316	1,112,330
Claims payable	268,365	-	268,365
Unearned revenues	6,725,386	149,980	6,875,366
Noncurrent liabilities			
Due within one year	4,249,430	855,756	5,105,186
Due in more than one year	172,773,075	3,870,374	176,643,449
Total liabilities	188,574,846	7,328,212	195,903,058
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	22,536,834	-	22,536,834
Pension items	5,113,711	86,576	5,200,287
OPEB items	6,226,603	112,197	6,338,800
Lease items	6,538,612	163,701	6,702,313
Total deferred inflows of resources	40,415,760	362,474	40,778,234
NET POSITION			
Net investment in capital assets	184,765,334	49,397,629	234,162,963
Restricted for			
Streets and highways	2,164,048	-	2,164,048
Public safety	1,328,344	-	1,328,344
Economic development	27,860,922	-	27,860,922
Unrestricted	(46,907,125)	34,644,896	(12,262,229)
TOTAL NET POSITION	\$ 169,211,523	\$ 84,042,525	\$ 253,254,048

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Grants and Contributions	
			Operating	Capital
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,527,670	\$ 1,294,893	\$ 237,906	\$ 9,598
Public safety	59,283,975	12,610,568	241,409	-
Public works	14,232,249	1,418,731	2,983,113	1,610,061
Economic development	3,892,008	-	163,933	-
Interest and fiscal charges	738,321	-	-	-
Total governmental activities	82,674,223	15,324,192	3,626,361	1,619,659
Business-Type Activities				
Waterworks	8,707,341	13,548,382	580,200	-
Sewerage	4,764,053	4,350,453	-	89,126
Motor vehicle parking system	452,780	419,475	-	-
Refuse collection	4,588,706	4,859,871	-	-
Total business-type activities	18,512,880	23,178,181	580,200	89,126
TOTAL PRIMARY GOVERNMENT	\$ 101,187,103	\$ 38,502,373	\$ 4,206,561	\$ 1,708,785

See accompanying notes to financial statements.

Net (Expense) Revenue and Change in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (2,985,273)	\$ -	\$ (2,985,273)	
(46,431,998)	-	(46,431,998)	
(8,220,344)	-	(8,220,344)	
(3,728,075)	-	(3,728,075)	
(738,321)	-	(738,321)	
(62,104,011)	-	(62,104,011)	
-	5,421,241	5,421,241	
-	(324,474)	(324,474)	
-	(33,305)	(33,305)	
-	271,165	271,165	
-	5,334,627	5,334,627	
(62,104,011)	5,334,627	(56,769,384)	
General Revenues			
Taxes			
Property	34,302,215	-	34,302,215
Home rule sales	6,596,941	-	6,596,941
Telecommunications	704,064	-	704,064
Electric utility use	2,053,596	-	2,053,596
Other	1,746,466	-	1,746,466
State shared sales taxes (unrestricted)	14,883,509	-	14,883,509
State shared income tax (unrestricted)	10,846,223	-	10,846,223
Other intergovernmental revenues (unrestricted)	3,445,691	-	3,445,691
Investment income (loss)	4,610,341	822,880	5,433,221
Miscellaneous	1,888,522	-	1,888,522
Transfers	696,000	(696,000)	-
Total	81,773,568	126,880	81,900,448
CHANGE IN NET POSITION	19,669,557	5,461,507	25,131,064
NET POSITION, JANUARY 1	149,541,966	78,581,018	228,122,984
NET POSITION, DECEMBER 31	\$ 169,211,523	\$ 84,042,525	\$ 253,254,048

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant	General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 33,340,390	\$ 18,176,039	\$ 6,623,652	\$ 16,111,550	\$ 7,291,907	\$ 17,395,167	\$ 98,938,705
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	20,063,878	-	-	2,472,956	-	-	22,536,834
Other	995,374	-	-	-	81,927	88,500	1,165,801
Due from other governments	5,552,306	-	-	-	34,197	654,330	6,240,833
Accrued interest	29,354	27,840	-	37,646	45,067	57,855	197,762
Leases	566,657	-	-	-	6,445,267	-	7,011,924
Due from other funds	23,061	-	-	-	-	-	23,061
Prepaid items	71,941	-	-	-	-	-	71,941
Land held for resale	-	5,454,130	-	-	-	-	5,454,130
TOTAL ASSETS	\$ 60,642,961	\$ 23,658,009	\$ 6,623,652	\$ 18,622,152	\$ 13,898,365	\$ 18,195,852	\$ 141,640,991

See accompanying notes to financial statements.

	General	Downtown TIF	State and Local Fiscal Recovery Grant	General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES							
Accounts payable	\$ 1,766,440	\$ 31,896	\$ 24,766	\$ -	\$ 42,983	\$ 886,212	\$ 2,752,297
Accrued payroll	954,332	-	-	-	-	1,473	955,805
Due to other funds	-	-	-	-	-	23,061	23,061
Deposits payable	639,476	42,538	-	-	-	-	682,014
Unearned revenues	-	-	6,598,886	-	-	126,500	6,725,386
Total liabilities	3,360,248	74,434	6,623,652	-	42,983	1,037,246	11,138,563
DEFERRED INFLOWS OF RESOURCES							
Property tax revenue	20,063,878	-	-	2,472,956	-	-	22,536,834
Unavailable revenue - Park District loan	384,909	-	-	-	-	-	384,909
Lease items	560,729	-	-	-	5,977,883	-	6,538,612
Total deferred inflows of resources	21,009,516	-	-	2,472,956	5,977,883	-	29,460,355
Total liabilities and deferred inflows of resources	24,369,764	74,434	6,623,652	2,472,956	6,020,866	1,037,246	40,598,918
FUND BALANCES							
Nonspendable in form							
Prepaid items	71,941	-	-	-	-	-	71,941
Restricted for streets and highways	-	-	-	-	-	2,164,048	2,164,048
Restricted for public safety	-	-	-	-	-	1,328,344	1,328,344
Restricted for economic development	-	23,583,575	-	-	-	8,007,347	31,590,922
Unrestricted							
Assigned for capital projects	-	-	-	-	7,877,499	5,658,867	13,536,366
Assigned for debt service	-	-	-	16,149,196	-	-	16,149,196
Assigned for future appropriation	106,930	-	-	-	-	-	106,930
Unassigned	36,094,326	-	-	-	-	-	36,094,326
Total fund balances	36,273,197	23,583,575	-	16,149,196	7,877,499	17,158,606	101,042,073
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 60,642,961	\$ 23,658,009	\$ 6,623,652	\$ 18,622,152	\$ 13,898,365	\$ 18,195,852	\$ 141,640,991

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, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 101,042,073
Amounts reported for governmental activities in the statement of net position are different because:	
Tangible and intangible capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	209,415,768
Long-term intergovernmental assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	384,909
Accrued interest on long-term debt is reported as a liability on the statement of net position	(69,205)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(26,990,000)
Unamortized discount on general obligation bonds	3,805
Unamortized premium on general obligation bonds	(1,393,934)
Unamortized charge on refunding general obligation bonds	32,035
SBITA payable	(32,340)
Compensated absences payable	(2,385,820)
Less compensated absences reported in internal service funds	55,100
The net position of internal service funds is included in the governmental activities in the statement of net position	5,298,158
The following items related to OPEB are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows (net of deferred outflows reported in internal service funds)	1,936,887
Deferred inflows (net of deferred inflows reported in internal service funds)	(6,196,177)
Total OPEB liability (net of total OPEB liability reported in internal service funds)	(11,160,036)
The following items related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows (net of deferred outflows reported in internal service funds)	38,190,840
Deferred inflows (net of deferred inflows reported in internal service funds)	(5,088,247)
Net pension liability (net of net pension liability reported in internal service funds)	(133,832,293)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 169,211,523</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, 2023

	Coronavirus						
	General	Downtown TIF	State and Local Fiscal Recovery Grant	General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 29,185,088	\$ 7,458,488	\$ -	\$ 1,802,509	\$ 925,000	\$ 6,032,197	\$ 45,403,282
Licenses and permits	3,076,218	-	-	-	-	-	3,076,218
Intergovernmental	29,570,122	-	2,247,937	-	185,430	4,496,809	36,500,298
Charges for services	7,887,115	-	-	-	383,517	110,871	8,381,503
Fines and forfeits	1,073,380	-	-	-	-	-	1,073,380
Investment income	1,636,918	740,388	411,837	518,169	457,537	845,492	4,610,341
Miscellaneous	695,785	1,036,000	-	-	95,515	43,608	1,870,908
Total revenues	73,124,626	9,234,876	2,659,774	2,320,678	2,046,999	11,528,977	100,915,930
EXPENDITURES							
Current							
General government	4,963,140	-	-	-	-	-	4,963,140
Public safety	52,950,598	-	-	-	-	505,616	53,456,214
Public works	6,886,501	-	-	-	-	-	6,886,501
Economic development	-	215,438	-	-	-	3,676,570	3,892,008
Capital outlay	-	275,756	2,247,937	-	2,104,598	6,392,807	11,021,098
Debt service							
Principal retirement	-	14,068	-	1,020,000	-	1,425,000	2,459,068
Interest	-	-	-	759,156	-	151,680	910,836
Fiscal charges	-	-	-	1,425	-	1,225	2,650
Total expenditures	64,800,239	505,262	2,247,937	1,780,581	2,104,598	12,152,898	83,591,515

See accompanying notes to financial statements.

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant	General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,324,387	\$ 8,729,614	\$ 411,837	\$ 540,097	\$ (57,599)	\$ (623,921)	\$ 17,324,415
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	157,115	-	157,115
Issuance of SBITA	40,569	-	-	-	-	-	40,569
Transfers in	576,532	-	-	13,542,000	651,000	45,000	14,814,532
Transfers (out)	(13,542,000)	-	(576,532)	-	-	-	(14,118,532)
Total other financing sources (uses)	(12,924,899)	-	(576,532)	13,542,000	808,115	45,000	893,684
NET CHANGE IN FUND BALANCES	(4,600,512)	8,729,614	(164,695)	14,082,097	750,516	(578,921)	18,218,099
FUND BALANCES, JANUARY 1	40,873,709	14,853,961	164,695	2,067,099	7,126,983	17,737,527	82,823,974
FUND BALANCES, DECEMBER 31	\$ 36,273,197	\$ 23,583,575	\$ -	\$ 16,149,196	\$ 7,877,499	\$ 17,158,606	\$ 101,042,073

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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 18,218,099
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,879,707
Capital contributions from enterprise funds not reported in governmental funds	837,600
Reported as expenses in the statement of activities	
Depreciation on tangible capital assets and amortization on intangible capital assets	(3,324,529)
Loss on disposal of capital assets	(65,475)
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(123,364)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	
SBITA payable	(40,569)
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	
General obligation bonds	2,445,000
Redevelopment notes	14,068
SBITA payable	8,229
Certain costs associated with the issuance of bonds are deferred and amortized over the life of the bonds on the statement of activities	
Amortization net of current year of discount on issuance	(1,275)
Amortization net of current year premium on issuance	186,460
Amortization net of current year loss on refunding	884
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(231,325)
Accrued interest	6,710
The change in net position of certain activities of internal service funds is reported in governmental funds on the statement of activities	32,366
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	40,403
Deferred inflows related to OPEB	(849,599)
Total OPEB liability	760,792
Deferred outflows related to pensions	(8,014,394)
Deferred inflows related to pensions	16,810,853
Net pension liability/asset	(10,921,084)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 19,669,557</u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2023

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS					
Cash and investments	\$ 10,875,819	\$ 6,252,648	\$ 2,751,710	\$ 19,880,177	\$ 6,265,247
Receivables (net, where applicable, of allowances for uncollectibles)					
Accounts	1,618,986	550,691	52,046	2,221,723	-
Other	5,228	9,949	37,426	52,603	18,742
Due from other governments	-	89,126	-	89,126	-
Accrued interest	9,840	5,789	6,427	22,056	26,744
Leases	-	-	177,198	177,198	-
Inventories	-	-	-	-	274,635
Total current assets	12,509,873	6,908,203	3,024,807	22,442,883	6,585,368
NONCURRENT ASSETS					
Capital assets					
Land	740,200	-	4,118,490	4,858,690	-
Buildings and improvements	7,609,280	597,545	15,681,480	23,888,305	-
Systems and improvements	39,711,804	63,530,650	-	103,242,454	-
Machinery and equipment	2,575,285	558,755	-	3,134,040	-
Accumulated depreciation	(22,054,450)	(46,188,260)	(15,597,395)	(83,840,105)	-
Total capital assets	28,582,119	18,498,690	4,202,575	51,283,384	-
Other assets					
Investment in joint venture Northwest Water Commission	15,408,440	-	-	15,408,440	-
Total noncurrent assets	43,990,559	18,498,690	4,202,575	66,691,824	-
Total assets	56,500,432	25,406,893	7,227,382	89,134,707	6,585,368

See accompanying notes to financial statements.

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
DEFERRED OUTFLOWS OF RESOURCES					
Asset retirement obligation items	\$ 1,153,550	\$ -	\$ -	\$ 1,153,550	\$ -
Pension items	995,810	414,072	-	1,409,882	413,790
OPEB items	25,561	9,511	-	35,072	9,511
Total deferred outflows of resources	2,174,921	423,583	-	2,598,504	423,301
CURRENT LIABILITIES					
Accounts payable	417,727	743,989	817,287	1,979,003	87,195
Accrued payroll	25,587	10,996	-	36,583	12,074
Accrued interest payable	4,960	1,240	-	6,200	-
Deposits payable	329,996	2	100,318	430,316	-
Claims payable	-	-	-	-	268,365
Unearned revenues	-	-	149,980	149,980	-
Compensated absences payable	20,080	6,180	-	26,260	11,020
Total OPEB liability	6,921	2,575	-	9,496	2,575
General obligation bonds payable	656,000	164,000	-	820,000	-
Total current liabilities	1,461,271	928,982	1,067,585	3,457,838	381,229
LONG-TERM LIABILITIES					
Claims payable	-	-	-	-	792,890
Compensated absences payable	80,315	24,705	-	105,020	44,080
Asset retirement obligation	1,200,750	-	-	1,200,750	-
Net pension liability	922,070	384,196	-	1,306,266	384,196
Total OPEB liability	140,357	52,226	-	192,583	52,226
General obligation bonds payable	852,610	213,145	-	1,065,755	-
Total long-term liabilities	3,196,102	674,272	-	3,870,374	1,273,392
Total liabilities	4,657,373	1,603,254	1,067,585	7,328,212	1,654,621
DEFERRED INFLOWS OF RESOURCES					
Lease items	-	-	163,701	163,701	-
Pension items	61,113	25,463	-	86,576	25,464
OPEB items	81,771	30,426	-	112,197	30,426
Total deferred inflows of resources	142,884	55,889	163,701	362,474	55,890
NET POSITION					
Net investment in capital assets	27,073,509	18,121,545	4,202,575	49,397,629	-
Unrestricted	26,801,587	6,049,788	1,793,521	34,644,896	5,298,158
TOTAL NET POSITION	\$ 53,875,096	\$ 24,171,333	\$ 5,996,096	\$ 84,042,525	\$ 5,298,158

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, 2023

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES					
Charges for services	\$ 13,080,671	\$ 4,349,961	\$ 5,279,346	\$ 22,709,978	\$ 3,730,032
Miscellaneous	130,771	492	-	131,263	234,456
Total operating revenues	13,211,442	4,350,453	5,279,346	22,841,241	3,964,488
OPERATING EXPENSES EXCLUDING DEPRECIATION					
Costs of sales and services	7,669,396	3,499,383	5,024,496	16,193,275	4,199,128
Total operating expenses excluding depreciation	7,669,396	3,499,383	5,024,496	16,193,275	4,199,128
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	5,542,046	851,070	254,850	6,647,966	(234,640)
DEPRECIATION	1,030,500	1,262,560	16,990	2,310,050	-
OPERATING INCOME (LOSS)	4,511,546	(411,490)	237,860	4,337,916	(234,640)

See accompanying notes to financial statements.

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 159,645	\$ 88,656	\$ 97,031	\$ 345,332	\$ 144,218
Unrealized gain (loss) on investments	275,871	188,412	13,265	477,548	122,788
Grants	580,200	89,126	-	669,326	-
Interest expense	(7,445)	(2,110)	-	(9,555)	-
Joint venture	336,940	-	-	336,940	-
Total nonoperating revenues (expenses)	1,345,211	364,084	110,296	1,819,591	267,006
NET INCOME (LOSS) BEFORE TRANSFERS	5,856,757	(47,406)	348,156	6,157,507	32,366
Transfers (out)	(325,500)	(325,500)	(45,000)	(696,000)	-
CHANGE IN NET POSITION	5,531,257	(372,906)	303,156	5,461,507	32,366
NET POSITION, JANUARY 1	48,343,839	24,544,239	5,692,940	78,581,018	5,265,792
NET POSITION, DECEMBER 31	\$ 53,875,096	\$ 24,171,333	\$ 5,996,096	\$ 84,042,525	\$ 5,298,158

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 13,161,514	\$ 4,359,850	\$ 5,309,031	\$ 22,830,395	\$ 386,482
Receipts from interfund services transactions	-	-	-	-	3,574,255
Payments to suppliers	(5,627,691)	(1,322,397)	(4,592,472)	(11,542,560)	(3,341,912)
Payments to employees	(2,083,591)	(843,718)	(2,120)	(2,929,429)	(842,571)
Payments for interfund services transactions	(634,000)	(567,000)	(225,000)	(1,426,000)	-
Net cash from operating activities	4,816,232	1,626,735	489,439	6,932,406	(223,746)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants	580,200	5,677	-	585,877	-
Transfers (out)	(325,500)	(325,500)	(45,000)	(696,000)	-
Net cash from noncapital financing activities	254,700	(319,823)	(45,000)	(110,123)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(3,616,714)	(295,360)	-	(3,912,074)	-
Principal payments on long-term debt	(628,000)	(157,000)	-	(785,000)	-
Interest and fiscal charges paid on long-term debt	(91,800)	(23,200)	-	(115,000)	-
Net cash from capital and related financing activities	(4,336,514)	(475,560)	-	(4,812,074)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and maturity of investment securities	1,993,998	498,000	226,531	2,718,529	1,879,877
Purchase of investment securities	(1,493,606)	(1,499,489)	(256,917)	(3,250,012)	(1,219,933)
Interest received	157,377	85,099	90,911	333,387	121,933
Net cash from investing activities	657,769	(916,390)	60,525	(198,096)	781,877
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,392,187	(85,038)	504,964	1,812,113	558,131
CASH AND CASH EQUIVALENTS, JANUARY 1	1,608,827	1,307,895	1,701,108	4,617,830	1,152,480
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,001,014	\$ 1,222,857	\$ 2,206,072	\$ 6,429,943	\$ 1,710,611

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)	\$ 4,511,546	\$ (411,490)	\$ 237,860	\$ 4,337,916	\$ (234,640)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	1,030,500	1,262,560	16,990	2,310,050	-
(Increase) decrease in					
Accounts receivables	(102,940)	14,697	421	(87,822)	-
Other receivables	20,509	(5,285)	14,015	29,239	(3,751)
Leases	-	-	6,606	6,606	-
Inventories	-	-	-	-	(41,176)
Net pension asset	960,985	545,313	-	1,506,298	638,358
Deferred outflows - asset retirement obligation items	12,400	-	-	12,400	-
Deferred outflows - pension items	(641,738)	(346,695)	-	(988,433)	(349,180)
Deferred outflows - OPEB items	2,623	13	-	2,636	13
Increase (decrease) in					
Accounts payable	(714,892)	720,822	205,089	211,019	(45,613)
Accrued payroll	(1,739)	246	(185)	(1,678)	1,617
Deposits payable	32,503	(15)	14,839	47,327	-
Claims payable	-	-	-	-	45,885
Unearned revenue	-	-	6,560	6,560	-
Compensated absences payable	(2,770)	(7,795)	-	(10,565)	23,910
Net pension liability	922,070	384,196	-	1,306,266	384,196
Total OPEB liability	(5,947)	3,021	-	(2,926)	3,021
Deferred inflows related to leases	-	-	(12,756)	(12,756)	-
Deferred inflows related to pensions	(1,185,261)	(528,341)	-	(1,713,602)	(641,874)
Deferred inflows related to OPEB	(21,617)	(4,512)	-	(26,129)	(4,512)
NET CASH FROM OPERATING ACTIVITIES	\$ 4,816,232	\$ 1,626,735	\$ 489,439	\$ 6,932,406	\$ (223,746)
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 3,001,014	\$ 1,222,857	\$ 2,206,072	\$ 6,429,943	\$ 1,710,611
Investments	7,874,805	5,029,791	545,638	13,450,234	4,554,636
	\$ 10,875,819	\$ 6,252,648	\$ 2,751,710	\$ 19,880,177	\$ 6,265,247
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES					
Unrealized gain (loss) on investments	\$ 275,871	\$ 188,412	\$ 13,265	\$ 477,548	\$ 122,788
Change in investment in joint venture	336,940	-	-	336,940	-
TOTAL NONCASH INVESTING AND FINANCING ACTIVITIES	\$ 612,811	\$ 188,412	\$ 13,265	\$ 814,488	\$ 122,788

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

December 31, 2023

	<u>Pension Trust</u>
ASSETS	
Cash and cash equivalents	\$ 4,529,428
Investments, at fair value	
Investments held in the	
Illinois Police Officers' Pension	
Investment Fund	110,867,059
Illinois Firefighters' Pension	
Investment Fund	<u>99,919,310</u>
Total assets	<u>215,315,797</u>
LIABILITIES	
None	<u>-</u>
NET POSITION	
Restricted for pensions	<u>215,315,797</u>
Total net position	<u><u>\$ 215,315,797</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2023

	Pension Trust
ADDITIONS	
Contributions	
Employer	\$ 11,949,872
Employee	2,249,614
Other	1,023
Total contributions	14,200,509
Investment earnings	
Net increase in the fair value of investments	24,378,611
Interest	2,504,246
Total investment earnings	26,882,857
Less investment expense	(254,833)
Net investment earnings	26,628,024
Total additions	40,828,533
DEDUCTIONS	
Administration	37,641
Benefits and refunds	15,709,672
Total deductions	15,747,313
CHANGE IN NET POSITION	25,081,220
NET POSITION	
January 1	190,234,577
December 31	\$ 215,315,797

See accompanying notes to financial statements.

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VILLAGE OF PALATINE, ILLINOIS

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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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VILLAGE OF PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 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.

The 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.

The General Obligation Bond Fund accounts for the repayment of general obligation debt issued for the acquisition of non-Enterprise Fund capital assets.

The 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.

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. Unavailable revenue arises when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenue 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, if 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/Intangible 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

Intangible assets represent the Village's right-to-use software. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of software. These assets are amortized over the shorter of the subscription term or useful life of the underlying asset.

l. Compensated Absences

The Village implemented GASB Statement 101, *Compensated Absences* in 2022. Village policy permits employees to accumulate earned but unused leave including sick leave, vacation, compensatory time, and holiday leave (Police only). The entire balance of vacation, compensatory, and holiday leave are recognized as a liability at year end. Sick leave is recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Compensated Absences (Continued)

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 \$56,232 were uninsured and 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	\$ 52,284,511	\$ 23,672,662	\$ 28,611,849	\$ -	\$ -
Negotiable CDs	4,910,409	2,856,119	2,054,290	-	-
IPRIME LTD Shares	5,228,614	-	5,228,614	-	-
Total	\$ 62,423,534	\$ 26,528,781	\$ 35,894,753	\$ -	\$ -

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 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). The IPRIME LTD Shares are valued based on the fair value of the underlying investments in the fund (Level 3 input).

3. RECEIVABLES

a. Property taxes

Property taxes for 2023 attach as an enforceable lien on January 1, 2023, 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. For 2023, the second installment bills were issued on November 1 and due on November 30. 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 2023 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	\$ 9,060
Ambulance service and fees	500,900
Cable franchise fees	220,900
Food and beverage tax	161,965
Red light violations	2,700
Electric utility tax	170,427
Billed miscellaneous receivables	118,591
Total governmental activities	<u>1,184,543</u>
BUSINESS-TYPE ACTIVITIES	
Billed miscellaneous receivables	28,464
Parking fees	14,190
Sewer loan program	9,949
Total business-type activities	<u>52,603</u>
TOTAL OTHER RECEIVABLES	<u>\$ 1,237,146</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	\$	3,250,619
Home rule sales tax		1,799,029
Loan to park district		384,909
Grants		262,737
Video gaming tax		34,197
Court fines		9,150
Other state sources		52,415
Motor fuel tax allotments		265,043
Telecommunications tax		182,734
Total governmental activities		<u>6,240,833</u>

BUSINESS-TYPE ACTIVITIES

Grants		<u>89,126</u>
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TOTAL DUE FROM OTHER GOVERNMENTS

\$ 6,329,959

4. CAPITAL ASSETS/INTANGIBLE ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances as restated*	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Tangible capital assets not being depreciated				
Land	\$ 11,565,020	\$ -	\$ -	\$ 11,565,020
Land right of way	139,806,925	-	-	139,806,925
Total tangible capital assets not being depreciated	<u>151,371,945</u>	<u>-</u>	<u>-</u>	<u>151,371,945</u>
Tangible capital assets being depreciated				
Buildings and improvements	52,208,475	-	-	52,208,475
Machinery and equipment	13,043,000	2,374,891	594,020	14,823,871
Streets	34,991,650	2,301,847	227,975	37,065,522
Bridges	1,596,735	-	-	1,596,735
Total capital assets being depreciated	<u>101,839,860</u>	<u>4,676,738</u>	<u>821,995</u>	<u>105,694,603</u>
Intangible capital assets being amortized				
Subscription-based IT arrangements	2,509,125	40,569	-	2,549,694
Less accumulated depreciation for tangible capital assets				
Buildings and improvements	18,871,880	1,226,835	-	20,098,715
Machinery and equipment	8,642,520	1,033,000	591,220	9,084,300
Streets	19,055,010	774,890	165,300	19,664,600
Bridges	1,063,055	24,220	-	1,087,275
Total accumulated depreciation	<u>47,632,465</u>	<u>3,058,945</u>	<u>756,520</u>	<u>49,934,890</u>
Less accumulated amortization for intangible capital assets				
Subscription-based IT arrangements	-	265,584	-	265,584
Total tangible and intangible capital assets being depreciated and amortized, net	<u>56,716,520</u>	<u>1,392,778</u>	<u>65,475</u>	<u>58,043,823</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 208,088,465</u>	<u>\$ 1,392,778</u>	<u>\$ 65,475</u>	<u>\$ 209,415,768</u>

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

4. CAPITAL ASSETS/INTANGIBLE ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Tangible capital assets not being depreciated				
Land	\$ 4,858,690	\$ -	\$ -	\$ 4,858,690
Total tangible capital assets not being depreciated	4,858,690	-	-	4,858,690
Tangible capital assets being depreciated				
Equipment	2,838,680	295,360	-	3,134,040
Buildings and improvements	8,206,825	-	-	8,206,825
Water system	36,135,870	3,616,714	40,780	39,711,804
Sewer system	63,530,650	-	-	63,530,650
Parking improvements	15,681,480	-	-	15,681,480
Total tangible capital assets being depreciated	126,393,505	3,912,074	40,780	130,264,799
Less accumulated depreciation for				
Equipment	2,684,180	92,835	-	2,777,015
Buildings and improvements	5,383,090	143,230	-	5,526,320
Water system	13,402,025	850,760	40,780	14,212,005
Sewer system	44,521,135	1,206,235	-	45,727,370
Parking improvements	15,580,405	16,990	-	15,597,395
Total accumulated depreciation	81,570,835	2,310,050	40,780	83,840,105
Total tangible capital assets being depreciated, net	44,822,670	1,602,024	-	46,424,694
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 49,681,360	\$ 1,602,024	\$ -	\$ 51,283,384

*The Village implemented the requirements of GASB Statement no. 96, Subscription-Based Information Technology Arrangements (SBITA), with an effective date of January 1, 2023. The adoption of the Statement resulted in recognizing an intangible right-to-use subscription-based information technology agreements asset and a restatement of the beginning balance of assets for a prepaid subscription with no change in net position of the Village.

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

GOVERNMENTAL ACTIVITIES

General government	\$ 428,445
Public safety	1,467,534
Public works	1,428,550

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3,324,529
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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.

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:

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
GOVERNMENTAL ACTIVITIES						
\$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	\$ 2,285,000	\$ -	\$ 735,000	\$ 1,550,000	\$ 760,000
\$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	-	490,000	975,000	490,000
\$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	2,870,000	-	690,000	2,180,000	710,000
\$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	4,480,000	-	530,000	3,950,000	560,000
\$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 5.000%. Final maturity is December 1, 2034.	General Obligation Bond	18,335,000	-	-	18,335,000	705,000
TOTAL GOVERNMENTAL ACTIVITIES		\$ 29,435,000	\$ -	\$ 2,445,000	\$ 26,990,000	\$ 3,225,000
BUSINESS-TYPE ACTIVITIES						
\$7,165,000 General Obligation Bonds, Series 2015, due in annual installments of \$725,000 to \$2,600,000 with interest at 5.0% to 5.8%. Final maturity is December 1, 2025.	Water Sewerage	\$ 1,980,000	\$ -	\$ 628,000	\$ 1,352,000	\$ 656,000
		495,000	-	157,000	338,000	164,000
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 2,475,000	\$ -	\$ 785,000	\$ 1,690,000	\$ 820,000

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

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

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
2024	\$ 3,225,000	\$ 830,336	\$ 820,000	\$ 74,375
2025	3,325,000	710,176	870,000	32,750
2026	2,660,000	581,556	-	-
2027	2,015,000	463,456	-	-
2028	2,100,000	362,706	-	-
2029 - 2033	11,260,000	963,381	-	-
2034	2,405,000	51,106	-	-
Total	\$ 26,990,000	\$ 3,962,717	\$ 1,690,000	\$ 107,125

b. Tax Increment Financing Revenue Bonds and Notes

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

These bonds and notes are secured only by the incremental property tax revenues generated by the tax increment financing district.

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	\$ 31,682	\$ -	\$ 31,682	\$ -	\$ -

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

5. LONG-TERM DEBT (Continued)

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.

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. On December 31, 2023, there remained \$17,614 of unpaid principal that was forgiven.

e. Summary of Changes in Long-Term Liabilities

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 29,435,000	\$ -	\$ 2,445,000	\$ 26,990,000	\$ 3,225,000
TIF notes	31,682	-	31,682	-	-
Claims payable	804,995	789,870	801,975	792,890	-
SBITA payable	-	40,569	8,229	32,340	20,225
Net pension liability*	136,161,188	-	1,944,699	134,216,489	-
Total OPEB liability*	10,362,217	1,361,695	509,075	11,214,837	527,041
Compensated absences**	2,130,585	255,235	-	2,385,820	477,164
Total	178,925,667	2,447,369	5,740,660	175,632,376	4,249,430
Less deferred amounts					
Unamortized bond discount	(5,080)	1,275	-	(3,805)	-
Unamortized bond premium	1,580,394	-	186,460	1,393,934	-
Total deferred amounts	1,575,314	1,275	186,460	1,390,129	-
TOTAL GOVERNMENTAL ACTIVITIES	\$180,500,981	\$ 2,448,644	\$ 5,927,120	\$177,022,505	\$ 4,249,430

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

** The amount displayed as additions or reductions represents the net change in the liability.

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

5. LONG-TERM DEBT (Continued)

e. 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	\$ 1,980,000	\$ -	\$ 628,000	\$ 1,352,000	\$ 656,000
Sewer Fund	495,000	-	157,000	338,000	164,000
Asset retirement obligation					
Water Fund	1,200,750	-	-	1,200,750	-
Net pension liability					
Water Fund	-	922,070	-	922,070	-
Sewer Fund	-	384,196	-	384,196	-
Total OPEB liability					
Water Fund	153,225	17,882	23,829	147,278	6,921
Sewer Fund	51,780	6,654	3,633	54,801	2,575
Compensated absences**					
Water Fund	103,165	-	2,770	100,395	20,080
Sewer Fund	38,680	-	7,795	30,885	6,180
Total	4,022,600	1,330,802	823,027	4,530,375	855,756
Less deferred amounts					
Unamortized bond premium	297,900	-	102,145	195,755	-
Total deferred amounts	297,900	-	102,145	195,755	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,320,500	\$ 1,330,802	\$ 925,172	\$ 4,726,130	\$ 855,756

f. Subscription-Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the Village's SBITA activity is as follows:

As of July 18, 2023, the Village entered a subscription-based information technology arrangement (SBITA) with a vendor for its citation issuance and adjudication system. The arrangement is for two years, after which both the Village and the vendor may mutually agree to extend the contract with one-year renewals. At December 31, 2023, the Village reported a corresponding SBITA asset and liability in the amount of \$32,340. Principal reduction and amortization of \$8,229 was reported for the year ended December 31, 2023.

As of November 11, 2022, the Village entered a subscription-based information technology arrangement (SBITA) with a vendor for its bodycam and in-car video system. The arrangement is for ten years. The entire amount of the contract was paid at inception. At December 31, 2023, the Village reported a corresponding SBITA asset in the amount of \$2,251,770. Amortization of \$257,355 was reported for the year ended December 31, 2023.

5. LONG-TERM DEBT (Continued)

f. Subscription-Based Information Technology Arrangements (Continued)

Obligations of governmental activities under SBITA payable, typically paid from the General fund, including future interest payments at year end are as follows:

Year Ending December 31	SBITA	
	Principal	Interest
2024	\$ 20,225	\$ 775
2025	12,115	136
Total	<u>\$ 32,340</u>	<u>\$ 911</u>

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%.

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%.

6. LESSOR DISCLOSURES (Continued)

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, through July 2023. The lease was extended for an additional 5 years. Payments ranging from \$10,667 to \$11,545 are due to the Village in monthly installments, through July 2028. The lease agreement is noncancelable and maintains an interest rate of 3.35%.

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 \$290,527 and interest revenue of \$149,342 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.

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

7. RISK MANAGEMENT (Continued)

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, 2021	\$ 880,040	\$ 244,940	\$ 1,124,980
Claims incurred - 2022	357,739	374,119	731,858
Claims payments - 2022	578,064	263,404	841,468
UNPAID CLAIMS,			
DECEMBER 31, 2022	659,715	355,655	1,015,370
Claims incurred - 2023	473,033	646,266	1,119,299
Claims payments - 2023	467,623	605,791	1,073,414
UNPAID CLAIMS,			
DECEMBER 31, 2023	\$ 665,125	\$ 396,130	\$ 1,061,255

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental and nonprofit public service entities. IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

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.

8. CONTINGENT LIABILITIES (Continued)

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 \$3,454,685 through December 31, 2024. 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 2024 payment for operations and maintenance costs is \$1,591,912, based on an estimated tipping fee of \$61.07 per ton for 26,067 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.

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 \$67,136.

9. TAX ABATEMENTS (Continued)

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 \$388,846.

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 96 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.

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.

11. JOINT VENTURES (Continued)

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

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 \$1,351,867 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.

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.

11. JOINT VENTURES (Continued)

Northwest Water Commission (NWC) (Continued)

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 \$3,024,343 to NWC during the year, net of a \$287,000 rebate. The Village's equity interest in NWC was \$15,408,440 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.

12. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Major governmental General	Nonmajor governmental Special Police Grant	\$ 23,061

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

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

12. INDIVIDUAL FUND DISCLOSURES (Continued)

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

Transfer Out Fund	Transfer In Fund	Amount
General	Debt Service	\$ 13,542,000
ARPA	General	576,532
Waterworks	Capital Equipment	325,500
Sewerage	Capital Equipment	325,500
Refuse	Capital Improvement	45,000
	Total	<u>\$ 14,814,532</u>

The General Fund transfer was to fund a Debt Service Reserve. The ARPA Fund transfer was to reallocate non-program income. The Waterworks, Sewerage, and Refuse transfers were to provide funding for capital equipment and improvements. These relate to the 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	67
Inactive plan members entitled to but not yet receiving benefits	-
Active employees	<u>286</u>
	<u>353</u>

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Membership (Continued)

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 \$11,416,916 was measured as of December 31, 2023.

Actuarial Assumptions and Other Inputs

Actuarial cost method	Entry-age normal
Assumptions	
Total payroll increases	3.00%
Discount rate	
Beginning of year	3.72%
End of year	3.26%
Healthcare cost trend rates	
Initial	6.00%
Ultimate	5.00%

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.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at beginning of the year	\$ 10,567,222
Changes for the period	
Service cost	656,271
Interest	383,121
Actuarial experience	-
Changes in assumptions	346,839
Plan changes	-
Benefit payments	<u>(536,537)</u>
Net changes	<u>849,694</u>
Balance at end of the year	<u>\$ 11,416,916</u>

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 3.72% to 3.26% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. Additionally, the expected increases in medical costs assumption was revised to better reflect the future anticipated experience of the system.

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 (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$ 12,196,978	\$ 11,416,916	\$ 10,673,660

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:

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

	1% Decrease (Varies)	Current Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 10,104,038	\$ 11,416,916	\$ 12,965,222

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

For the year, the Village recognized OPEB expense of \$557,044. 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	\$ -	\$ 4,456,634
Changes in assumptions	1,981,470	1,882,166
Total	\$ 1,981,470	\$ 6,338,800

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

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	
2024	\$ (482,348)
2025	(482,348)
2026	(482,348)
2027	(482,348)
2028	(456,685)
Thereafter	(1,971,253)
Total	\$ (4,357,330)

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.

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF	PPERS	FPERS	Total
Net pension liability	\$ 7,683,916	\$ 64,200,026	\$ 63,638,813	\$ 135,522,755
Deferred outflows of resources	8,265,511	16,873,236	14,875,765	40,014,512
Deferred inflows of resources	509,276	2,060,589	2,630,422	5,200,287
Pension expense (income)	1,066,238	6,472,354	7,587,757	15,126,349

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, 2022 (latest information available), membership consisted of:

Inactive plan members currently receiving benefits	216
Inactive plan members entitled to but not yet receiving benefits	116
Active employees	<u>129</u>
	<u>461</u>

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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.

Contributions

Participating members are required to contribute 4.50% 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 2023 was 7.70% 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, 2022
Actuarial cost method	Entry-age normal
Asset valuation method	Fair value
Inflation	2.25%
Salary increases	2.85% - 13.75%
Interest rate	7.25%

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions (Continued)

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

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 4.05% (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%.

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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	\$ 88,658,418	\$ 97,962,847	\$ (9,304,429)
Changes for the period			
Service cost	1,083,163	-	1,083,163
Interest	6,308,906	-	6,308,906
Difference between expected and actual experience	(687,186)	-	(687,186)
Changes in assumptions	-	-	-
Employer contributions	-	1,050,063	(1,050,063)
Employee contributions	-	557,613	(557,613)
Net investment income	-	(12,173,513)	12,173,513
Benefit payments and refunds	(4,361,221)	(4,361,221)	-
Other (net transfer)	-	282,375	(282,375)
Net changes	2,343,662	(14,644,683)	16,988,345
Balances at end of the year	\$ 91,002,080	\$ 83,318,164	\$ 7,683,916

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

The tax-exempt municipal bond rate was changed from 1.84% to 4.05% 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/asset 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/asset 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)	\$ 18,283,462	\$ 7,683,916	\$ (763,434)

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

For the year, the Village recognized IMRF pension expense (income) of \$1,066,238. 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	\$ 609,719	\$ 460,002
Changes in assumptions	-	49,274
Net difference between projected and actual earnings on pension plan investments	6,743,631	-
Employer contributions after the measurement date	912,161	-
Total	<u>\$ 8,265,511</u>	<u>\$ 509,276</u>

The \$912,161 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.

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	
2024	\$ (141,455)
2025	958,620
2026	2,189,662
2027	3,837,247
2028	-
Thereafter	-
Total	<u>\$ 6,844,074</u>

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Plan Membership

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

Inactive plan members currently receiving benefits	105
Inactive plan members entitled to but not yet receiving benefits	8
Active employees	<u>110</u>
	<u>223</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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Benefits Provided (Continued)

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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

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 49.63% of covered payroll.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The PPERS retains its available cash. Available cash is determined to be the amount which is required for the current expenditures of the PPERS. Any excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the PPERS.

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.

Investments

Investments of the PPERS are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

Fair Value Measurement

The PPERS categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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. The PPERS held no investments subject to fair value measurement at year end.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Net Asset Value

The Net Asset Value (NAV) of the PPERS' pooled investment in IPOPIF was \$110,867,059 at year end. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year end. The PPERS may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Investment Rate of Return

For the year, the annual money-weighted rate of return on PPERS investments, net of investment expense, was 13.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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	\$ 168,618,311	\$ 100,841,066	\$ 67,777,245
Changes for the period			
Service cost	2,599,727	-	2,599,727
Interest	11,520,828	-	11,520,828
Difference between expected and actual experience	2,631,699	-	2,631,699
Changes in assumptions	60,298	-	60,298
Changes in benefit terms	-	-	-
Employer contributions	-	5,962,356	(5,962,356)
Employee contributions	-	1,231,902	(1,231,902)
Net investment income	-	13,211,148	(13,211,148)
Benefit payments and refunds	(8,071,242)	(8,071,242)	-
Other (net transfer)	-	(15,635)	15,635
Net changes	8,741,310	12,318,529	(3,577,219)
Balances at end of the year	\$ 177,359,621	\$ 113,159,595	\$ 64,200,026

Plan fiduciary net position as a percentage of the total pension liability 63.80%

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 3.72% to 3.26% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Actuarial Assumptions

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Economic assumptions	
Discount rate used for the Total Pension Liability	7.00%
Expected rate of return on investments	7.00%
High-Quality 20 Year tax exempt GO Bond Rate	3.26%
Projected individual pay increases	3.75% - 10.18%
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.

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% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and disabled members – Based on actual spouse data.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 90,647,853	\$ 64,200,026	\$ 42,806,654

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

For the year, the Village recognized PPERS pension expense of \$6,472,354 and reported deferred outflows of resources and deferred inflows of resources related to PPERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,640,192	\$ 2,059,919
Changes in assumptions	5,598,526	670
Net difference between projected and actual earnings on pension plan investments	5,634,518	-
Total	\$ 16,873,236	\$ 2,060,589

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	
2024	\$ 3,156,056
2025	4,288,402
2026	5,735,320
2027	233,542
2028	1,158,318
Thereafter	241,009
Total	\$ 14,812,647

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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	93
Inactive plan members entitled to but not yet receiving benefits	4
Active employees	91
	<hr/>
	188
	<hr/>
Number of participating employers	1
	<hr/>

Benefits Provided

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Benefits Provided (Continued)

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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st 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 58.98% of covered payroll.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Deposits with Financial Institutions

The FPERS retains all of its available cash. Available cash is determined to be the amount which is required for the current expenditures of the FPERS. Excess available cash is required to be transferred to IFPIF for the purposes of the long-term investment for the FPERS.

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.

Investments

Investments of the FPERS are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

Fair Value Measurement

The FPERS categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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. The FPERS held no investments subject to fair value measurement at year end.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Net Asset Value

The Net Asset Value (NAV) of the FPERS' pooled investment in IFPIF was \$99,919,310 at year end. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year end. The FPERS may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

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 15.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, FPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on FPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (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	\$ 157,777,454	\$ 89,393,511	\$ 68,383,943
Changes for the period			
Service cost	2,456,378	-	2,456,378
Interest	10,777,419	-	10,777,419
Difference between expected and actual experience	2,422,194	-	2,422,194
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,987,516	(5,987,516)
Employee contributions	-	1,017,712	(1,017,712)
Net investment income	-	13,416,876	(13,416,876)
Benefit payments and refunds	(7,638,430)	(7,638,430)	-
Other (net transfer)	-	(20,983)	20,983
Net changes	8,017,561	12,762,691	(4,745,130)
Balances at end of the year	\$ 165,795,015	\$ 102,156,202	\$ 63,638,813

Plan fiduciary net position as a percentage of the total pension liability 61.62%

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 3.72% to 3.26% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Actuarial Assumptions

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Economic assumptions	
Discount rate used for the Total Pension Liability	7.00%
Expected rate of return on investments	7.00%
High-Quality 20 Year tax exempt GO Bond Rate	3.26%
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.

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% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and disabled members – Based on actual spouse data.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 86,482,546	\$ 63,638,813	\$ 44,874,895

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

For the year, the Village recognized FPERS pension expense of \$7,587,757 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	\$ 4,778,409	\$ 2,627,556
Changes in assumptions	3,915,766	2,866
Net difference between projected and actual earnings on pension plan investments	6,181,590	-
Total	\$ 14,875,765	\$ 2,630,422

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

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 (Continued)

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	
2024	\$ 2,914,335
2025	4,089,136
2026	4,275,244
2027	(210,497)
2028	960,267
Thereafter	<u>216,858</u>
Total	<u>\$ 12,245,343</u>

15. PENSION TRUST FUNDS

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,292,536	\$ 2,236,892	\$ 4,529,428
Investments, at fair value			
Investments held in the Illinois Police Officers' Pension Investment Fund	110,867,059	-	110,867,059
Illinois Firefighters' Pension Investment Fund	-	99,919,310	99,919,310
Total assets	<u>113,159,595</u>	<u>102,156,202</u>	<u>215,315,797</u>
LIABILITIES			
None	-	-	-
NET POSITION			
Restricted for pensions	<u>\$ 113,159,595</u>	<u>\$ 102,156,202</u>	<u>\$ 215,315,797</u>

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	\$ 5,962,356	\$ 5,987,516	\$ 11,949,872
Employee	1,231,902	1,017,712	2,249,614
Other	1,023	-	1,023
Total contributions	7,195,281	7,005,228	14,200,509
Investment earnings			
Net increase in the fair value of investments	12,589,016	11,789,595	24,378,611
Interest	775,506	1,728,740	2,504,246
Total investment earnings	13,364,522	13,518,335	26,882,857
Less investment expense	(153,374)	(101,459)	(254,833)
Net investment earnings	13,211,148	13,416,876	26,628,024
Total additions	20,406,429	20,422,104	40,828,533
DEDUCTIONS			
Administration	16,658	20,983	37,641
Benefits and refunds			
Retirement benefits	7,851,330	7,626,273	15,477,603
Refunds of contributions	219,912	12,157	232,069
Total deductions	8,087,900	7,659,413	15,747,313
CHANGE IN NET POSITION	12,318,529	12,762,691	25,081,220
NET POSITION			
January 1	100,841,066	89,393,511	190,234,577
December 31	\$ 113,159,595	\$ 102,156,202	\$ 215,315,797

16. CHANGE IN ACCOUNTING PRINCIPLE

The Village adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

In 2022, the Village entered a ten-year subscription-based information technology arrangement (SBITA) with a vendor for its bodycam and in-car video system. The entire amount of the contract was paid at inception. At December 31, 2022, the Village reported a prepaid asset in the amount of \$2,509,125. This prepaid asset was restated as an intangible capital asset as of January 1, 2023.

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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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 29,282,678	\$ 29,282,678	\$ 29,185,088
Licenses and permits	2,337,000	2,337,000	3,076,218
Intergovernmental	27,754,050	28,129,220	29,570,122
Charges for services	5,470,775	6,963,425	7,887,115
Fines and forfeits	2,232,000	2,232,000	1,073,380
Investment income	100,000	100,000	1,636,918
Miscellaneous	445,000	459,425	695,785
Total revenues	67,621,503	69,503,748	73,124,626
EXPENDITURES			
General government	5,781,055	5,444,286	4,963,140
Public safety	52,314,868	54,532,896	52,950,598
Public works	7,599,425	7,767,157	6,886,501
Total expenditures	65,695,348	67,744,339	64,800,239
EXCESS OF REVENUES OVER EXPENDITURES	1,926,155	1,759,409	8,324,387
OTHER FINANCING SOURCES (USES)			
Issuance of SBITA	-	-	40,569
Transfers in	-	576,532	576,532
Transfers (out)	(1,642,000)	(13,542,000)	(13,542,000)
Total other financing sources (uses)	(1,642,000)	(12,965,468)	(12,924,899)
NET CHANGE IN FUND BALANCE	\$ 284,155	\$ (11,206,059)	(4,600,512)
FUND BALANCE, JANUARY 1			40,873,709
FUND BALANCE, DECEMBER 31			\$ 36,273,197

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 7,600,000	\$ 7,600,000	\$ 7,458,488
Investment income	2,500	2,500	740,388
Miscellaneous			
Miscellaneous	-	-	1,036,000
Total revenues	7,602,500	7,602,500	9,234,876
EXPENDITURES			
Economic development			
Supplies and services	10,000	172,884	72,957
Project expenditures	-	486,236	142,481
Capital outlay			
Buildings and facilities	715,000	203,617	54,262
Street improvements	1,500,000	1,502,623	71,360
Flood control	3,500,000	150,134	150,134
Debt service			
Principal retirement	15,000	15,000	14,068
Total expenditures	5,740,000	2,530,494	505,262
NET CHANGE IN FUND BALANCE	\$ 1,862,500	\$ 5,072,006	8,729,614
FUND BALANCE, JANUARY 1			14,853,961
FUND BALANCE, DECEMBER 31			\$ 23,583,575

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ -	\$ 2,247,937	\$ 2,247,937
Investment income	-	576,532	411,837
Total revenues	-	2,824,469	2,659,774
EXPENDITURES			
Capital outlay			
Technology	-	240,763	240,763
Buildings and facilities	-	81,928	81,928
Vehicles and equipment	-	1,925,246	1,925,246
Total expenditures	-	2,247,937	2,247,937
EXCESS OF REVENUES OVER EXPENDITURES	-	576,532	411,837
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(576,532)	(576,532)
Total other financing sources	-	(576,532)	(576,532)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(164,695)
FUND BALANCE, JANUARY 1			164,695
FUND BALANCE, DECEMBER 31			\$ -

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

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	21-year closed period until remaining period reaches 15 years
Asset valuation method	5-year smoothed fair value; 20% corridor
Inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale 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.

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

(See independent auditor's report.)

	2018	2019	2020	2021	2022	2023
\$	1,236,724	\$ 1,072,435	\$ 1,346,507	\$ 1,393,340	\$ 1,050,063	\$ 912,161
	1,236,724	1,072,435	1,346,507	1,393,340	1,050,063	912,161
	-	-	-	-	-	-
	10,772,855	10,976,825	11,230,254	11,611,171	11,278,873	11,846,230
	11.48%	9.77%	11.99%	12.00%	9.31%	7.70%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

Calendar Year	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 2,948,599	\$ 3,038,973	\$ 3,441,579	\$ 4,075,790
Actual Contribution	2,951,135	3,371,172	3,538,272	4,043,020
Contribution Deficiency/(Excess)	(2,536)	(332,199)	(96,693)	32,770
Covered Valuation Payroll	10,057,662	10,205,207	10,358,270	10,849,076
Actual Contribution as a Percentage of Covered Valuation Payroll	29.34%	33.03%	34.16%	37.27%

Notes to the required supplementary information for the 2023 contributions:

Valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 20 years
Asset valuation method	5-year smoothed fair value; 20% corridor
Inflation	2.25%
Salary increases	3.25%
Individual pay increases	3.75% - 15.35%
Investment rate of return	7.00%
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.
Mortality rates - Disabled	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.
Mortality rates - Spouse	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.
Marital assumptions	<i>Active Members:</i> 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses. <i>Retiree and Disabled Members:</i> Actual spousal data was utilized for retiree and disabled Members.
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.)

	2018		2019		2020		2021		2022		2023
\$	4,307,574	\$	4,397,183	\$	4,700,943	\$	5,638,311	\$	5,428,437	\$	5,445,509
	4,322,198		4,771,486		5,364,713		5,719,861		6,221,185		5,962,356
	(14,624)		(374,303)		(663,770)		(81,550)		(792,748)		(516,847)
	10,871,318		10,997,170		11,127,415		11,327,263		11,471,798		12,012,482
	39.76%		43.39%		48.21%		50.50%		54.23%		49.63%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

Calendar Year	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 3,091,300	\$ 3,238,069	\$ 3,254,943	\$ 3,911,411
Actual Contribution	3,098,007	3,620,989	3,660,137	4,629,680
Contribution Deficiency/(Excess)	(6,707)	(382,920)	(405,194)	(718,269)
Covered Valuation Payroll	8,744,586	8,905,763	9,137,439	9,245,367
Actual Contribution as a Percentage of Covered Valuation Payroll	35.43%	40.66%	40.06%	50.08%

Notes to the required supplementary information for the 2023 contributions:

Valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 20 years
Asset valuation method	5-year smoothed fair value; 20% corridor
Inflation	2.25%
Salary increases	3.25%
Individual pay increases	3.75% - 36.05%
Investment rate of return	7.00%
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.
Mortality rates - Disabled	L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the 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.
Mortality rates - Spouse	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.
Marital assumptions	<i>Active Members:</i> 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses. <i>Retiree and Disabled Members:</i> Actual spousal data was utilized for retiree and disabled Members.
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.)

	2018		2019		2020		2021		2022		2023
\$	4,596,932	\$	4,654,347	\$	4,935,330	\$	5,482,655	\$	5,551,876	\$	5,470,821
	4,675,335		5,205,407		5,608,868		5,563,796		8,343,615		5,987,516
	(78,403)		(551,060)		(673,538)		(81,141)		(2,791,739)		(516,695)
	9,508,556		9,877,339		9,706,278		9,968,244		10,205,711		10,151,428
	49.17%		52.70%		57.79%		55.82%		81.75%		58.98%

(See independent auditor's report.)

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
TOTAL OPEB LIABILITY			
Service cost	\$ 719,981	\$ 657,670	\$ 819,775
Interest	438,629	510,011	414,399
Changes to benefit terms	-	-	-
Differences between expected and actual experience	-	-	(3,326,163)
Changes of assumptions	(856,449)	2,088,140	890,690
Benefit payments, including refunds of member contributions	(573,712)	(639,070)	(501,543)
Net change in total OPEB liability	(271,551)	2,616,751	(1,702,842)
Total OPEB liability			
Beginning	13,029,621	12,758,070	15,374,821
Ending	\$ 12,758,070	\$ 15,374,821	\$ 13,671,979
Covered-employee payroll	\$ 27,077,166	\$ 27,780,330	\$ 28,273,958
Employer's net OPEB liability as a percentage of covered-employee payroll	47.12%	55.34%	48.36%

Notes to the required supplementary information:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this plan.

(See independent auditor's report.)

	2021	2022	2023
\$	977,864	\$ 1,009,959	\$ 656,271
	284,910	291,531	383,121
	-	-	-
	-	(2,874,757)	-
	(63,325)	(1,757,693)	346,839
	(465,583)	(507,663)	(536,537)
	733,866	(3,838,623)	849,694
	13,671,979	14,405,845	10,567,222
\$	14,405,845	\$ 10,567,222	\$ 11,416,916
\$	28,353,996	\$ 30,571,858	\$ 31,916,313
	50.81%	34.57%	35.77%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

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

Last Ten Fiscal Years
(schedule to be built prospectively)

<i>Valuation/Measurement Date</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
<i>Calendar Year</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
TOTAL PENSION LIABILITY				
Service cost	\$ 1,135,095	\$ 1,157,484	\$ 1,134,861	\$ 1,024,994
Interest	4,821,993	5,043,039	5,178,562	5,298,581
Differences between expected and actual experience	(422,884)	(1,422,863)	922,845	939,544
Changes of assumptions	172,219	(262,779)	(2,317,207)	2,205,814
Benefit payments, including refunds of member contributions	(2,472,221)	(2,700,058)	(3,233,210)	(3,294,551)
Net change in total pension liability	3,234,202	1,814,823	1,685,851	6,174,382
Total pension liability				
Beginning	65,047,647	68,281,849	70,096,672	71,782,523
Ending	\$ 68,281,849	\$ 70,096,672	\$ 71,782,523	\$ 77,956,905
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 1,326,807	\$ 1,359,414	\$ 1,286,486	\$ 1,236,724
Contributions - member	486,317	479,022	475,499	494,998
Net investment income	296,437	4,059,760	10,497,805	(3,659,634)
Benefit payments, including refunds of member contributions	(2,472,221)	(2,700,058)	(3,233,210)	(3,294,551)
Other	(579,310)	214,489	(1,090,449)	1,611,824
Net change in plan fiduciary net position	(941,970)	3,412,627	7,936,131	(3,610,639)
Plan fiduciary net position				
Beginning	59,616,939	58,674,969	62,087,596	70,023,727
Ending	\$ 58,674,969	\$ 62,087,596	\$ 70,023,727	\$ 66,413,088
EMPLOYER'S NET PENSION LIABILITY/(ASSET)	\$ 9,606,880	\$ 8,009,076	\$ 1,758,796	\$ 11,543,817
Plan fiduciary net position as a percentage of the total pension liability	85.93%	88.57%	97.55%	85.19%
Covered payroll	\$ 10,563,758	\$ 10,630,398	\$ 10,452,192	\$ 10,772,855
Employer's net pension liability/(asset) as a percentage of covered payroll	90.94%	75.34%	16.83%	107.16%

(See independent auditor's report.)

<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>

\$ 1,097,251	\$ 1,130,613	\$ 1,075,860	\$ 1,083,163
5,560,012	5,826,652	5,984,758	6,308,906
822,768	108,059	1,658,086	(687,186)
-	(783,224)	-	-
(3,631,408)	(4,006,432)	(4,141,482)	(4,361,221)
3,848,623	2,275,668	4,577,222	2,343,662
77,956,905	81,805,528	84,081,196	88,658,418
\$ 81,805,528	\$ 84,081,196	\$ 88,658,418	\$ 91,002,080

\$ 1,072,435	\$ 1,346,507	\$ 1,393,340	\$ 1,050,063
493,955	548,467	522,502	557,613
12,298,754	10,935,116	14,359,845	(12,173,513)
(3,631,408)	(4,006,432)	(4,141,482)	(4,361,221)
260,867	322,941	(225,648)	282,375
10,494,603	9,146,599	11,908,557	(14,644,683)
66,413,088	76,907,691	86,054,290	97,962,847
\$ 76,907,691	\$ 86,054,290	\$ 97,962,847	\$ 83,318,164
\$ 4,897,837	\$ (1,973,094)	\$ (9,304,429)	\$ 7,683,916

94.01% 102.35% 110.49% 91.56%

\$ 10,976,825 \$ 11,230,254 \$ 11,611,171 \$ 11,278,873

44.62% -17.57% -80.13% 68.13%

(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	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 2,015,249	\$ 2,107,038	\$ 2,135,476	\$ 2,290,298
Interest	7,633,547	8,334,207	8,262,326	8,777,152
Changes to benefit terms	-	-	-	-
Differences between expected and actual experience	550,745	(4,910,367)	1,524,716	1,720,631
Changes of assumptions	7,001,248	(2,119,085)	(4,940)	-
Benefit payments, including refunds of member contributions	(3,866,026)	(4,187,653)	(4,618,864)	(5,014,198)
Net change in total pension liability	13,334,763	(775,860)	7,298,714	7,773,883
Total pension liability				
Beginning	103,713,646	117,048,409	116,272,549	123,571,263
Ending	\$ 117,048,409	\$ 116,272,549	\$ 123,571,263	\$ 131,345,146
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 3,371,172	\$ 3,538,272	\$ 4,043,020	\$ 4,322,198
Contributions - member	1,034,219	1,055,702	1,048,695	1,077,694
Net investment income	(209,305)	4,490,541	9,547,991	(5,144,043)
Benefit payments, including refunds of member contributions	(3,866,026)	(4,187,653)	(4,618,864)	(5,014,198)
Other	(35,446)	(48,430)	(23,802)	67,323
Net change in total pension liability	294,614	4,848,432	9,997,040	(4,691,026)
Plan net position				
Beginning	62,236,359	62,530,973	67,379,405	77,376,445
Ending	\$ 62,530,973	\$ 67,379,405	\$ 77,376,445	\$ 72,685,419
EMPLOYER'S NET PENSION LIABILITY	\$ 54,517,436	\$ 48,893,144	\$ 46,194,818	\$ 58,659,727
Plan fiduciary net position as a percentage of the total pension liability	53.42%	57.95%	62.62%	55.34%
Covered payroll	\$ 10,205,207	\$ 10,358,270	\$ 10,849,076	\$ 10,871,318
Employer's net pension liability as a percentage of covered payroll	534.21%	472.02%	425.79%	539.58%

(See independent auditor's report.)

	2019	2020	2021	2022	2023
\$	2,233,157	\$ 2,385,236	\$ 2,383,728	\$ 2,447,261	\$ 2,599,727
	9,322,558	10,250,927	10,379,255	10,902,536	11,520,828
	624,567	-	-	(93,175)	-
	1,682,132	(599,585)	(2,472,651)	3,110,405	2,631,699
	4,733,370	-	-	5,532,349	60,298
	(5,516,268)	(6,276,335)	(6,493,016)	(7,263,286)	(8,071,242)
	13,079,516	5,760,243	3,797,316	14,636,090	8,741,310
	131,345,146	144,424,662	150,184,905	153,982,221	168,618,311
\$	144,424,662	\$ 150,184,905	\$ 153,982,221	\$ 168,618,311	\$ 177,359,621

\$	4,771,486	\$ 5,364,713	\$ 5,719,861	\$ 6,221,185	\$ 5,962,356
	1,145,375	1,188,697	1,185,100	1,435,595	1,231,902
	15,742,283	11,192,237	16,298,601	(16,712,527)	13,211,148
	(5,516,268)	(6,276,335)	(6,493,016)	(7,263,286)	(8,071,242)
	(16,500)	(13,975)	199,921	(17,500)	(15,635)
	16,126,376	11,455,337	16,910,467	(16,336,533)	12,318,529
	72,685,419	88,811,795	100,267,132	117,177,599	100,841,066
\$	88,811,795	\$ 100,267,132	\$ 117,177,599	\$ 100,841,066	\$ 113,159,595
\$	55,612,867	\$ 49,917,773	\$ 36,804,622	\$ 67,777,245	\$ 64,200,026

	61.49%	66.76%	76.10%	59.80%	63.80%
\$	10,997,170	\$ 11,218,955	\$ 11,914,392	\$ 11,796,852	\$ 12,430,855
	505.70%	444.94%	308.91%	574.54%	516.46%

(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	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 1,980,545	\$ 2,045,539	\$ 2,027,295	\$ 2,174,274
Interest	7,087,978	7,740,742	8,210,890	8,621,323
Changes to benefit terms	-	-	-	-
Differences between expected and actual experience	4,554	1,035,715	418,362	994,849
Changes of assumptions	7,553,761	328,856	-	(11,224)
Benefit payments, including refunds of member contributions	(4,215,646)	(4,513,084)	(4,818,995)	(5,171,821)
Net change in total pension liability	12,411,192	6,637,768	5,837,552	6,607,401
Total pension liability				
Beginning	96,614,199	109,025,391	115,663,159	121,500,711
Ending	\$ 109,025,391	\$ 115,663,159	\$ 121,500,711	\$ 128,108,112
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 3,620,989	\$ 3,660,137	\$ 4,629,680	\$ 4,675,335
Contributions - member	857,036	899,896	886,245	905,175
Net investment income	(1,071,694)	4,226,592	9,065,572	(4,380,191)
Benefit payments, including refunds of member contributions	(4,215,646)	(4,513,084)	(4,818,995)	(5,171,822)
Other	(13,377)	(14,181)	(11,665)	62,362
Net change in total pension liability	(822,692)	4,259,360	9,750,837	(3,909,141)
Plan net position				
Beginning	59,625,411	58,802,719	63,062,079	72,812,916
Ending	\$ 58,802,719	\$ 63,062,079	\$ 72,812,916	\$ 68,903,775
EMPLOYER'S NET PENSION LIABILITY	\$ 50,222,672	\$ 52,601,080	\$ 48,687,795	\$ 59,204,337
Plan fiduciary net position as a percentage of the total pension liability	53.93%	54.52%	59.93%	53.79%
Covered payroll	\$ 8,905,763	\$ 9,137,439	\$ 9,245,367	\$ 9,508,556
Employer's net pension liability as a percentage of covered payroll	563.93%	575.67%	526.62%	622.64%

(See independent auditor's report.)

	2019	2020	2021	2022	2023
\$	2,182,763	\$ 2,337,486	\$ 2,348,003	\$ 2,313,500	\$ 2,456,378
	9,085,806	9,733,994	9,749,927	10,277,176	10,777,419
	704,741	-	-	(143,917)	-
	745,112	1,065,786	(4,475,390)	2,339,793	2,422,194
	1,518,292	-	-	4,838,686	-
	(5,573,297)	(5,899,592)	(6,389,135)	(7,090,392)	(7,638,430)
	8,663,417	7,237,674	1,233,405	12,534,846	8,017,561
	128,108,112	136,771,529	144,009,203	145,242,608	157,777,454
\$	136,771,529	\$ 144,009,203	\$ 145,242,608	\$ 157,777,454	\$ 165,795,015

\$	5,205,407	\$ 5,608,868	\$ 5,563,796	\$ 8,343,615	\$ 5,987,516
	940,243	962,993	999,524	1,057,570	1,017,712
	12,209,428	11,448,837	8,454,382	(15,305,426)	13,416,876
	(5,573,297)	(5,899,592)	(6,389,135)	(7,090,392)	(7,638,430)
	(18,068)	(12,808)	4,260	(20,469)	(20,983)
	12,763,713	12,108,298	8,632,827	(13,015,102)	12,762,691
	68,903,775	81,667,488	93,775,786	102,408,613	89,393,511
\$	81,667,488	\$ 93,775,786	\$ 102,408,613	\$ 89,393,511	\$ 102,156,202
\$	55,104,041	\$ 50,233,417	\$ 42,833,995	\$ 68,383,943	\$ 63,638,813

	59.71%	65.12%	70.51%	56.66%	61.62%
\$	9,877,339	\$ 10,768,480	\$ 11,215,725	\$ 10,934,974	\$ 11,190,113
	557.88%	466.49%	381.91%	625.37%	568.71%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

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%
2022	-14.23%	-14.86%
2023	13.06%	15.01%

(See independent auditor's report.)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

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. 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 3.72% to 3.26% 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.

IMRF

The long-term municipal bond rate was changed from 1.84% to 4.05% based on the *"Fidelity 20-Year Municipal GO AA Index"* as of the measurement date.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

c. Changes In Actuarial Assumptions (Continued)

PPERS

The assumed rate on High Quality 20-Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 3.72% to 3.26% 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.

FPERS

The assumed rate on High Quality 20-Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 3.72% to 3.26% 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.

d. Changes In Benefits

OPEB

There were no benefit changes that impacted the OPEB.

IMRF

There were no benefit changes that impacted the IMRF.

PPERS

Effective January 1, 2023, a surviving spouse of a deceased police retiree may be eligible for a survivor's pension of up to 15 years of benefit payments if (a) the surviving spouse has attained age 62 and (b) if the police officer was married to the surviving spouse after retirement, and for at least 5 years prior to the officer's death. Previously, there was no survivor's pension for spouses married after retirement. In the Village's opinion, under a prudent interpretation of the provisions, it believes the impact to be de minimis. The Village has not made an administrative interpretation as to how the provisions of the Act will impact future surviving spouses. Due to the uncertainty around the interpretation and the expected de minimis impact, this contingency has not been valued separately for active Members.

FPERS

There were no benefit changes that impacted the FPERS.

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	Special Revenue	Capital Improvement	Total Nonmajor Governmental
ASSETS			
Cash and investments	\$ 11,430,746	\$ 5,964,421	\$ 17,395,167
Receivables (net, where applicable, of allowances for uncollectibles)			
Due from other governments	319,053	335,277	654,330
Other	-	88,500	88,500
Accrued interest	39,009	18,846	57,855
TOTAL ASSETS	\$ 11,788,808	\$ 6,407,044	\$ 18,195,852
LIABILITIES			
Accounts payable	\$ 264,535	\$ 621,677	\$ 886,212
Accrued payroll	1,473	-	1,473
Due to other funds	23,061	-	23,061
Unearned revenue	-	126,500	126,500
Total liabilities	289,069	748,177	1,037,246
FUND BALANCES			
Restricted for streets and highways	2,164,048	-	2,164,048
Restricted for public safety	1,328,344	-	1,328,344
Restricted for economic development	8,007,347	-	8,007,347
Unrestricted			
Assigned for capital projects	-	5,658,867	5,658,867
Total fund balances	11,499,739	5,658,867	17,158,606
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,788,808	\$ 6,407,044	\$ 18,195,852

(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, 2023

	Special Revenue	Capital Improvement	Total Nonmajor Governmental
REVENUES			
Taxes	\$ 4,443,133	\$ 1,589,064	\$ 6,032,197
Intergovernmental	4,344,266	152,543	4,496,809
Charges for services	-	110,871	110,871
Investment income	568,546	276,946	845,492
Miscellaneous	43,608	-	43,608
Total revenues	9,399,553	2,129,424	11,528,977
EXPENDITURES			
Current			
Public safety	505,616	-	505,616
Economic development	3,676,570	-	3,676,570
Capital outlay	4,487,623	1,905,184	6,392,807
Debt service			
Principal retirement	1,425,000	-	1,425,000
Interest	151,680	-	151,680
Fiscal charges	1,225	-	1,225
Total expenditures	10,247,714	1,905,184	12,152,898
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(848,161)	224,240	(623,921)
OTHER FINANCING SOURCES			
Transfers in	-	45,000	45,000
Total other financing sources	-	45,000	45,000
NET CHANGE IN FUND BALANCES	(848,161)	269,240	(578,921)
FUND BALANCES, JANUARY 1	12,347,900	5,389,627	17,737,527
FUND BALANCES, DECEMBER 31	\$ 11,499,739	\$ 5,658,867	\$ 17,158,606

(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.

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.

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.

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.

Opioid Settlement Fund - to account for the expenditure of opioid settlement proceeds. These expenditures must follow the guidelines found in the settlement agreement.

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.

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VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2023

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	Foreign Fire Tax
ASSETS					
Cash and investments	\$ 2,084,512	\$ -	\$ 386,934	\$ 620,685	\$ 306,232
Receivables					
Due from other governments	265,043	3,600	-	-	-
Accrued interest	-	-	-	-	-
TOTAL ASSETS	\$ 2,349,555	\$ 3,600	\$ 386,934	\$ 620,685	\$ 306,232
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 185,507	\$ 3,600	\$ 8,148	\$ 2,518	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	185,507	3,600	8,148	2,518	-
FUND BALANCES					
Restricted for streets and highways	2,164,048	-	-	-	-
Restricted for public safety	-	-	378,786	618,167	306,232
Restricted for economic development	-	-	-	-	-
Total fund balances	2,164,048	-	378,786	618,167	306,232
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,349,555	\$ 3,600	\$ 386,934	\$ 620,685	\$ 306,232

(See independent auditor's report.)

Rand Road Corridor TIF	Rand/ Lake Cook TIF	Police Grant	Opioid Settlement	Community Development Block Grant-CV	Total
\$ 5,889,175	\$ 2,079,163	\$ -	\$ 64,045	\$ -	\$ 11,430,746
3,600	-	24,534	-	22,276	319,053
20,285	18,724	-	-	-	39,009
\$ 5,913,060	\$ 2,097,887	\$ 24,534	\$ 64,045	\$ 22,276	\$ 11,788,808

\$ 3,600	\$ -	\$ -	\$ 38,886	\$ 22,276	\$ 264,535
-	-	1,473	-	-	1,473
-	-	23,061	-	-	23,061
3,600	-	24,534	38,886	22,276	289,069
-	-	-	-	-	2,164,048
-	-	-	25,159	-	1,328,344
5,909,460	2,097,887	-	-	-	8,007,347
5,909,460	2,097,887	-	25,159	-	11,499,739
\$ 5,913,060	\$ 2,097,887	\$ 24,534	\$ 64,045	\$ 22,276	\$ 11,788,808

(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, 2023

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	Foreign Fire Tax
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,983,113	783,851	12,168	29,687	152,097
Investment income	111,648	-	24,643	32,645	237
Miscellaneous	-	-	-	-	36
Total revenues	3,094,761	783,851	36,811	62,332	152,370
EXPENDITURES					
Current					
Public safety	-	-	162,649	64,702	103,533
Economic development	-	163,933	-	-	-
Capital outlay	3,785,007	619,918	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal charges	-	-	-	-	-
Total expenditures	3,785,007	783,851	162,649	64,702	103,533
NET CHANGE IN FUND BALANCES	(690,246)	-	(125,838)	(2,370)	48,837
FUND BALANCES, JANUARY 1	2,854,294	-	504,624	620,537	257,395
FUND BALANCES, DECEMBER 31	\$ 2,164,048	\$ -	\$ 378,786	\$ 618,167	\$ 306,232

(See independent auditor's report.)

Rand Road Corridor TIF	Rand/ Lake Cook TIF	Police Grant	Opioid Settlement	Community Development Block Grant-CV	Total
\$ 3,467,625	\$ 975,508	\$ -	\$ -	\$ -	\$ 4,443,133
9,598	-	135,846	-	237,906	4,344,266
305,519	91,009	-	2,845	-	568,546
-	-	-	43,572	-	43,608
3,782,742	1,066,517	135,846	46,417	237,906	9,399,553
-	-	135,846	38,886	-	505,616
1,773,671	1,501,060	-	-	237,906	3,676,570
82,698	-	-	-	-	4,487,623
1,425,000	-	-	-	-	1,425,000
151,680	-	-	-	-	151,680
1,225	-	-	-	-	1,225
3,434,274	1,501,060	135,846	38,886	237,906	10,247,714
348,468	(434,543)	-	7,531	-	(848,161)
5,560,992	2,532,430	-	17,628	-	12,347,900
\$ 5,909,460	\$ 2,097,887	\$ -	\$ 25,159	\$ -	\$ 11,499,739

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotment	\$ 2,788,200	\$ 2,788,200	\$ 2,983,113
Investment income	750	750	111,648
Total revenues	2,788,950	2,788,950	3,094,761
EXPENDITURES			
Capital outlay			
Street improvements	2,582,990	3,787,055	3,785,007
Total expenditures	2,582,990	3,787,055	3,785,007
NET CHANGE IN FUND BALANCE	\$ 205,960	\$ (998,105)	(690,246)
FUND BALANCE, JANUARY 1			2,854,294
FUND BALANCE, DECEMBER 31			\$ 2,164,048

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 479,813	\$ 816,525	\$ 783,851
Total revenues	479,813	816,525	783,851
EXPENDITURES			
Economic development			
Administrative fees - General Fund	95,962	95,962	95,962
Social service agencies	71,971	72,516	67,971
Capital outlay			
Rights of way improvements	311,880	648,047	619,918
Total expenditures	479,813	816,525	783,851
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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 20,000	\$ 20,000	\$ 12,168
Investment income	-	-	24,643
Total revenues	20,000	20,000	36,811
EXPENDITURES			
Public safety			
Police			
Supplies and services	20,000	164,900	162,649
Total expenditures	20,000	164,900	162,649
NET CHANGE IN FUND BALANCE	\$ -	\$ (144,900)	(125,838)
FUND BALANCE, JANUARY 1			504,624
FUND BALANCE, DECEMBER 31			\$ 378,786

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 20,000	\$ 20,000	\$ 29,687
Investment income	-	-	32,645
Total revenues	20,000	20,000	62,332
EXPENDITURES			
Public safety			
Police			
Supplies and services	43,500	93,500	64,702
Total expenditures	43,500	93,500	64,702
NET CHANGE IN FUND BALANCE	<u>\$ (23,500)</u>	<u>\$ (73,500)</u>	(2,370)
FUND BALANCE, JANUARY 1			<u>620,537</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 618,167</u></u>

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Foreign fire tax	\$ 70,000	\$ 70,000	\$ 152,097
Investment income	-	-	237
Miscellaneous			
Other	-	-	36
Total revenues	70,000	70,000	152,370
EXPENDITURES			
Public safety			
Fire			
Supplies and services	70,000	120,000	103,533
Total expenditures	70,000	120,000	103,533
NET CHANGE IN FUND BALANCE	\$ -	\$ (50,000)	48,837
FUND BALANCE, JANUARY 1			257,395
FUND BALANCE, DECEMBER 31			\$ 306,232

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,467,625
Intergovernmental			
Grants	-	9,598	9,598
Investment income	1,500	1,500	305,519
Total revenues	3,601,500	3,611,098	3,782,742
EXPENDITURES			
Economic development			
Supplies and services	10,000	10,000	1,061
Project expenditures	1,325,000	425,000	272,610
Surplus distribution	1,500,000	1,500,000	1,500,000
Capital outlay			
Technology	-	82,698	82,698
Water system improvements	300,000	-	-
Debt service			
Principal retirement	1,425,000	1,425,000	1,425,000
Interest	151,680	151,680	151,680
Fiscal charges	1,500	1,500	1,225
Total expenditures	4,713,180	3,595,878	3,434,274
NET CHANGE IN FUND BALANCE	\$ (1,111,680)	\$ 15,220	348,468
FUND BALANCE, JANUARY 1			5,560,992
FUND BALANCE, DECEMBER 31			\$ 5,909,460

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 1,450,000	\$ 1,450,000	\$ 975,508
Investment income	500	500	91,009
Total revenues	1,450,500	1,450,500	1,066,517
EXPENDITURES			
Economic development			
Supplies and services	5,000	5,000	1,060
Surplus distribution	1,500,000	1,500,000	1,500,000
Total expenditures	1,505,000	1,505,000	1,501,060
NET CHANGE IN FUND BALANCE	\$ (54,500)	\$ (54,500)	(434,543)
FUND BALANCE, JANUARY 1			2,532,430
FUND BALANCE, DECEMBER 31			\$ 2,097,887

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ -	\$ 135,910	\$ 135,846
Total revenues	-	135,910	135,846
EXPENDITURES			
Public safety Police Personnel	-	135,910	135,846
Total expenditures	-	135,910	135,846
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
OPIOID SETTLEMENT FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ 2,800	\$ 2,845
Miscellaneous Settlements	-	42,573	43,572
Total revenues	-	45,373	46,417
EXPENDITURES			
Public safety Fire Supplies and services	-	39,548	38,886
Total expenditures	-	39,548	38,886
NET CHANGE IN FUND BALANCE	\$ -	\$ 5,825	7,531
FUND BALANCE, JANUARY 1			17,628
FUND BALANCE, DECEMBER 31			\$ 25,159

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ -	\$ 237,906	\$ 237,906
Total revenues	-	237,906	237,906
EXPENDITURES			
Economic development Social service agencies	-	237,906	237,906
Total expenditures	-	237,906	237,906
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecommunication	\$ 679,200	\$ 679,200	\$ 704,064
Electric utility use tax	885,000	885,000	885,000
Intergovernmental			
Grants	-	152,544	152,543
Charges for services			
Improvement cost sharing programs	-	-	110,871
Investment income	7,500	7,500	276,946
Total revenues	1,571,700	1,724,244	2,129,424
EXPENDITURES			
Capital outlay			
Buildings and facilities	200,000	170,598	170,228
Rights of way improvements	430,000	585,052	585,052
Street improvements	657,140	1,149,905	1,149,904
Total expenditures	1,287,140	1,905,555	1,905,184
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	284,560	(181,311)	224,240
OTHER FINANCING SOURCES (USES)			
Transfers in	45,000	45,000	45,000
Total other financing sources (uses)	45,000	45,000	45,000
NET CHANGE IN FUND BALANCE	\$ 329,560	\$ (136,311)	269,240
FUND BALANCE, JANUARY 1			5,389,627
FUND BALANCE, DECEMBER 31			\$ 5,658,867

(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
NONMAJOR ENTERPRISE FUNDS

December 31, 2023

	Motor Vehicle Parking System	Refuse Collection	Total
CURRENT ASSETS			
Cash and investments	\$ 1,431,031	\$ 1,320,679	\$ 2,751,710
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	-	52,046	52,046
Other	37,426	-	37,426
Accrued interest	6,427	-	6,427
Leases	177,198	-	177,198
Total current assets	1,652,082	1,372,725	3,024,807
NONCURRENT ASSETS			
Capital assets			
Land	4,118,490	-	4,118,490
Buildings and improvements	15,681,480	-	15,681,480
Accumulated depreciation	(15,597,395)	-	(15,597,395)
Total noncurrent assets	4,202,575	-	4,202,575
Total assets	5,854,657	1,372,725	7,227,382
CURRENT LIABILITIES			
Accounts payable	17,761	799,526	817,287
Deposits payable	-	100,318	100,318
Unearned revenues	-	149,980	149,980
Total current liabilities	17,761	1,049,824	1,067,585
DEFERRED INFLOWS OF RESOURCES			
Lease items	163,701	-	163,701
NET POSITION			
Net investment in capital assets	4,202,575	-	4,202,575
Unrestricted	1,470,620	322,901	1,793,521
TOTAL NET POSITION	\$ 5,673,195	\$ 322,901	\$ 5,996,096

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2023

	Motor Vehicle Parking System	Refuse Collection	Total
OPERATING REVENUES			
Charges for services	\$ 419,475	\$ 4,859,871	\$ 5,279,346
Total operating revenues	419,475	4,859,871	5,279,346
OPERATING EXPENSES			
Costs of sales and services	435,790	4,588,706	5,024,496
Total operating expenses excluding depreciation	435,790	4,588,706	5,024,496
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(16,315)	271,165	254,850
DEPRECIATION	16,990	-	16,990
OPERATING INCOME (LOSS)	(33,305)	271,165	237,860
NONOPERATING REVENUES (EXPENSES)			
Investment income	57,480	39,551	97,031
Unrealized gain (loss) on investments	13,265	-	13,265
Total nonoperating revenues (expenses)	70,745	39,551	110,296
NET INCOME BEFORE TRANSFERS	37,440	310,716	348,156
Transfers (out)	-	(45,000)	(45,000)
CHANGE IN NET POSITION	37,440	265,716	303,156
NET POSITION, JANUARY 1	5,635,755	57,185	5,692,940
NET POSITION, DECEMBER 31	\$ 5,673,195	\$ 322,901	\$ 5,996,096

(See independent auditor's report.)

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VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2023

	Motor Vehicle		
	Parking	Refuse	
	System	Collection	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 421,445	\$ 4,887,586	\$ 5,309,031
Payments to suppliers	(284,603)	(4,307,869)	(4,592,472)
Payments to employees	(2,120)	-	(2,120)
Payments for interfund services transactions	(150,000)	(75,000)	(225,000)
Net cash from operating activities	(15,278)	504,717	489,439
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (out)	-	(45,000)	(45,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturity of investment securities	226,531	-	226,531
Purchase of investment securities	(256,917)	-	(256,917)
Interest received	51,360	39,551	90,911
	20,974	39,551	60,525
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,696	499,268	504,964
CASH AND CASH EQUIVALENTS, JANUARY 1	879,697	821,411	1,701,108
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 885,393	\$ 1,320,679	\$ 2,206,072

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (Continued)

For the Year Ended December 31, 2022

	Motor Vehicle Parking System	Refuse Collection	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (33,305)	\$ 271,165	\$ 237,860
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	16,990	-	16,990
(Increase) decrease in			
Accounts receivables	-	421	421
Other receivables	8,120	5,895	14,015
Leases	6,606	-	6,606
Increase (decrease) in			
Accounts payable	(748)	205,837	205,089
Accrued payroll	(185)	-	(185)
Deposits payable	-	14,839	14,839
Unearned revenue	-	6,560	6,560
Deferred inflows related to leases	(12,756)	-	(12,756)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (15,278)</u>	<u>\$ 504,717</u>	<u>\$ 489,439</u>
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 885,393	\$ 1,320,679	\$ 2,206,072
Investments	545,638	-	545,638
	<u>\$ 1,431,031</u>	<u>\$ 1,320,679</u>	<u>\$ 2,751,710</u>
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Unrealized gain (loss) on investments	<u>\$ 13,265</u>	<u>\$ -</u>	<u>\$ 13,265</u>

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 315,880	\$ 315,880	\$ 419,475
Total operating revenues	315,880	315,880	419,475
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	457,020	379,816	285,790
Administrative fees - General Fund	150,000	150,000	150,000
Total operating expenses excluding depreciation	607,020	529,816	435,790
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(291,140)	(213,936)	(16,315)
DEPRECIATION	-	-	16,990
OPERATING INCOME (LOSS)	(291,140)	(213,936)	(33,305)
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	57,480
Unrealized gain (loss) on investments	-	-	13,265
Total nonoperating revenues (expenses)	1,000	1,000	70,745
CHANGE IN NET POSITION	\$ (290,140)	\$ (212,936)	37,440
NET POSITION, JANUARY 1			5,635,755
NET POSITION, DECEMBER 31			\$ 5,673,195

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Supplies and services	\$ 31,700	\$ 31,700	\$ 14,662
Public works			
Personnel	4,620	4,620	1,935
Supplies and services	320,700	318,565	244,262
Capital projects			
Buildings and facilities	100,000	24,931	24,931
Total costs of sales and services	457,020	379,816	285,790
Administrative fees - General Fund	150,000	150,000	150,000
TOTAL OPERATING EXPENSES	\$ 607,020	\$ 529,816	\$ 435,790

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Refuse billing	\$ 4,895,360	\$ 4,895,360	\$ 4,859,871
Total operating revenues	4,895,360	4,895,360	4,859,871
OPERATING EXPENSES			
Refuse collection	4,577,470	4,577,470	4,513,706
Administrative fees - General Fund	75,000	75,000	75,000
Total operating expenses	4,652,470	4,652,470	4,588,706
OPERATING INCOME	242,890	242,890	271,165
NONOPERATING REVENUES (EXPENSES)			
Investment income	500	500	39,551
NET INCOME BEFORE TRANSFERS	243,390	243,390	310,716
Transfers (out)	(45,000)	(45,000)	(45,000)
CHANGE IN NET POSITION	\$ 198,390	\$ 198,390	265,716
NET POSITION, JANUARY 1			57,185
NET POSITION, DECEMBER 31			\$ 322,901

(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.

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, 2023

	Fleet Services	Casualty and Liability Insurance	Total
CURRENT ASSETS			
Cash and investments	\$ 845,102	\$ 5,420,145	\$ 6,265,247
Receivables			
Other	18,742	-	18,742
Accrued interest	-	26,744	26,744
Inventories	274,635	-	274,635
Total assets	1,138,479	5,446,889	6,585,368
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	413,790	-	413,790
OPEB items	9,511	-	9,511
Total deferred outflows of resources	423,301	-	423,301
CURRENT LIABILITIES			
Accounts payable	76,639	10,556	87,195
Accrued payroll	12,074	-	12,074
Claims payable	-	268,365	268,365
Compensated absences payable	11,020	-	11,020
Total OPEB liability	2,575	-	2,575
Total current liabilities	102,308	278,921	381,229
LONG-TERM LIABILITIES			
Claims payable	-	792,890	792,890
Compensated absences payable	44,080	-	44,080
Net pension liability	384,196	-	384,196
Total OPEB liability	52,226	-	52,226
Total long-term liabilities	480,502	792,890	1,273,392
Total liabilities	582,810	1,071,811	1,654,621
DEFERRED INFLOWS OF RESOURCES			
Pension items	25,464	-	25,464
OPEB items	30,426	-	30,426
Total deferred inflows of resources	55,890	-	55,890
NET POSITION			
Unrestricted	923,080	4,375,078	5,298,158
TOTAL NET POSITION	\$ 923,080	\$ 4,375,078	\$ 5,298,158

(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, 2023

	Fleet Services	Casualty and Liability Insurance	Total
OPERATING REVENUES			
Charges for services	\$ 2,031,732	\$ 1,698,300	\$ 3,730,032
Miscellaneous	32,047	202,409	234,456
Total operating revenues	2,063,779	1,900,709	3,964,488
OPERATING EXPENSES			
Costs of sales and services	1,892,838	2,306,290	4,199,128
Total operating expenses	1,892,838	2,306,290	4,199,128
OPERATING INCOME (LOSS)	170,941	(405,581)	(234,640)
NONOPERATING REVENUES (EXPENSES)			
Investment income	42,145	102,073	144,218
Unrealized gain (loss) on investments	-	122,788	122,788
Total nonoperating revenues (expenses)	42,145	224,861	267,006
CHANGE IN NET POSITION	213,086	(180,720)	32,366
NET POSITION, JANUARY 1	709,994	4,555,798	5,265,792
NET POSITION, DECEMBER 31	\$ 923,080	\$ 4,375,078	\$ 5,298,158

(See independent auditor's report.)

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VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2023

	Fleet Services	Casualty and Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 184,073	\$ 202,409	\$ 386,482
Receipts from interfund services transactions	1,875,955	1,698,300	3,574,255
Payments to suppliers	(1,085,869)	(2,256,043)	(3,341,912)
Payments to employees	(842,571)	-	(842,571)
Net cash from operating activities	131,588	(355,334)	(223,746)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturity of investment securities	-	1,879,877	1,879,877
Purchase of investment securities	-	(1,219,933)	(1,219,933)
Interest received	42,145	79,788	121,933
Net cash from investing activities	42,145	739,732	781,877
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	173,733	384,398	558,131
CASH AND CASH EQUIVALENTS, JANUARY 1	671,369	481,111	1,152,480
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 845,102	\$ 865,509	\$ 1,710,611

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)

For the Year Ended December 31, 2023

	Fleet Services	Casualty and Liability Insurance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 170,941	\$ (405,581)	\$ (234,640)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
(Increase) decrease in			
Other receivables	(3,751)	-	(3,751)
Inventories	(41,176)	-	(41,176)
Net pension asset	638,358	-	638,358
Deferred outflows related to pensions	(349,180)	-	(349,180)
Deferred outflows related to OPEB	13	-	13
Increase (decrease) in			
Accounts payable	(49,975)	4,362	(45,613)
Accrued payroll	1,617	-	1,617
Claims payable	-	45,885	45,885
Compensated absences payable	23,910	-	23,910
Net pension liability	384,196	-	384,196
Total OPEB liability	3,021	-	3,021
Deferred inflows related to pensions	(641,874)	-	(641,874)
Deferred inflows related to OPEB	(4,512)	-	(4,512)
NET CASH FROM OPERATING ACTIVITIES	\$ 131,588	\$ (355,334)	\$ (223,746)
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 845,102	\$ 865,509	\$ 1,710,611
Investments	-	4,554,636	4,554,636
	\$ 845,102	\$ 5,420,145	\$ 6,265,247
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Unrealized gain (loss) on investments	\$ -	\$ 122,788	\$ 122,788

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Vehicle maintenance	\$ 2,038,955	\$ 2,038,955	\$ 2,031,732
Miscellaneous			
Recoveries and refunds	15,000	15,000	31,047
Other	-	-	1,000
Total operating revenues	2,053,955	2,053,955	2,063,779
OPERATING EXPENSES			
Costs of sales and services			
Public works			
Personnel	852,255	852,282	898,120
Supplies and services	1,222,700	1,216,529	994,718
Total operating expenses	2,074,955	2,068,811	1,892,838
OPERATING INCOME (LOSS)	(21,000)	(14,856)	170,941
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	42,145
CHANGE IN NET POSITION	\$ (20,000)	\$ (13,856)	213,086
NET POSITION, JANUARY 1			709,994
NET POSITION, DECEMBER 31			\$ 923,080

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Insurance fees and premiums	\$ 1,698,300	\$ 1,698,300	\$ 1,698,300
Miscellaneous			
Reimbursements	-	88,482	202,409
Total operating revenues	1,698,300	1,786,782	1,900,709
OPERATING EXPENSES			
Costs of sales and services			
Administration	1,201,225	1,201,999	1,176,433
Insurance claims	875,000	1,105,208	1,129,857
Total operating expenses	2,076,225	2,307,207	2,306,290
OPERATING INCOME (LOSS)	(377,925)	(520,425)	(405,581)
NONOPERATING REVENUES (EXPENSES)			
Investment income	10,000	10,000	102,073
Unrealized gain (loss) on investments	-	-	122,788
Total nonoperating revenues (expenses)	10,000	10,000	224,861
CHANGE IN NET POSITION	\$ (367,925)	\$ (510,425)	(180,720)
NET POSITION, JANUARY 1			4,555,798
NET POSITION, DECEMBER 31			\$ 4,375,078

(See independent auditor's report.)

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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, 2023

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,292,536	\$ 2,236,892	\$ 4,529,428
Investments, at fair value			
Investments held in the			
Illinois Police Officers' Pension			
Investment Fund	110,867,059	-	110,867,059
Illinois Firefighters' Pension			
Investment Fund	-	99,919,310	99,919,310
Total assets	113,159,595	102,156,202	215,315,797
LIABILITIES			
None	-	-	-
NET POSITION			
Restricted for pensions	\$ 113,159,595	\$ 102,156,202	\$ 215,315,797

(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, 2023

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 5,962,356	\$ 5,987,516	\$ 11,949,872
Employee	1,231,902	1,017,712	2,249,614
Other	1,023	-	1,023
Total contributions	7,195,281	7,005,228	14,200,509
Investment earnings			
Net increase in the fair value of investments	12,589,016	11,789,595	24,378,611
Interest	775,506	1,728,740	2,504,246
Total investment earnings	13,364,522	13,518,335	26,882,857
Less investment expense	(153,374)	(101,459)	(254,833)
Net investment earnings	13,211,148	13,416,876	26,628,024
Total additions	20,406,429	20,422,104	40,828,533
DEDUCTIONS			
Administration	16,658	20,983	37,641
Benefits and refunds			
Retirement benefits	7,851,330	7,626,273	15,477,603
Refunds of contributions	219,912	12,157	232,069
Total deductions	8,087,900	7,659,413	15,747,313
CHANGE IN NET POSITION	12,318,529	12,762,691	25,081,220
NET POSITION			
January 1	100,841,066	89,393,511	190,234,577
December 31	\$ 113,159,595	\$ 102,156,202	\$ 215,315,797

(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, 2023

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 5,925,000	\$ 6,006,235	\$ 5,962,356
Employee	1,240,000	1,240,000	1,231,902
Other	-	-	1,023
Total contributions	7,165,000	7,246,235	7,195,281
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	12,589,016
Interest	750,000	750,000	775,506
Total investment earnings	1,000,000	1,000,000	13,364,522
Less investment expense	(100,000)	(200,000)	(153,374)
Net investment earnings	900,000	800,000	13,211,148
Total additions	8,065,000	8,046,235	20,406,429
DEDUCTIONS			
Administration	33,500	33,500	16,658
Benefits and refunds			
Retirement benefits	8,250,000	8,230,000	7,851,330
Refunds of contributions	200,000	220,000	219,912
Total deductions	8,483,500	8,483,500	8,087,900
CHANGE IN NET POSITION	\$ (418,500)	\$ (437,265)	12,318,529
NET POSITION			
January 1			100,841,066
December 31			\$ 113,159,595

(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, 2023

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 5,950,000	\$ 6,033,175	\$ 5,987,516
Employee	1,019,000	1,019,000	1,017,712
Total contributions	6,969,000	7,052,175	7,005,228
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	11,789,595
Interest	750,000	750,000	1,728,740
Total investment earnings	1,000,000	1,000,000	13,518,335
Less investment expense	(100,000)	(100,000)	(101,459)
Net investment earnings	900,000	900,000	13,416,876
Total additions	7,869,000	7,952,175	20,422,104
DEDUCTIONS			
Administration	33,500	33,500	20,983
Benefits and refunds			
Retirement benefits	7,950,000	7,950,000	7,626,273
Refunds of contributions	200,000	200,000	12,157
Total deductions	8,183,500	8,183,500	7,659,413
CHANGE IN NET POSITION	\$ (314,500)	\$ (231,325)	12,762,691
NET POSITION			
January 1			89,393,511
December 31			\$ 102,156,202

(See independent auditor's report.)

Supplementary Information

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VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
TAXES			
Property tax			
Police protection	\$ 3,023,839	\$ 3,023,839	\$ 3,000,395
Fire protection	3,023,839	3,023,839	3,002,666
FICA	2,760,000	2,760,000	2,740,133
IMRF	825,000	825,000	819,425
Police pension	5,550,000	5,550,000	5,506,123
Fire pension	5,575,000	5,575,000	5,529,342
Home rule sales tax	6,500,000	6,500,000	6,596,941
Food and beverage tax	1,500,000	1,500,000	1,671,836
Motel occupancy tax	75,000	75,000	74,631
Electric utility use tax	450,000	450,000	243,596
Total taxes	29,282,678	29,282,678	29,185,088
LICENSES AND PERMITS			
Professional and occupational	235,000	235,000	227,833
Liquor licenses	410,000	410,000	448,803
Rental dwelling licenses	377,000	377,000	494,622
Building permits and fees	1,100,000	1,100,000	1,634,789
Other licenses and permits	215,000	215,000	270,171
Total licenses and permits	2,337,000	2,337,000	3,076,218
INTERGOVERNMENTAL			
State sales tax	11,500,000	11,500,000	12,183,932
State income tax	10,280,000	10,280,000	10,846,223
Local use tax	2,600,000	2,600,000	2,699,577
Township road and bridge tax	679,400	679,400	642,856
Fire protection district reimbursement	721,580	721,580	775,495
Police consultant - schools	1,065,000	1,065,000	1,065,000
TIF Rebate	-	350,170	350,161
State highway maintenance	191,310	191,310	202,579
Personal property replacement tax	300,000	300,000	359,542
Grants	30,000	55,000	63,709
Other intergovernmental	386,760	386,760	381,048
Total intergovernmental	27,754,050	28,129,220	29,570,122

(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, 2023

	Original Budget	Final Budget	Actual
CHARGES FOR SERVICES			
Cable TV franchise fees	\$ 1,015,600	\$ 1,015,600	\$ 915,371
Plan review fees	425,000	425,000	792,146
Inspection fees	250,000	250,000	271,531
Special police service	172,100	172,100	218,378
Special fire service	70,900	70,900	98,044
Ambulance fees	3,178,000	4,670,650	5,168,952
Streetfest revenue	185,000	185,000	201,704
Rental income	114,675	114,675	136,505
Other charges for services	59,500	59,500	84,484
Total charges for services	5,470,775	6,963,425	7,887,115
FINES AND FORFEITS			
Circuit court fines	375,000	375,000	190,639
Traffic fines	1,840,000	1,840,000	870,889
Adjudication and other fines	17,000	17,000	11,852
Total fines and forfeits	2,232,000	2,232,000	1,073,380
INVESTMENT INCOME	100,000	100,000	1,636,918
MISCELLANEOUS			
Recoveries and refunds	50,000	50,000	174,999
Reimbursements	390,000	401,445	434,067
Donations	-	2,980	2,780
Other	5,000	5,000	83,939
Total miscellaneous	445,000	459,425	695,785
TOTAL REVENUES	\$ 67,621,503	\$ 69,503,748	\$ 73,124,626

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Mayor and council			
Personnel	\$ 167,140	\$ 167,140	\$ 160,748
Supplies and services	158,410	173,210	149,402
Boards and commissions			
Supplies and services	67,595	67,595	58,102
Village clerk			
Personnel	148,980	145,280	141,958
Supplies and services	18,500	18,500	14,321
Village manager			
Personnel	840,135	863,940	834,214
Supplies and services	264,480	305,480	270,177
Finance and operations			
Personnel	692,170	763,295	608,041
Supplies and services	193,585	193,585	154,048
Legal			
Personnel	65,195	90,475	93,083
Supplies and services	420,400	420,400	355,355
Human resources			
Personnel	1,055,395	502,884	493,673
Supplies and services	103,580	119,896	91,336
Information technology			
Personnel	939,735	950,560	925,251
Supplies and services	605,417	621,708	573,093
Liability insurance			
Supplies and services	1,562,300	1,562,300	1,562,300
Less administrative fees			
CDBG Fund	(95,962)	(95,962)	(95,962)
Waterworks fund	(634,000)	(634,000)	(634,000)
Sewerage fund	(567,000)	(567,000)	(567,000)
Refuse fund	(75,000)	(75,000)	(75,000)
Motor Vehicle Parking System fund	(150,000)	(150,000)	(150,000)
Total general government	5,781,055	5,444,286	4,963,140

(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, 2023

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Community development			
Personnel	\$ 2,876,230	\$ 2,888,275	\$ 2,603,670
Supplies and services	274,533	384,981	309,338
Police			
Personnel	24,961,930	25,162,675	24,949,338
Supplies and services	1,590,490	1,603,136	1,404,890
Fire			
Personnel	21,101,085	21,559,434	21,093,425
Supplies and services	1,510,600	2,934,395	2,589,937
Total public safety	52,314,868	54,532,896	52,950,598
PUBLIC WORKS			
Public works			
Personnel	4,896,670	4,915,267	4,310,171
Supplies and services	2,702,755	2,851,890	2,576,330
Total public works	7,599,425	7,767,157	6,886,501
TOTAL EXPENDITURES	\$ 65,695,348	\$ 67,744,339	\$ 64,800,239

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property tax	\$ 1,779,156	\$ 1,779,156	\$ 1,802,509
Investment income	1,425	1,425	518,169
Total revenues	1,780,581	1,780,581	2,320,678
EXPENDITURES			
Debt service			
Principal retirement	1,020,000	1,020,000	1,020,000
Interest	759,156	759,156	759,156
Fiscal charges	1,425	1,425	1,425
Total expenditures	1,780,581	1,780,581	1,780,581
EXCESS OF REVENUES OVER EXPENDITURES	-	-	540,097
OTHER FINANCING SOURCES (USES)			
Transfers in	1,642,000	13,542,000	13,542,000
Total other financing sources (uses)	1,642,000	13,542,000	13,542,000
NET CHANGE IN FUND BALANCE	\$ 1,642,000	\$ 13,542,000	14,082,097
FUND BALANCE, JANUARY 1			2,067,099
FUND BALANCE, DECEMBER 31			\$ 16,149,196

(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, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Electric utility use tax	\$ 925,000	\$ 925,000	\$ 925,000
Intergovernmental			
Video gaming tax	100,000	100,000	185,430
Charges for services			
Rental income	373,755	373,755	383,517
Investment income	7,500	7,500	457,537
Miscellaneous			
Reimbursements	-	25,310	95,515
Total revenues	1,406,255	1,431,565	2,046,999
EXPENDITURES			
Capital outlay			
Technology	358,500	318,346	233,808
Vehicles and equipment	473,905	1,876,008	1,870,790
Total expenditures	832,405	2,194,354	2,104,598
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	573,850	(762,789)	(57,599)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	50,000	50,000	157,115
Transfers in	651,000	651,000	651,000
Total other financing sources (uses)	701,000	701,000	808,115
NET CHANGE IN FUND BALANCE	\$ 1,274,850	\$ (61,789)	750,516
FUND BALANCE, JANUARY 1			7,126,983
FUND BALANCE, DECEMBER 31			\$ 7,877,499

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 13,133,000	\$ 13,133,000	\$ 13,080,671
Miscellaneous	135,000	135,000	130,771
Total operating revenues	13,268,000	13,268,000	13,211,442
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	8,780,271	8,109,546	7,035,396
Administrative fees - General Fund	634,000	634,000	634,000
Total operating expenses excluding depreciation	9,414,271	8,743,546	7,669,396
OPERATING INCOME BEFORE DEPRECIATION	3,853,729	4,524,454	5,542,046
DEPRECIATION	-	-	1,030,500
OPERATING INCOME	3,853,729	4,524,454	4,511,546
NONOPERATING REVENUES (EXPENSES)			
Investment income	15,000	15,000	159,645
Unrealized gain (loss) on investments	-	-	275,871
Grants	-	-	580,200
Interest and fiscal charges	(91,800)	(91,800)	(7,445)
Joint venture	-	-	336,940
Total nonoperating revenues (expenses)	(76,800)	(76,800)	1,345,211
NET INCOME BEFORE TRANSFERS	3,776,929	4,447,654	5,856,757
Transfers (out)	(325,500)	(325,500)	(325,500)
CHANGE IN NET POSITION	\$ 3,451,429	\$ 4,122,154	5,531,257
NET POSITION, JANUARY 1			48,343,839
NET POSITION, DECEMBER 31			\$ 53,875,096

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
WATERWORKS FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water use fees			
Resident	\$ 10,414,000	\$ 10,414,000	\$ 10,073,797
Nonresident	1,931,000	1,931,000	1,925,523
Water penalties			
Resident	65,000	65,000	99,157
Nonresident	10,000	10,000	11,674
User charge			
Resident	595,000	595,000	685,439
Nonresident	38,000	38,000	44,176
System development surcharge	15,000	15,000	-
Water extension fee	20,000	20,000	-
Water connection fees	10,000	10,000	-
Water meter sales	15,000	15,000	228,331
Water turn-on/service fees	20,000	20,000	12,574
Total charges for services	13,133,000	13,133,000	13,080,671
Miscellaneous - reimbursements	135,000	135,000	130,771
TOTAL OPERATING REVENUES	\$ 13,268,000	\$ 13,268,000	\$ 13,211,442

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATERWORKS FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Personnel	\$ 562,610	\$ 563,840	\$ 530,149
Supplies and services	287,000	287,000	258,459
Liability insurance			
Supplies and services	68,000	68,000	68,000
Public works			
Personnel	1,600,045	1,592,380	1,580,048
Supplies and services	881,270	927,860	885,946
Water purchase			
Northwest Water Commission	3,017,460	3,311,343	3,025,243
Capital projects			
Technology	425,000	186,994	98,619
Buildings and facilities	65,000	123,494	123,493
Street improvements	420,000	420,000	420,000
Water system	5,070,600	4,245,349	3,662,153
Less: Nonoperating			
Capital assets capitalized	(3,616,714)	(3,616,714)	(3,616,714)
Total costs of sales and services	8,780,271	8,109,546	7,035,396
Administrative fees - General Fund	634,000	634,000	634,000
TOTAL OPERATING EXPENSES	\$ 9,414,271	\$ 8,743,546	\$ 7,669,396

(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, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 4,200,155	\$ 4,200,155	\$ 4,349,961
Miscellaneous	250	250	492
Total operating revenues	4,200,405	4,200,405	4,350,453
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	3,233,100	3,433,423	2,932,383
Administrative fees - General Fund	567,000	567,000	567,000
Total operating expenses excluding depreciation	3,800,100	4,000,423	3,499,383
OPERATING INCOME BEFORE DEPRECIATION	400,305	199,982	851,070
DEPRECIATION	-	-	1,262,560
OPERATING INCOME (LOSS)	400,305	199,982	(411,490)
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,500	2,500	88,656
Unrealized gain (loss) on investments	-	-	188,412
Grants	-	439,127	89,126
Interest and fiscal charges	(23,300)	(23,300)	(2,110)
Total nonoperating revenues (expenses)	(20,800)	418,327	364,084
NET INCOME (LOSS) BEFORE TRANSFERS	379,505	618,309	(47,406)
Transfers (out)	(325,500)	(325,500)	(325,500)
CHANGE IN NET POSITION	\$ 54,005	\$ 292,809	(372,906)
NET POSITION, JANUARY 1			24,544,239
NET POSITION, DECEMBER 31			\$ 24,171,333

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
SEWERAGE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Sewer use fees			
Resident	\$ 2,798,820	\$ 2,798,820	\$ 2,904,177
Nonresident	522,785	522,785	526,830
Sewer penalties			
Resident	25,000	25,000	35,748
Nonresident	2,000	2,000	3,091
Sewer connection fees	6,000	6,000	5,148
Surcharges			
Fair Meadows	1,800	1,800	2,412
Storm Water Management	843,750	843,750	855,755
50/50 sewer extension	-	-	16,800
Total charges for services	4,200,155	4,200,155	4,349,961
Miscellaneous - reimbursements	250	250	492
TOTAL OPERATING REVENUES	\$ 4,200,405	\$ 4,200,405	\$ 4,350,453

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
SEWERAGE FUND

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Liability insurance			
Supplies and services	\$ 68,000	\$ 68,000	\$ 68,000
Public works			
Personnel	854,590	854,590	889,164
Supplies and services	290,870	286,942	228,835
Capital projects			
Vehicles and equipment	350,000	324,706	324,705
Less: Nonoperating			
Capital assets capitalized	(295,360)	(295,360)	(295,360)
Flood control	665,000	1,129,220	651,714
Sanitary sewer	1,300,000	1,065,325	1,065,325
Total costs of sales and services	3,233,100	3,433,423	2,932,383
Administrative fees - General Fund	567,000	567,000	567,000
TOTAL OPERATING EXPENSES	\$ 3,800,100	\$ 4,000,423	\$ 3,499,383

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2014B

December 31, 2023

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
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>\$ 1,550,000</u>	<u>\$ 75,890</u>	<u>\$ 1,625,890</u>		<u>\$ 37,945</u>		<u>\$ 37,945</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2015
December 31, 2023

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
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>\$ 1,690,000</u>	<u>\$ 107,125</u>	<u>\$ 1,797,125</u>		<u>\$ 64,000</u>		<u>\$ 43,125</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B
December 31, 2023

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
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>\$ 975,000</u>	<u>\$ 43,800</u>	<u>\$ 1,018,800</u>		<u>\$ 21,900</u>		<u>\$ 21,900</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017D
December 31, 2023

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
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>\$ 2,180,000</u>	<u>\$ 129,010</u>	<u>\$ 2,309,010</u>		<u>\$ 64,505</u>		<u>\$ 64,505</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2018
December 31, 2023

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
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>\$ 3,950,000</u>	<u>\$ 725,750</u>	<u>\$ 4,675,750</u>		<u>\$ 362,875</u>		<u>\$ 362,875</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2020
December 31, 2023

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
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>\$ 2,988,266</u>	<u>\$ 21,323,266</u>		<u>\$ 1,494,133</u>		<u>\$ 1,494,133</u>

(See independent auditor's report.)

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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.	148 - 157
Revenue Capacity	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	158 - 162
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.	163 - 166
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.	167 - 168
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.	169 - 170

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	2014*	2015	2016	2017
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 144,374,387	\$ 157,741,380	\$ 164,820,305	\$ 166,189,158
Restricted	2,236,148	1,838,578	1,750,986	1,748,002
Unrestricted	35,764,493	(51,107,972)	(61,926,571)	(66,937,376)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 182,375,028	\$ 108,471,986	\$ 104,644,720	\$ 100,999,784
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 38,870,993	\$ 32,408,120	\$ 32,913,880	\$ 32,491,180
Unrestricted	20,657,402	24,957,201	22,065,439	25,552,745
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 59,528,395	\$ 57,365,321	\$ 54,979,319	\$ 58,043,925
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 183,245,380	\$ 190,149,500	\$ 197,734,185	\$ 198,680,338
Restricted	2,236,148	1,838,578	1,750,986	1,748,002
Unrestricted	56,421,895	(26,150,771)	(39,861,132)	(41,384,631)
TOTAL PRIMARY GOVERNMENT	\$ 241,903,423	\$ 165,837,307	\$ 159,624,039	\$ 159,043,709

* Implementation of GASB Statement 68

** Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2018**	2019	2020	2021	2022	2023
\$ 168,673,918	\$ 173,519,488	\$ 176,417,781	\$ 177,240,431	\$ 179,772,791	\$ 184,765,334
3,925,818	6,659,575	9,405,544	16,868,616	24,171,058	31,353,314
(80,303,379)	(86,814,683)	(83,289,926)	(63,799,313)	(54,401,883)	(46,907,125)
\$ 92,296,357	\$ 93,364,380	\$ 102,533,399	\$ 130,309,734	\$ 149,541,966	\$ 169,211,523
\$ 32,259,964	\$ 34,213,539	\$ 37,903,674	\$ 40,996,804	\$ 46,908,460	\$ 49,397,629
28,010,112	30,384,301	32,433,156	32,870,152	31,672,558	34,644,896
\$ 60,270,076	\$ 64,597,840	\$ 70,336,830	\$ 73,866,956	\$ 78,581,018	\$ 84,042,525
\$ 200,933,882	\$ 207,733,027	\$ 214,321,455	\$ 218,237,235	\$ 226,681,251	\$ 234,162,963
3,925,818	6,659,575	9,405,544	16,868,616	24,171,058	31,353,314
(52,293,267)	(56,430,382)	(50,856,770)	(30,929,161)	(22,729,325)	(12,262,229)
\$ 152,566,433	\$ 157,962,220	\$ 172,870,229	\$ 204,176,690	\$ 228,122,984	\$ 253,254,048

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2014*	2015	2016
EXPENSES			
Governmental activities			
General government	\$ 6,085,713	\$ 5,181,480	\$ 7,411,863
Public safety	40,893,455	39,766,935	53,993,443
Public works	12,001,792	10,574,340	11,764,624
Economic development	3,400,486	5,187,476	4,080,021
Interest and fiscal charges	4,214,079	3,685,197	3,466,073
Total governmental activities expenses	66,595,525	64,395,428	80,716,024
Business-type activities			
Waterworks	8,235,391	10,988,330	12,485,417
Sewerage	3,041,236	3,641,693	4,580,455
Parking system	1,323,599	1,226,379	1,526,641
Refuse collection	4,553,742	4,553,546	4,394,918
Total business-type activities expenses	17,153,968	20,409,948	22,987,431
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 83,749,493	\$ 84,805,376	\$ 103,703,455
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ 4,002,813	\$ 4,338,815	\$ 4,443,342
Public safety	4,183,645	4,290,067	4,608,293
Other activities	2,099,120	2,079,704	2,273,555
Operating grants	3,555,697	2,766,089	3,277,846
Capital grants and contributions	31,077	-	1,200,000
Total governmental activities program revenues	13,872,352	13,474,675	15,803,036
Business-type activities			
Charges for services			
Waterworks	10,277,604	10,572,378	11,504,526
Sewerage	3,718,386	3,539,701	3,821,872
Parking system	711,723	701,265	631,587
Refuse collection	4,530,632	4,537,427	4,518,775
Operating grants	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	19,238,345	19,350,771	20,476,760
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 33,110,697	\$ 32,825,446	\$ 36,279,796
NET REVENUE (EXPENSE)			
Governmental activities	\$ (52,723,173)	\$ (50,920,753)	\$ (64,912,988)
Business-type activities	2,084,377	(1,059,177)	(2,510,671)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (50,638,796)	\$ (51,979,930)	\$ (67,423,659)

* Implementation of GASB Statement 68

** Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2017	2018**	2019	2020	2021	2022	2023
\$ 4,992,470	\$ 4,792,852	\$ 4,927,957	\$ 4,750,856	\$ 3,358,688	\$ 3,904,060	\$ 4,527,670
58,319,928	53,387,729	53,810,869	47,724,257	41,750,555	56,557,069	59,283,975
10,938,679	10,658,853	12,901,798	14,110,117	11,110,100	12,391,484	14,232,249
1,464,895	6,692,302	8,404,890	4,182,530	3,873,006	4,951,483	3,892,008
3,490,399	2,800,515	2,139,900	2,331,499	1,074,402	911,591	738,321
79,206,371	78,332,251	82,185,414	73,099,259	61,166,751	78,715,687	82,674,223
9,115,608	9,071,013	7,867,493	8,538,978	8,038,256	7,746,433	8,707,341
3,373,247	3,815,318	3,406,455	3,415,404	3,511,129	3,487,048	4,764,053
1,256,792	1,277,515	1,549,161	1,356,121	1,259,959	1,253,862	452,780
4,408,987	4,524,457	4,641,663	4,268,888	4,449,434	4,561,219	4,588,706
18,154,634	18,688,303	17,464,772	17,579,391	17,258,778	17,048,562	18,512,880
\$ 97,361,005	\$ 97,020,554	\$ 99,650,186	\$ 90,678,650	\$ 78,425,529	\$ 95,764,249	\$ 101,187,103
\$ 4,348,698	\$ 4,333,166	\$ 3,176,329	\$ 2,272,664	\$ 1,341,725	\$ 1,335,988	\$ 1,294,893
4,954,398	5,586,131	7,187,378	6,277,299	8,785,816	12,327,021	12,610,568
2,454,501	2,408,431	2,484,425	2,453,582	2,599,663	1,627,947	1,418,731
2,795,038	2,870,901	3,113,193	5,124,361	3,570,636	3,761,947	3,626,361
-	-	1,033,112	584,973	1,832,572	1,532,811	1,619,659
14,552,635	15,198,629	16,994,437	16,712,879	18,130,412	20,585,714	20,570,212
11,756,016	11,134,742	11,743,045	12,078,859	12,633,962	13,201,026	13,548,382
3,987,480	4,348,556	4,363,320	4,577,350	4,672,335	4,483,549	4,350,453
709,390	729,953	711,700	273,043	176,337	331,785	419,475
4,537,890	4,515,375	4,574,031	4,379,117	4,438,090	4,715,125	4,859,871
791,930	525,390	-	582,062	-	-	580,200
-	-	704,840	2,287,404	21,484	-	89,126
21,782,706	21,254,016	22,096,936	24,177,835	21,942,208	22,731,485	23,847,507
\$ 36,335,341	\$ 36,452,645	\$ 39,091,373	\$ 40,890,714	\$ 40,072,620	\$ 43,317,199	\$ 44,417,719
\$ (64,653,736)	\$ (63,133,622)	\$ (65,190,977)	\$ (56,386,380)	\$ (43,036,339)	\$ (58,129,973)	\$ (62,104,011)
2,836,142	2,040,323	4,632,164	6,598,444	4,683,430	5,682,923	5,334,627
\$ (61,817,594)	\$ (61,093,299)	\$ (60,558,813)	\$ (49,787,936)	\$ (38,352,909)	\$ (52,447,050)	\$ (56,769,384)

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2014*	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities			
Taxes			
Property	\$ 31,303,000	\$ 31,387,642	\$ 31,113,482
Home rule sales tax	4,471,298	4,360,722	4,217,287
Telecommunications	1,906,545	1,891,654	1,869,966
Electric utility use	1,690,985	1,641,246	2,054,689
Other	1,309,644	1,400,596	1,407,848
State shared sales taxes	10,061,160	9,892,846	9,558,566
State shared income tax	6,563,909	7,294,684	6,673,615
Other intergovernmental revenues	515,114	293,748	244,029
Investment income	309,200	305,362	391,626
Miscellaneous	297,638	156,573	458,387
Transfers	1,639,500	360,000	368,000
Total governmental activities	60,067,993	58,985,073	58,357,495
Business-type activities			
Investment income	24,098	16,402	41,124
Miscellaneous	-	-	-
Transfers	(1,639,500)	(360,000)	(368,000)
Total business-type activities	(1,615,402)	(343,598)	(326,876)
TOTAL PRIMARY GOVERNMENT	\$ 58,452,591	\$ 58,641,475	\$ 58,030,619
CHANGE IN NET POSITION			
Governmental activities	\$ 7,344,820	\$ 8,064,320	\$ (6,555,493)
Business-type activities	468,975	(1,402,775)	(2,837,547)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ 7,813,795	\$ 6,661,545	\$ (9,393,040)

* Implementation of GASB Statement 68

** Implementation of GASB Statement 75

Data Source

Audited Financial Statements

	2017	2018**	2019	2020	2021	2022	2023
\$	32,991,371	\$ 34,799,347	\$ 35,631,269	\$ 35,482,895	\$ 34,830,135	\$ 35,397,436	\$ 34,302,215
	4,111,583	4,446,002	4,252,692	4,105,026	5,720,013	6,457,178	6,596,941
	1,490,678	1,348,572	1,214,776	942,200	798,031	740,280	704,064
	2,263,482	2,360,118	2,225,106	2,211,795	2,225,398	2,164,566	2,053,596
	1,456,653	1,461,691	1,518,712	1,235,020	1,524,289	1,685,377	1,746,466
	9,634,893	10,163,314	10,461,255	11,334,735	13,993,460	14,464,458	14,883,509
	6,296,903	6,565,435	7,297,142	7,450,016	9,050,756	11,065,424	10,846,223
	251,911	406,251	889,609	709,168	829,566	4,357,999	3,445,691
	698,159	1,129,713	1,500,877	512,785	280,078	458,914	4,610,341
	1,134,667	526,783	568,062	496,759	497,096	525,078	1,888,522
	678,500	689,000	699,500	1,075,000	1,122,600	670,000	696,000
	61,008,800	63,896,226	66,259,000	65,555,399	70,871,422	77,986,710	81,773,568
	115,034	256,541	376,534	166,161	(30,704)	(275,577)	822,880
	-	309,188	18,566	49,385	-	3,436	-
	(678,500)	(689,000)	(699,500)	(1,075,000)	(1,122,600)	(670,000)	(696,000)
	(563,466)	(123,271)	(304,400)	(859,454)	(1,153,304)	(942,141)	126,880
\$	60,445,334	\$ 63,772,955	\$ 65,954,600	\$ 64,695,945	\$ 69,718,118	\$ 77,044,569	\$ 81,900,448
\$	(3,644,936)	\$ 762,604	\$ 1,068,023	\$ 9,169,019	\$ 27,835,083	\$ 19,856,737	\$ 19,669,557
	3,064,606	2,442,442	4,327,764	5,738,990	3,530,126	4,740,782	5,461,507
\$	(580,330)	\$ 3,205,046	\$ 5,395,787	\$ 14,908,009	\$ 31,365,209	\$ 24,597,519	\$ 25,131,064

VILLAGE OF PALATINE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016	2017
GENERAL FUND				
Nonspendable	\$ 4,782,920	\$ 5,022,070	\$ 5,261,220	\$ 4,470,370
Assigned	-	-	-	-
Unassigned	18,124,529	17,012,432	18,224,006	18,909,919
TOTAL GENERAL FUND	\$ 22,907,449	\$ 22,034,502	\$ 23,485,226	\$ 23,380,289
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	\$ 17,945,345	\$ 14,882,305	\$ 14,057,043	\$ 19,059,512
Assigned	21,284,780	13,536,719	7,451,239	9,116,907
Unassigned	(43,615)	(43,615)	(35,515)	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 39,186,510	\$ 28,375,409	\$ 21,472,767	\$ 28,176,419

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 3,738,890	\$ 2,889,849	\$ 2,023,377	\$ 1,067,140	\$ 76,447	\$ 71,941
-	-	-	572,744	374,387	106,930
21,145,386	21,426,642	24,198,154	33,569,340	40,422,875	36,094,326
\$ 24,884,276	\$ 24,316,491	\$ 26,221,531	\$ 35,209,224	\$ 40,873,709	\$ 36,273,197
\$ 19,554,231	\$ 19,728,606	\$ 19,935,775	\$ 24,800,883	\$ 29,433,655	\$ 35,083,314
10,817,419	11,354,671	10,805,047	12,134,442	12,516,610	29,685,562
-	-	-	-	-	-
\$ 30,371,650	\$ 31,083,277	\$ 30,740,822	\$ 36,935,325	\$ 41,950,265	\$ 64,768,876

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2014	2015	2016	2017
REVENUES				
Taxes	\$ 40,681,472	\$ 40,681,860	\$ 40,663,272	\$ 42,313,767
Licenses and permits	3,081,336	3,153,792	3,284,115	3,272,240
Intergovernmental	22,735,622	22,291,479	21,845,363	21,401,178
Charges for services	3,801,523	4,116,301	4,367,516	4,419,448
Fines and forfeitures	1,394,054	1,394,381	1,582,252	1,753,256
Investment income	309,200	305,362	391,626	698,159
Miscellaneous	297,638	156,573	458,387	1,134,667
Total revenues	72,300,845	72,099,748	72,592,531	74,992,715
EXPENDITURES				
General government	5,690,050	5,853,988	6,064,441	5,359,971
Public safety	38,212,533	40,197,022	40,907,770	42,657,188
Public works	6,769,212	6,419,162	6,227,585	5,982,359
Economic development	3,400,486	5,187,476	4,080,021	1,464,895
Capital outlay	8,176,672	15,883,621	11,571,849	5,010,113
Debt service				
Principal retirement	6,089,339	6,988,013	6,138,391	14,589,233
Interest	4,172,391	3,729,681	3,498,783	3,381,270
Fiscal charges	122,338	11,611	6,900	219,828
Total expenditures	72,633,021	84,270,574	78,495,740	78,664,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(332,176)	(12,170,826)	(5,903,209)	(3,672,142)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued, at par	10,985,000	-	-	18,355,000
Bond premium	212,225	-	-	265,712
Payment to refunded bond escrow agent	(11,076,385)	-	-	(9,086,571)
Proceeds from sale of capital assets	211,418	51,778	83,291	58,216
Issuance of SBITA	-	-	-	-
Transfers in	12,364,540	3,451,125	466,031	716,596
Transfers (out)	(10,736,130)	(3,016,125)	(98,031)	(38,096)
Total other financing sources (uses)	1,960,668	486,778	451,291	10,270,857
NET CHANGE IN FUND BALANCES	\$ 1,628,492	\$ (11,684,048)	\$ (5,451,918)	\$ 6,598,715
Debt service as a percentage of noncapital expenditures	18.48%	13.22%	13.01%	23.76%

Data Source

Audited Financial Statements

	2018	2019	2020	2021	2022	2023
\$	44,415,730	\$ 44,748,875	\$ 43,976,936	\$ 45,097,866	\$ 46,444,837	\$ 45,403,282
	3,226,870	3,609,532	3,148,869	4,011,603	3,137,925	3,076,218
	22,394,130	25,493,475	27,845,178	32,003,165	38,064,440	36,500,298
	4,871,126	5,053,079	4,126,897	4,605,774	8,193,748	8,381,503
	1,953,421	1,694,156	1,202,217	1,502,214	1,198,466	1,073,380
	1,129,713	1,500,877	512,785	280,078	458,914	4,610,341
	526,783	568,062	496,759	497,096	525,078	1,870,908
	78,517,773	82,668,056	81,309,641	87,997,796	98,023,408	100,915,930
	5,129,280	5,190,804	4,915,571	4,395,811	4,937,310	4,963,140
	43,654,462	45,586,440	47,152,610	48,179,367	53,952,605	53,456,214
	6,065,407	6,212,413	6,219,908	6,291,028	6,801,488	6,886,501
	6,692,302	8,404,890	4,182,530	3,873,006	4,951,483	3,892,008
	4,954,603	7,004,730	11,557,718	5,009,281	11,135,665	11,021,098
	13,715,000	8,575,419	4,870,463	5,053,229	5,219,000	2,459,068
	2,677,751	2,348,070	1,979,761	1,252,017	1,088,555	910,836
	139,164	5,925	579,190	4,150	3,596	2,650
	83,027,969	83,328,691	81,457,751	74,057,889	88,089,702	83,591,515
	(4,510,196)	(660,635)	(148,110)	13,939,907	9,933,706	17,324,415
	6,235,000	-	18,335,000	-	-	-
	903,240	-	1,045,434	-	-	-
	-	-	(18,800,000)	-	-	-
	87,712	104,977	55,261	178,437	75,719	157,115
	-	-	-	-	-	40,569
	9,219,552	3,556,360	2,005,980	1,258,382	2,439,480	14,814,532
	(8,471,784)	(2,856,860)	(930,980)	(135,782)	(1,769,480)	(14,118,532)
	7,973,720	804,477	1,710,695	1,301,037	745,719	893,684
\$	3,463,524	\$ 143,842	\$ 1,562,585	\$ 15,240,944	\$ 10,679,425	\$ 18,218,099
	23.16%	14.21%	8.55%	8.98%	7.39%	4.23%

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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
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
2021	1,486,924,813	343,380,900	65,321,561	NA	1,895,627,274	1.227	5,686,881,822
2022	1,840,426,100	341,790,219	80,966,080	NA	2,263,182,399	1.008	6,789,547,197

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	2013	2014	2015	2016
TAX RATES				
Village of Palatine				
Social Security	\$ 0.148	\$ 0.119	\$ 0.125	\$ 0.111
IMRF	0.081	0.080	0.085	0.075
Police Protection	0.305	0.306	0.295	0.215
Fire Protection	0.305	0.306	0.295	0.215
Fire Pension	0.196	0.204	0.210	0.218
Police Pension	0.187	0.191	0.222	0.227
Debt Service	0.168	0.162	0.174	0.151
Total Village of Palatine	1.390	1.368	1.406	1.212
School Districts				
Palatine CCSD No. 15	3.849	3.868	4.035	3.543
Junior College No. 512	0.444	0.451	0.466	0.416
Township HSD No. 211	3.197	3.213	3.309	2.871
Park District	0.680	0.696	0.725	0.648
Library District	0.293	0.295	0.308	0.268
County				
County of Cook	0.560	0.568	0.552	0.533
Forest Preserve	0.069	0.069	0.069	0.063
Township				
Palatine Township	0.058	0.059	0.063	0.054
General Assistance	0.017	0.017	0.018	0.012
Road and Bridge	0.092	0.090	0.092	0.079
Other Districts				
Northwest Mosquito	0.013	0.013	0.011	0.010
Sanitary District	0.417	0.430	0.426	0.406
Elections (ELCO)	0.031	-	0.034	-
TOTAL TAX RATES	\$ 11.110	\$ 11.137	\$ 11.514	\$ 10.115
SHARE OF TOTAL TAX LEVIED BY THE VILLAGE	12.51%	12.28%	12.21%	11.98%

Data Source
Office of the County Clerk

	2017		2018		2019		2020		2021		2022
\$	0.136	\$	0.117	\$	0.104	\$	0.128	\$	0.141	\$	0.123
	0.060		0.054		0.055		0.059		0.059		0.037
	0.206		0.228		0.186		0.167		0.182		0.135
	0.206		0.228		0.186		0.167		0.182		0.135
	0.254		0.269		0.274		0.270		0.300		0.249
	0.238		0.254		0.262		0.278		0.293		0.248
	0.149		0.146		0.077		0.064		0.070		0.081
	1.249		1.296		1.144		1.133		1.227		1.008
	3.618		3.807		3.486		3.564		3.955		3.673
	0.425		0.443		0.403		0.409		0.457		0.410
	2.922		3.044		2.749		2.787		3.020		2.710
	0.657		0.693		0.633		0.650		0.711		0.637
	0.276		0.291		0.344		0.353		0.388		0.346
	0.496		0.489		0.454		0.453		0.446		0.431
	0.062		0.060		0.059		0.058		0.058		0.081
	0.055		0.059		0.055		0.550		0.060		0.050
	0.010		0.007		0.007		0.007		0.008		0.007
	0.078		0.080		0.072		0.068		0.074		0.060
	0.010		0.011		0.010		0.010		0.011		0.009
	0.402		0.396		0.389		0.500		0.382		0.374
	0.031		-		0.030		-		0.019		-
\$	10.291	\$	10.676	\$	9.835	\$	10.542	\$	10.816	\$	9.796
	12.14%		12.14%		11.63%		10.75%		11.34%		10.29%

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Levy Years Ago

Taxpayer	Tax Year 2022			Tax Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Albion on Lake Cook	\$ 52,414,901	1	2.32%	\$ 10,386,875	4	0.65%
TMIF II Clayson LLC	17,841,990	2	0.79%	NA	NA	NA
Weber Stephen Products	12,907,938	3	0.57%	10,649,741	2	0.67%
United Parcel Service	12,740,637	4	0.56%	8,937,570	6	0.56%
Wal Mart	10,110,757	5	0.45%	14,261,623	1	0.90%
Deer Grove Centre	9,966,238	6	0.44%	9,935,960	5	0.62%
DNA Realty	8,948,156	7	0.40%	NA	NA	NA
Target	8,651,658	8	0.38%	NA	NA	NA
Palatine Fresh Market	8,302,434	9	0.37%	NA	NA	NA
Palatine Industrial 1	8,099,075	10	0.36%	NA	NA	NA
McCaffrey Interests	NA	NA	NA	10,509,603	3	0.66%
Thomson Partners	NA	NA	NA	8,482,058	7	0.53%
Village Park Palatine 300	NA	NA	NA	7,881,930	8	0.50%
Arlington Toyota	NA	NA	NA	7,696,975	9	0.48%
Highland Management	NA	NA	NA	6,523,901	10	0.41%
	<u>\$ 149,983,784</u>		<u>6.64%</u>	<u>\$ 95,266,236</u>		<u>5.98%</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**
2013	\$ 22,097,695	\$ 21,729,359	98.33%	\$ (113,340)	\$ 21,616,019	97.82%
2014	21,983,368	21,698,390	98.70%	47,143	21,745,533	98.92%
2015	21,988,263	21,688,247	98.64%	(58,245)	21,630,002	98.37%
2016	21,989,040	21,682,685	98.61%	(15,307)	21,667,378	98.54%
2017	22,829,755	22,611,087	99.04%	51,946	22,663,033	99.27%
2018	23,056,901	22,678,380	98.36%	722,758	23,401,138	101.49%
2019	23,172,496	22,778,525	98.30%	369,218	23,147,743	99.89%
2020	23,252,356	22,649,070	97.41%	731,259	23,380,329	100.55%
2021*	23,259,352	17,947,590	77.16%	5,509,413	23,457,003	100.85%
2022	22,812,882	22,183,552	97.24%	-	22,183,552	97.24%

* The second installment bills were delayed by the County causing a lower than normal amount of collections within the fiscal year of the levy.

** Collections are presented as reported by the County. It is unknown how certain years exceed 100%.

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		Per Capita*
	General Obligation Bonds	TIF Revenue Bonds	Subscription- Based IT Arrangements	General Obligation Bonds	Total Primary Government	of Personal Income*	
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
2022	31,010,314	31,682	-	2,772,900	33,814,896	1.47%	498
2023	28,380,129	-	32,340	1,885,755	30,298,224	1.22%	446

* 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					
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	0.75%		632
2022	31,010,314	2,772,900	1,991,184	31,792,030	0.63%		527
2023	28,380,129	1,885,755	-	30,265,884	0.45%		446

* 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, 2023

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Palatine ⁽¹⁾	Village of Palatine Share of Debt
Village of Palatine	\$ 28,412,469	100.00%	\$ 28,412,469
School Districts			
Community Unit District 15	80,780,000	50.80%	41,036,240
Township High School District 214	25,000,000	0.01%	2,500
Community College District 512	235,760,000	9.22%	21,737,072
Total school districts	341,540,000		62,775,812
Other than schools			
Cook County	2,620,545,000	1.19%	31,184,486
Cook County Forest Preserve District	87,340,000	1.19%	1,039,346
Metropolitan Water Reclamation District	2,637,381,000	1.21%	31,912,310
Park Districts			
Arlington Heights Park District	8,450,000	0.05%	4,225
Palatine Park District	15,870,000	75.79%	12,027,873
Salt Creek Park District	940,000	49.40%	464,360
Palatine Public Library District	4,350,000	77.66%	3,378,210
Total other than schools	5,374,876,000		80,010,810
Total Overlapping Governmental Activities Debt	5,716,416,000		142,786,622
Total Direct and Overlapping Governmental Activities Debt	\$ 5,744,828,469		\$ 171,199,091

⁽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 2022 EAV is the most current available.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2023

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
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%
2022	67,908	2,299,416,735	33,861	3.7%
2023	67,908	2,482,306,906	36,554	3.4%

Data Source

US Census Bureau

Illinois Department of Employment Security

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2023			2014		
	Rank	Approx. No. of Employees	Percentage of Total Village Population	Rank	Approx. No. of Employees	Percentage of Total Village Population
Township High School District 211	1	2,150	3.17%	1	2,057	3.00%
Weber-Stephen Products	2	1,341	1.97%	9	200	0.29%
United Parcel Service	3	1,176	1.73%	2t	1,000	1.46%
Community Consolidated School District 15	4	918	1.35%	2t	1,000	1.46%
Community College District 512	5	898	1.32%	5	957	1.43%
Little City Foundation	6	669	0.99%	NA	NA	NA
United States Postal Service	7	384	0.57%	2t	1,000	1.46%
Village of Palatine	8	341	0.50%	8	355	0.52%
Intec Group, Inc.	9	104	0.15%	6	425	0.62%
Arlington Plating	10	100	0.15%	10	110	0.16%
Schneider Electric-Square D	NA	NA	NA	7	355	0.52%

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL GOVERNMENT										
Village Clerk	2.0	2.0	1.5	1.5	2.0	2.0	1.5	1.0	1.0	1.0
Village Manager	6.0	6.0	4.5	5.0	4.0	4.0	3.5	4.0	4.0	4.0
Finance and Operations	12.0	12.0	10.0	10.0	10.0	10.0	10.0	9.5	8.5	8.0
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	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	7.0	7.0	7.0	8.0	7.5	7.5	7.5	6.5	6.5	6.5
PUBLIC SAFETY										
Community Development	19.5	20.5	20.5	24.0	24.0	24.0	22.0	22.5	22.5	22.0
Police										
Sworn personnel	108.0	109.0	109.0	109.0	109.0	109.0	109.0	108.0	108.0	108.0
Civilians	31.0	31.5	27.5	31.0	29.5	29.5	28.0	28.0	28.0	28.0
Fire										
Sworn personnel	91.0	91.0	91.0	91.0	91.0	91.0	91.0	88.0	88.0	88.0
Civilians	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.0	8.0	8.0
PUBLIC WORKS										
Public Works	63.5	63.5	63.0	62.0	62.0	64.0	62.5	62.5	63.5	63.5

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

OPERATING INDICATORS										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PUBLIC SAFETY										
Police										
Physical arrests	1,527	1,660	1,832	2,155	2,233	2,146	1,931	815	1,114	1,157
Parking violations	4,756	5,664	5,645	6,638	7,017	7,490	5,485	6,592	5,706	3,290
Traffic violations	9,960	11,229	10,663	10,056	11,251	10,258	7,370	8,094	11,550	4,973
Fire										
Emergency responses	8,009	7,661	7,853	7,709	8,080	7,879	7,416	8,222	9,090	9,068
PUBLIC WORKS										
Water										
Number of connections	16,780	16,780	16,780	16,780	16,780	16,780	16,780	16,780	16,780	16,780
Avg daily consumption	6.30M	6.49M	6.22M	5.75M	5.93M	5.71M	5.94M	5.95M	5.72M	5.85M
CAPITAL ASSET STATISTICS										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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)	235	235	235	235	235	235	235	235	235	235
Number of bridges	6	6	6	6	6	6	6	6	6	6
Waterworks										
Water mains (miles)	156	156	179	179	179	179	212	212	212	212
Fire hydrants	2,060	2,060	2,513	2,513	2,523	2,523	2,625	2,625	2,625	2,625
Sewerage										
Sanitary sewers (miles)	145	145	168	168	169	169	169	169	169	169
Storm sewers (miles)	225	225	260	260	263	263	267	267	274	274

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, 2023

	Amount	As Percent of		Per Capita
		Assessed Value	Estimated True Value	
Taxable real property, 2022				
Assessed valuation	\$ 2,263,182,399	100.00%	33.33%	\$ 33,327
Estimated true value	6,789,547,197	300.00%	100.00%	99,982
Total general obligation bonded debt ⁽¹⁾ :	28,680,000	1.27%	0.42%	422
Less: Self-Supporting	(5,420,000)	-0.24%	-0.08%	(80)
Net general obligation bonded debt	23,260,000	1.03%	0.34%	343
Overlapping bonded debt payable from property taxes ⁽²⁾ :				
Schools	62,775,812	2.77%	0.92%	924
Other than schools	80,010,810	3.54%	1.18%	1,178
Total overlapping bonded debt	142,786,622	6.31%	2.10%	2,103
Total net direct and overlapping bonded debt	\$ 166,046,622	7.34%	2.45%	\$ 2,445

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 \$5,420,000 or 18.9% is considered self-supporting.

⁽²⁾ Overlapping bonded debt as of June 2023.

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, 2023

Due 12/1	Series						Total Maturities ^{(1) (2)}	
	Series 2014B	Series 2015	Series 2017 (2 Issues)	Series 2018	Series 2020		Amount	%
2024	\$ 760,000	\$ 820,000	\$ 1,200,000	\$ 560,000	\$ 705,000	\$	4,045,000	14.1%
2025	790,000	870,000	1,210,000	600,000	725,000		4,195,000	14.6%
2026	-	-	745,000	640,000	1,275,000		2,660,000	9.3%
2027	-	-	-	670,000	1,345,000		2,015,000	7.0%
2028	-	-	-	725,000	1,375,000		2,100,000	7.3%
2029	-	-	-	755,000	1,415,000		2,170,000	7.6%
2030	-	-	-	-	2,190,000		2,190,000	7.6%
2031	-	-	-	-	2,245,000		2,245,000	7.8%
2032	-	-	-	-	2,300,000		2,300,000	8.0%
2033	-	-	-	-	2,355,000		2,355,000	8.2%
2034	-	-	-	-	2,405,000		2,405,000	8.4%
	\$ 1,550,000	\$ 1,690,000	\$ 3,155,000	\$ 3,950,000	\$ 18,335,000	\$	28,680,000	100.0%

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 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 \$28,680, 000 outstanding principal at December 31, 2023, the Village estimates that \$5,420,000 (18.9%) is self-supporting from non-property tax sources.

Data Source

Village Records

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, 2023

Village Issue		Ratio to Estimated Actual Value				Per Capita		
		Direct Debt		Direct and Overlapping Debt		Direct and Overlapping Debt		Population Estimate
		Including Self-Supporting	Excluding Self-Supporting	Including Self-Supporting	Excluding Self-Supporting	Including Self-Supporting	Excluding Self-Supporting	
			(1)		(1)		(1)	
			(1)		(1)		(1)	
Sale Date	Amount	Supporting		Supporting		Supporting		
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, 2023

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
School Districts				
Palatine Community District No. 15	100.0%	\$ 80,780,000	50.80%	\$ 41,036,240
Township High School District No. 214	0.1%	25,000,000	0.01%	2,500
Community College District No. 512	100.0%	235,760,000	9.22%	21,737,072
Total school districts		<u>341,540,000</u>		<u>62,775,812</u>
Other than schools				
Cook County	100.0%	2,620,545,000	1.19%	31,184,486
Cook County Forest Preserve District	100.0%	87,340,000	1.19%	1,039,346
Metropolitan Water Reclamation District	100.0%	2,637,381,000	1.21%	31,912,310
Park Districts				
Arlington Heights Park District	0.1%	8,450,000	0.05%	4,225
Palatine Park District	94.2%	15,870,000	75.79%	12,027,873
Salt Creek Park District	5.7%	940,000	49.40%	464,360
Palatine Public Library District	100.0%	4,350,000	77.66%	3,378,210
Total other than schools		<u>5,374,876,000</u>		<u>80,010,810</u>
Total Overlapping Governmental Activities Debt		<u>\$ 5,716,416,000</u>		<u>\$ 142,786,622</u>

Notes:

⁽¹⁾ As of June 2023.

⁽²⁾ Overlapping debt percentages based on 2022 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, 2023

Levy Year	Net for General Taxing Purposes	Plus Incremental Valuation	Total For All Taxing Purposes ⁽¹⁾	Increase Over Prior Year
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	228,625,586	2,281,162,401	3.5%
2021	1,895,627,274	215,116,389	2,110,743,663	-7.5%
2022	2,263,182,399	226,833,541	2,490,015,940	18.0%

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, 2023

Tax Levy Year	2018	2019	2020	2021	2022
TAX RATES					
Village of Palatine ⁽¹⁾					
Social Security	\$ 0.117	\$ 0.104	\$ 0.128	\$ 0.141	\$ 0.123
IMRF	0.054	0.055	0.059	0.059	0.037
Corporate (Police Protection)	0.228	0.186	0.167	0.182	0.135
Fire Protection	0.228	0.186	0.167	0.182	0.135
Fire Pension	0.269	0.274	0.270	0.300	0.249
Police Pension	0.254	0.262	0.278	0.293	0.248
Debt Service	0.146	0.077	0.064	0.070	0.081
Total Village of Palatine	1.296	1.144	1.133	1.227	1.008
School Districts					
Palatine CCSD No. 15	3.807	3.486	3.564	3.955	3.673
Junior College No. 512	0.443	0.403	0.409	0.457	0.410
Township HSD No. 211	3.044	2.749	2.787	3.020	2.710
Park District	0.693	0.633	0.650	0.711	0.637
Library District	0.291	0.344	0.353	0.388	0.346
County					
County of Cook	0.489	0.454	0.453	0.446	0.431
Forest Preserve	0.060	0.059	0.580	0.580	0.081
Township					
Palatine Township	0.059	0.055	0.550	0.060	0.050
General Assistance	0.007	0.007	0.007	0.008	0.007
Road and Bridge	0.080	0.072	0.068	0.074	0.060
Other Districts					
Northwest Mosquito	0.011	0.010	0.010	0.011	0.009
Sanitary District	0.396	0.389	0.500	0.382	0.374
Elections (ELCO)	-	0.030	-	0.019	-
TOTAL TAX RATE ⁽²⁾	\$ 10.676	\$ 9.835	\$ 11.064	\$ 11.338	\$ 9.796
SHARE OF TOTAL TAX LEVIED BY THE VILLAGE	12.14%	11.63%	10.24%	10.82%	10.29%

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, 2023

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
2013	\$ 22,097,695	\$ 21,729,359	98.33%	\$ (113,340)	\$ 21,616,019	97.82%
2014	21,983,368	21,698,390	98.70%	47,143	21,745,533	98.92%
2015	21,988,263	21,688,247	98.64%	(58,245)	21,630,002	98.37%
2016	21,989,040	21,682,685	98.61%	(15,307)	21,667,378	98.54%
2017	22,829,755	22,611,087	99.04%	51,946	22,663,033	99.27%
2018	23,056,901	22,678,380	98.36%	722,758	23,401,138	101.49%
2019	23,172,496	22,778,525	98.30%	369,218	23,147,743	99.89%
2020	23,252,356	22,649,070	97.41%	731,259	23,380,329	100.55%
2021	23,259,352	17,947,590	77.16%	5,509,413	23,457,003	100.85%
2022	22,812,882	22,183,552	97.24%	-	22,183,552	97.24%

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, 2023

Property Classification ⁽¹⁾	2018	2019	2020	2021	2022
Residential	\$ 1,463,225,616	\$ 1,616,703,874	\$ 1,611,474,223	\$ 1,486,924,813	\$ 1,840,426,100
Commercial	254,339,800	344,315,040	364,626,790	343,380,900	341,790,219
Industrial/Railroad/Farm	61,515,897	72,514,158	76,435,802	65,321,561	80,966,080
Net for General Taxing Purposes	1,779,081,313	2,033,533,072	2,052,536,815	1,895,627,274	2,263,182,399
Incremental Valuation ⁽²⁾	111,848,301	170,232,002	228,625,586	215,116,389	226,833,541
Total for all Taxing Purposes	\$ 1,890,929,614	\$ 2,203,765,074	\$ 2,281,162,401	\$ 2,110,743,663	\$ 2,490,015,940
Percentage Increase	-2.3%	16.5%	3.5%	-7.5%	18.0%

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, 2023

Taxpayer		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Albion on Lake Cook	Multi-Family Housing	\$ 52,414,901	1	2.32%
TMIF II Clayson LLC	Multi-Family Housing	17,841,990	2	0.79%
Weber Stephen Products	Manufacturing	12,907,938	3	0.57%
United Parcel Service	Delivery	12,740,637	4	0.56%
Wal Mart	Retail Store	10,110,757	5	0.45%
Deer Grove Centre	Commercial Real Estate	9,966,238	6	0.44%
DNA Realty	Commercial Real Estate	8,948,156	7	0.40%
Target	Retail Store	8,651,658	8	0.38%
Palatine Fresh Market	Retail Store	8,302,434	9	0.37%
Palatine Industrial 1	Commercial Real Estate	8,099,075	10	0.36%
		<u>\$ 149,983,784</u>		<u>6.64%</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 2022 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, 2023

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

(Fiscal Year Ending December 31, 2019 - 2023)

	2019	2020	2021	2022	2023	CY 2023 Budget ⁽²⁾
REVENUES						
Taxes	\$ 26,719,977	\$ 27,921,769	\$ 30,897,540	\$ 30,700,058	\$ 29,185,088	\$ 28,753,878
Licenses and permits	3,609,532	3,148,869	4,011,603	3,137,925	3,076,218	2,685,000
Intergovernmental	21,290,467	22,111,733	26,501,973	29,407,004	29,570,122	28,906,855
Charges for services	4,647,540	3,587,245	4,132,742	7,725,730	7,887,115	8,321,400
Fines and forfeits	1,681,635	1,196,453	1,498,459	1,198,466	1,073,380	1,787,000
Investment income	697,884	289,279	96,279	(55,988)	1,636,918	100,000
Miscellaneous	456,818	487,681	493,257	506,943	695,785	455,000
Sale of capital assets	-	-	-	-	40,569	-
Transfers	-	930,980	75,782	-	576,532	-
Total revenues	59,103,853	59,674,009	67,707,635	72,620,138	73,741,727	71,009,133
EXPENDITURES						
General government	5,190,804	4,915,571	4,395,811	4,937,310	4,963,140	7,195,162
Public safety	45,411,561	46,692,238	47,914,355	53,447,375	52,950,598	56,219,495
Public works	6,212,413	6,219,908	6,291,028	6,801,488	6,886,501	7,491,955
Transfers	2,856,860	-	60,000	1,769,480	13,542,000	-
Total expenditures	59,671,638	57,827,717	58,661,194	66,955,653	78,342,239	70,906,612
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES	(567,785)	1,846,292	9,046,441	5,664,485	(4,600,512)	\$ 102,521
FUND BALANCE, JANUARY 1						
	24,884,276	24,316,491	26,162,783	35,209,224	40,873,709	
FUND BALANCE, DECEMBER 31						
	\$ 24,316,491	\$ 26,162,783	\$ 35,209,224	\$ 40,873,709	\$ 36,273,197	

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, 2023

Balance Sheet ⁽¹⁾					
(December 31, 2019 - 2023)					
	2019	2020	2021	2022	2023
ASSETS					
Cash and investments	\$ 19,975,689	\$ 22,422,763	\$ 31,204,940	\$ 36,423,778	\$ 33,340,390
Receivables					
Property taxes	21,502,944	21,747,049	21,712,678	25,210,243	20,063,878
Other	881,082	917,803	959,236	1,444,472	995,374
Due from other governments	4,896,865	4,317,221	5,383,945	5,507,641	5,552,306
Accrued interest	122,305	47,525	8,361	9,784	29,354
Leases	-	-	251,214	113,175	566,657
Due from other funds	19,565	26,833	19,832	22,238	23,061
Prepaid expenses	72,764	36,689	72,800	76,447	71,941
Advance to other funds	2,817,085	1,927,940	994,340	-	-
TOTAL ASSETS	\$ 50,288,299	\$ 51,443,823	\$ 60,607,346	\$ 68,807,778	\$ 60,642,961
LIABILITIES					
Accounts payable	\$ 651,498	\$ 1,205,985	\$ 1,085,450	\$ 2,728,427	\$ 1,766,440
All other liabilities	2,953,183	1,608,057	1,740,695	3,854,250	1,593,808
TOTAL LIABILITIES	3,604,681	2,814,042	2,826,145	6,582,677	3,360,248
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	21,502,944	21,719,178	21,712,678	20,757,678	20,063,878
Unavailable revenue	864,183	747,820	629,258	508,273	384,909
Lease items	-	-	230,041	85,441	560,729
TOTAL DEFERRED INFLOWS OF RESOURCES	22,367,127	22,466,998	22,571,977	21,351,392	21,009,516
FUND BALANCES					
Nonspendable	2,889,849	2,023,377	1,067,140	76,447	71,941
Assigned	-	-	572,744	374,387	106,930
Unassigned	21,426,642	24,139,406	33,569,340	40,422,875	36,094,326
TOTAL FUND BALANCES	24,316,491	26,162,783	35,209,224	40,873,709	36,273,197
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 50,288,299	\$ 51,443,823	\$ 60,607,346	\$ 68,807,778	\$ 60,642,961

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, 2023

<i>Fund Balances/Net Position</i>					
	2019	2020	2021	2022	2023
Governmental Fund Types					
General	\$ 24,316,491	\$ 26,221,531	\$ 35,209,224	\$ 40,873,709	\$ 36,273,197
Special Revenue	19,603,949	19,800,091	24,670,139	27,366,556	35,083,314
Debt Service	124,657	135,684	130,744	2,067,099	16,149,196
Capital Projects	11,354,671	10,805,047	12,134,442	12,516,610	13,536,366
	55,399,768	56,962,353	72,144,549	82,823,974	101,042,073
Proprietary Fund Types					
Enterprise Funds	64,597,840	70,336,830	73,866,956	78,581,018	84,042,525
Internal Service Funds	6,606,341	6,150,802	5,576,990	5,265,792	5,298,158
	71,204,181	76,487,632	79,443,946	83,846,810	89,340,683
Fiduciary Fund Types					
Pension Trust	141,589,194	170,479,283	194,042,918	190,234,577	215,315,797
Total All Funds (Memo Only)	\$ 268,193,143	\$ 303,929,268	\$ 345,631,413	\$ 356,905,361	\$ 405,698,553
<i>Cash and Investments</i>					
	2019	2020	2021	2022	2023
Fund					
General	\$ 19,975,689	\$ 19,975,689	\$ 31,204,940	\$ 36,423,778	\$ 33,340,390
Special Revenue	17,924,211	17,924,211	28,003,355	29,849,833	36,230,437
Debt Service	124,657	124,657	130,744	1,681,940	16,111,550
Capital Projects	10,974,219	10,974,219	11,955,482	12,165,758	13,256,328
Enterprise Funds	17,909,059	17,909,059	19,220,142	17,059,033	19,880,177
Internal Service Funds	9,348,561	9,348,561	7,439,842	6,244,272	6,265,247
Pension Trust	169,673,169	169,673,169	219,193,877	6,749,322	4,529,428
Total All Funds (Memo Only)	\$ 245,929,565	\$ 245,929,565	\$ 317,148,382	\$ 110,173,936	\$ 129,613,557

Notes:

⁽¹⁾ These condensed financial statements for the years ending December 31, 2019 - 2023, 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, 2023, included an unmodified "Report of Independent Auditors". Similar unmodified opinions were included in the Village's ACFRs for the fiscal years ended December 31, 2019 - 2022. 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, 2023, 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, 2023

	Governmental Activities	Business- Type Activities
Tangible capital assets		
Land	\$ 11,565,020	\$ 4,858,690
Land - Rights of way	139,806,925	-
Machinery and equipment	14,823,871	3,134,040
Buildings and improvements	52,208,475	23,888,305
Streets	37,065,522	-
Bridges	1,596,735	-
Sanitary sewer system	-	28,956,625
Storm sewer system	-	34,574,025
Water system	-	39,711,804
Intangible capital assets		
Subscription asset	2,549,694	-
	259,616,242	135,123,489
Less: Accumulated depreciation	50,200,474	83,840,105
Net investment in capital assets	\$ 209,415,768	\$ 51,283,384

Data Source

Village Records