

VILLAGE OF PALATINE, ILLINOIS



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2024

VILLAGE OF PALATINE, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2024

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INTRODUCTORY SECTION

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2024

MAYOR

Jim Schwantz

VILLAGE COUNCIL

Tim Millar	District 1
Scott Lamerand	District 2
Doug Myslinski	District 3
Greg Solberg (Jan – Sept)	District 4
Joe Falkenberg (Nov - Dec)	District 4
Kollin Kozlowski	District 5
Brad Helms	District 6

VILLAGE CLERK

Margaret Duer

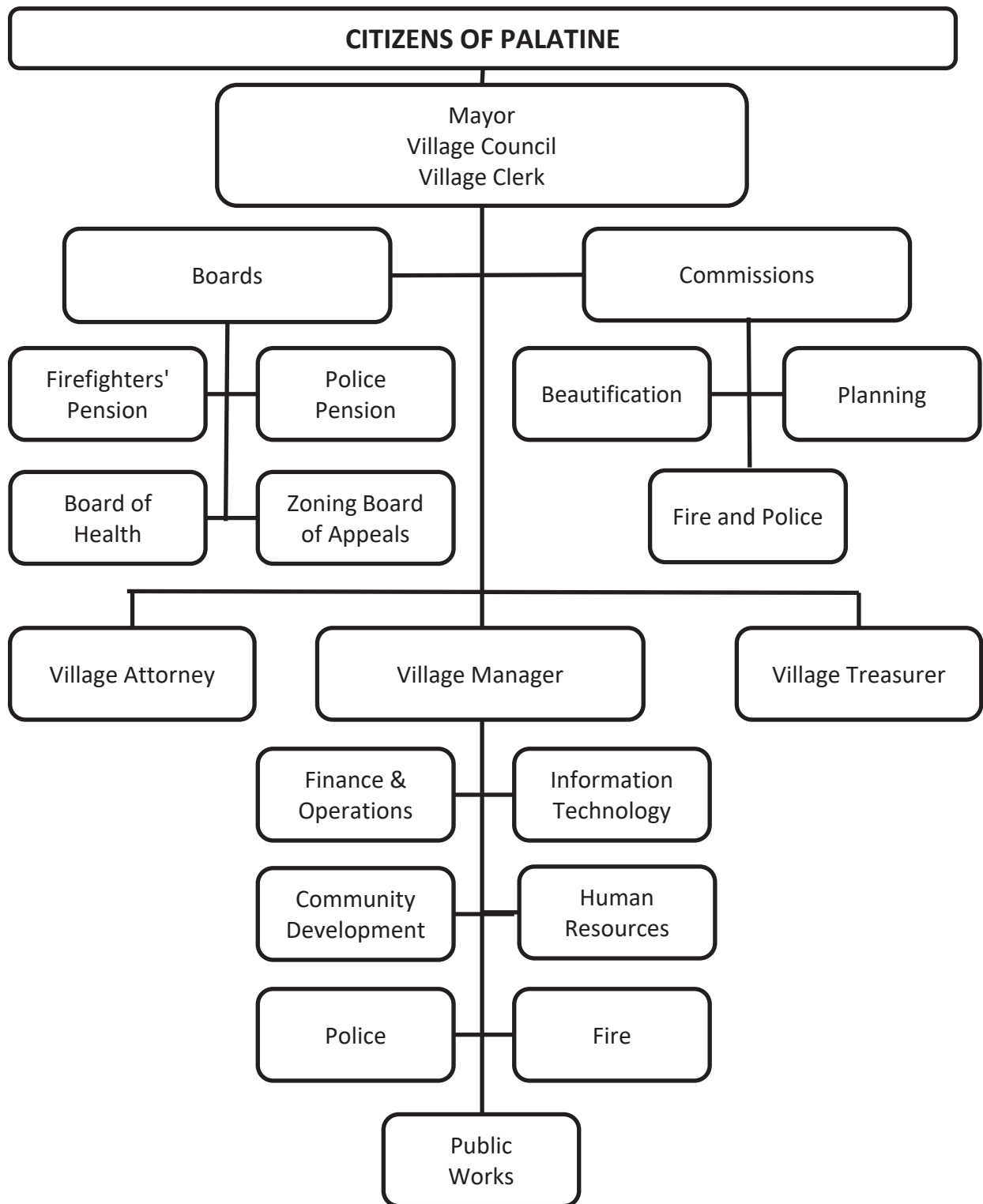
ADMINISTRATIVE

Reid Ottesen	Village Manager
Patrick Brankin	Village Attorney
Paul Mehring	Finance Director/Village Treasurer
Andrew Brown (Dec)	Finance Director

VILLAGE OF PALATINE, ILLINOIS

ORGANIZATION CHART

December 31, 2024





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, 2023

Christopher P. Morill

Executive Director/CEO



DEPARTMENT OF FINANCE & OPERATIONS

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

Telephone (847) 359-9018 · Fax (847) 202-6672

www.palatine.il.us

June 13, 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, 2024.

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 LLC, 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, 2024, 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, 2024, 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 required supplementary information. For governmental funds other than the General Fund and any major special revenue funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements and schedules section 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 2024 increased by 1.6% over the prior year.

Palatine's average unemployment rate is some 1.0% 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 was completed with a new Strickland Brothers drive-through oil change facility. The re-establishment of the former gas station at the corner of Northwest Highway and Creekside Drive is underway, with the existing gas station building being remodeled to include a second tenant space. The project includes the construction of a new fuel island canopy and replacement of the underground fuel storage tanks. The existing Wendy's drive-through restaurant at 265 N. Northwest Highway will soon commence the complete rebuilding of the restaurant, including demolition of the existing building, construction of a new building, and various related site improvements. The Popeye's drive-through restaurant, located at 45 N. Northwest Highway, is currently completing a remodel of the building's exterior, dining area, restrooms, and service area.

Rand and Dundee Corridors – The redevelopment of the 3 acre property at 2239 N. Rand Road into a new car wash facility has commenced. The former Wendy's site at 1142 E. Dundee Road was redeveloped with a new drive-through Popeye's restaurant. Shop & Save is currently in the process of remodeling an approximately 80,000 square foot tenant space within the Park Place Shopping Center for a grocery operator (Local Market/Shop & Save Market). The remodeling project includes TIF assistance from the Village for costs related to the building's façade renovations, with completion of the entire project anticipated by October, 2025. The Wal-Mart store has submitted a building permit application for an extensive remodeling of their existing store near the southeast corner of Rand & Dundee Roads.

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 2024, the Village spent over \$9.9 million to maintain and improve its transportation system. The Village uses the PAVER system to track the condition of its streets. This system assigns a rating to a street based on an assessment of its physical condition. The Village uses these ratings to annually develop a prioritized listing of streets in need of repair.

The Village has placed a heavy focus on its aging utility (water and 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 2024, over \$5.7 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 2024, 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, 2023. This was the 24th 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,



Andrew D. Brown
Finance Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palatine, Illinois (the Village), as of and for the year ended December 31, 2024, 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, 2024, 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 25.52%, 26.21% and 2.24%, 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.

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, 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 June 9, 2025 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
June 9, 2025

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Naperville, IL 60563
630.566.8400

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**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 Council
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, 2024, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 9, 2025. The financial statements of the Northwest Water Commission were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Northwest Water Commission.

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
June 9, 2025

**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 7.

FINANCIAL HIGHLIGHTS

VILLAGE FUNDS AS A WHOLE

The Village continued to fund its debt service reserve in FY 2024, debt service fund balance is \$20.9 mil to end the fiscal cycle. The reserve portion of this fund, held in the General Obligation Bond Fund, is estimated to fully fund those future debt service payments for all currently outstanding general obligation bonds.

The Village's combined contribution to the PPERS and FPERS exceeded the actuarially determined contribution by \$4.8 million to accelerate the amortization of the net pension liability beyond the actuarially calculated amount.

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 \$276.9 million.
- **Change in net position** was an increase of \$23.6 million.
- **Combined revenues** totaled \$129.8 million, an increase of 2.8%.
- **Combined expenses** totaled \$106.2 million, an increase of 5.0%.

GENERAL FUND

- **Revenues** for the fiscal year totaled \$71.5, a decrease of \$1.6 million.
- **Expenditures** for the fiscal year totaled \$70.5 million, an increase of \$5.7 million.
- **Fund Balance** as of year-end was \$31.7 million.
- **Net change in fund balance** was a decrease of \$4.6 million.

BUSINESS-TYPE ACTIVITIES

- **Operating revenues** totaled \$25.3 million, an increase of \$2.4 million.
- **Operating expenses** totaled \$21.6 million, an increase of \$3.1 million.
- **Depreciation of capital assets**, a non-cash expense totaling \$2.4 million, is included in the operating expenses total.

LONG-TERM DEBT

- **Bonded Debt for governmental activities outstanding** at year-end decreased \$3.2 million to \$23.8 million during the year.
- **Bonded Debt for business-type activities outstanding** at year-end decreased \$0.8 million to \$0.9 million during the year.
- **Net Pension Liability for Public Safety Pensions** decreased \$2.8 million to \$125.1 million. This includes the liabilities for both Police and Firefighters' Pension Funds.
- **Net Pension Liability for IMRF** (non-sworn employees) decreased to \$4.1 million as of December 31, 2023.

CAPITAL INVESTMENT

- **Village-wide tangible and intangible capital assets**, net of depreciation and amortization, total \$264.7 million at year-end, an increase of \$4.0 million.
- **Governmental tangible and intangible capital assets**, net of depreciation and amortization, decreased \$0.5 million to \$208.9 million.
- **Business-type capital assets**, net of depreciation, increased \$4.5 million to \$55.8 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 7 – 10 of this report.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 seventeen (17) 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 11 - 16 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 17 - 21 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 22 - 23 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 24 - 79 of this report.

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 and other postemployment benefits, as well as budgetary comparison schedules for the General Fund and any major special revenue funds for which an appropriation was approved. Required supplementary information can be found on pages 80 - 95 of this report.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Other supplementary information. This includes combining and individual fund statements and schedules, which can be found beginning on page 96 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 151.

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	\$ 158.6	\$ 37.3	\$ 195.9	\$ 148.2	\$ 37.8	\$ 186.0
Capital assets	208.9	55.8	264.7	209.4	51.3	260.7
Total Assets	367.5	93.1	460.6	357.6	89.1	446.7
Deferred outflows of resources	34.8	2.4	37.2	40.6	2.6	43.2
Noncurrent liabilities	169.5	3.2	172.7	177.0	4.7	181.7
Other liabilities	8.6	1.7	10.3	11.5	2.6	14.1
Total liabilities	178.1	4.9	183.0	188.5	7.3	195.8
Deferred inflows of resources	37.7	0.3	38.0	40.4	0.4	40.8
Net position						
Net investment in capital assets	186.0	54.6	240.6	184.8	49.4	234.2
Restricted	45.1	-	45.1	31.4	-	31.4
Unrestricted	(44.5)	35.7	(8.8)	(46.9)	34.6	(12.3)
Total net position	\$ 186.6	\$ 90.3	\$ 276.9	\$ 169.3	\$ 84.0	\$ 253.3

Total assets increased \$13.9 million during the year, inclusive of an increase of \$9.3 million in cash and investments due to net operations. Receivables increased by \$0.1 million from the prior year. The current year also includes an increase of \$0.4 million for a total of \$15.8 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

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

maintain a water supply system to serve its members and other potential water purchasers. Capital assets increased \$4.0 million for the year.

Deferred outflows of resources decreased \$6.0 million over the year. This is mostly attributable to the pension items for the Police and Firefighters Pension Funds, which decreased a combined \$6.0 million due to the Village's excess contribution and positive investment experience during the year. Other Post-Employment Benefits (OPEB) saw an increase of \$0.6 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 \$1.1 million.

Total liabilities decreased \$12.8 million for the year. Other liabilities decreased \$3.8 million. Non-current liabilities also decreased \$9.0 million. Of this amount, the net pension liability for public safety pensions (sworn employees) decreased \$2.8 million. The net pension liability for non-sworn employees through the Illinois Municipal Retirement Fund (IMRF) decreased \$3.6 million, to \$4.1 million. Outstanding bonded debt decreased \$4.1 million.

Deferred inflows of resources decreased \$2.8 million over the year. Deferred inflows for pension items accounted for most of the net decrease at \$2.0 million. IMRF decreased \$0.2 million and the police and fire pensions saw a combined decrease of \$1.8 million. Changes to deferred inflows relating to leases and other postemployment benefits experienced slight fluctuations year over year.

As of year-end, net position for the Village was \$276.9 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 (\$45.1 million) represents resources that are subject to external restrictions relative to their use.

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 \$129.1 million at year-end for its three pension plans and requires the Village to recognize total other postemployment benefit obligations totaling \$12.5 million. Unrestricted net position increased \$3.5 million from the previous fiscal year primarily due to revenues exceeding expenses.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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	\$ 11.4	\$ 25.6	\$ 37.0	\$ 15.4	\$ 23.2	\$ 38.6
Operating grants	6.1	0.6	6.7	3.6	0.6	4.2
Capital grants and contributions	1.2	-	1.2	1.6	0.1	1.7
General revenues						
Property taxes	35.7	-	35.7	34.3	-	34.3
Other taxes	12.2	-	12.2	11.1	-	11.1
Other revenues	36.0	0.9	36.9	35.7	0.8	36.5
Total revenues	102.6	27.1	129.7	101.7	24.7	126.4
Expenses						
Governmental activities						
General government	5.0	-	5.0	4.5	-	4.5
Public safety	63.3	-	63.3	59.3	-	59.3
Public works	10.8	-	10.8	14.2	-	14.2
Economic development	4.9	-	4.9	3.9	-	3.9
Interest & fiscal charges	0.7	-	0.7	0.7	-	0.7
Business-type activities						
Waterworks	-	11.9	11.9	-	8.7	8.7
Sewerage	-	4.4	4.4	-	4.8	4.8
Motor vehicle parking	-	0.5	0.5	-	0.5	0.5
Refuse collection	-	4.7	4.7	-	4.6	4.6
Total expenses	84.7	21.5	106.2	82.6	18.6	101.2
Change in net position before transfers	17.9	5.6	23.5	19.1	6.1	25.2
Transfers	(0.6)	0.6	-	0.7	(0.7)	-
Change in net position	17.3	6.2	23.5	19.8	5.4	25.2
Net position, beginning	169.3	84.0	253.3	149.5	78.6	228.1
Net position, ending	\$ 186.6	\$ 90.3	\$ 276.9	\$ 169.3	\$ 84.0	\$ 253.3

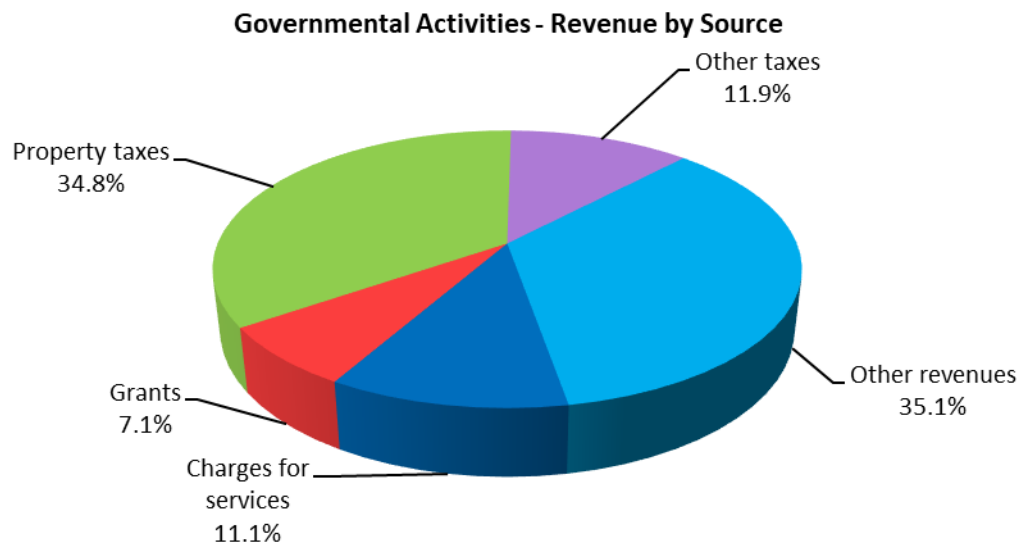
Overall, revenues for the Village totaled \$129.7 million, an increase of \$3.3 million from the prior year. Expenses village-wide totaled \$106.2 million, an increase of \$5.0 million from the prior year. The resulting change from the fiscal year activities is an increase in net position of \$23.5 million, representing growth of 9.3%.

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 \$84.7 million exceeded program revenues of \$18.7 million by \$66.0 million; general revenues of \$83.9 million are used to make up the difference. With governmental revenues performing better than anticipated while expenses remained low, the Village experienced a \$17.3 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.

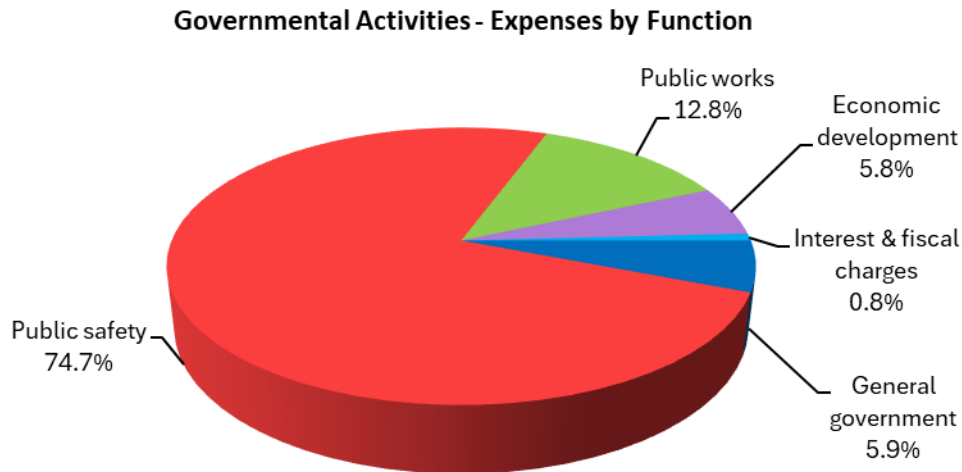


- Charges for services decreased \$4.0 million for the year and grant revenues increased by \$2.1 million.
- Revenue from taxes increased \$2.5 million. The Property Tax increased by \$1.4 million and Home Rule Sales Tax increased by \$0.2 million.
- Other revenues of \$36.0 million (excluding transfers) increased \$0.3 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 \$4.0 million (6.8%) to \$63.3 million. The increase is attributable to the additional pension contributions the Village made to accelerate the amortization of the net pension liability. 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.
- Public works expenses decreased \$3.4 million (23.9%) over the prior year. This decrease is due to decreased capital outlay expenditures.
- General government expenses increased \$0.5 million (11.1%) from the prior year due to an increase in expenditures related to casualty and liability insurance.

Business-Type Activities

The Waterworks, Sewerage, Commuter Parking System, and Refuse Funds' activity resulted in an increase to net position of \$6.2 million from the year's activity. Net position ended the year with \$90.3 million.

Revenues

Total revenue for the business-type activities experienced a \$2.4 million (9.7%) increase in the current year was due to increased consumption and increased water and sewer rates. User fees for water and sewer increased \$1.5 million over the prior fiscal period.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Business-type activity total expenses increased by \$2.9 million (15.6%), the Waterworks fund supplies and services were up \$0.4 mil and fees to the Northwest Water Commission increased \$0.4 mil from the prior fiscal year. Capital projects in the Waterworks fund was \$2.3 mil greater in FY 2024 over the prior fiscal year, net non-operating assets capitalized.

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 \$114.5 million, an increase of \$13.5 million from the prior year. The unassigned portion of the ending fund balances totaled \$31.6 million and is available to spend at the Village's discretion. The remainder of the combined ending fund balance is restricted or assigned for a specific purpose, or nonspendable 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 \$31.7 million, with \$31.6 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 45.0% of General Fund operating expenditures.

The ending fund balance of the General Fund decreased by \$4.6 million. General Fund revenues totaled \$71.5 million, a decrease of \$1.6 million (2.2%). Taxes and Intergovernmental were down by \$0.2 million and \$0.3 million, respectively, based on economic conditions while Investment income was down \$0.1 million year over but significantly over budget due to favorable interest rates. General Fund expenditures totaled \$70.5 million, an increase of \$5.7 million (8.8%). The majority of the increase in General Fund expenditures was in public safety related to the additional pension contributions (\$4.8 million) made in FY24. Transfers in decreased by \$1.3 million and Transfers out increased by \$1.3 million, which provided funding to the Village's Combined Services Facility Renovation Fund.

Downtown TIF Fund

The Downtown TIF Fund had a fund balance of \$32.1 million. This was an increase of \$8.5 million from annual activity. Revenues decreased \$0.1 million (1.1%) to \$9.1 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 increased \$0.1 million (20%) representing funding provided for capital outlay and redevelopment agreements.

Coronavirus State and Local Fiscal Recovery Grant Fund

This Fund had no fund balance in the current or prior fiscal year. Revenues increased \$0.4 million to \$3.1 million. The primary revenue source of the Fund is the Coronavirus State and Local Fiscal Recovery Grant from the Department of Treasury. Expenditures increased \$0.6 million representing capital outlay for eligible projects, most notably the Fire Station remodel improvements and other infrastructure improvements.

General Obligation Bond Fund

The General Obligation Bond Fund had a balance of \$20.9 million, an increase of \$4.8 million. The primary source of revenue for the Fund is transfers from the General Fund. The Debt Service Reserve is estimated to be fully funded to provide all future debt service payments for outstanding general obligation bonds. The fund could raise revenue through the annual tax levy process if needed, however all levied debt service for the 2024 tax levy was abated and the Village plans to keep that practice in place through the retirement of its outstanding General Obligations.

Capital Equipment Acquisition Fund

The Capital Equipment Acquisition Fund had a fund balance of \$8.5 million. This was an increase of \$0.6 million from annual activity. Revenues increased \$0.1 million (4.8%) to \$2.2 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 \$0.3 million (14.3%) resulting from the early purchase of Police Vehicles that became available due to improved supply chain conditions.

Other Governmental Funds

The Village maintains 12 other governmental funds. In aggregate, fund balances of other governmental funds increased \$4.2 million from the previous year. Highlights from some of these funds include:

- The Motor Fuel Tax Fund had a fund balance of \$2.5 million, an increase of \$0.3 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 \$0.7 million and \$0.6 million respectively. The Federal fund increased \$0.3 million and State fund decreased \$33,000.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Rand Road Corridor TIF Fund had a fund balance of \$6.5 million, an increase of \$0.6 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 \$2.3 million, an increase of \$0.2 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, Motor Vehicle 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 \$6.2 million through annual activity to \$90.3 million at year-end. Of the total, \$54.6 million represents the Village's net investment in capital assets. The remaining \$35.7 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 (\$3.8 million) came from charges to the various Village Departments. Expenditures of \$1.8 million and \$2.4 million represent fleet maintenance activities and liability insurance premiums and claims, respectively.

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.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Actual revenues of \$71.5 million surpassed budget expectations by \$0.1 million. Expenditures ended the year \$3.4 million below budget. Other financing uses reflect the issuance of a new SBITA for \$0.2 million, a transfer in from other funds of \$0.3 million, and a \$6.0 million transfer out to provide \$4.0 mil of funding to the debt service reserve and \$2.0 to the combined services facility renovation fund.

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	\$ 71.0	\$ 71.4	\$ 71.5	\$ 73.1
Expenditures	69.3	73.9	70.5	64.8
Excess (deficiency) of revenues over expenditures	1.7	(2.5)	1.0	8.3
Other financing sources (uses)	(1.6)	(5.7)	(5.6)	(12.9)
Net change in fund balance	\$ 0.1	\$ (8.2)	\$ (4.6)	\$ (4.6)

The General Fund expenditure budget was amended during the fiscal year to reflect encumbrance items from the prior year, transfers of excess reserves as defined by the Village's Reserve Policy, and projects deemed necessary during the year.

Major General Fund Revenues

Property tax revenue of \$19.8 million was slightly below budgeted expectations by \$0.3 million. The property tax is a very stable revenue source and generally the last revenue source the Village increases when preparing its annual budget.

State sales tax revenue of \$12.3 million was slightly below its budgeted amount by \$0.2 million. Receipts from sales tax continue to grow as prices show no signs of decreasing to pre-COVID levels as inflation continues to rise. 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 \$6.8 million was slightly below its budgeted expectations by \$0.2 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 \$11.5 million outpaced its budgeted amount by \$1.1 million. The labor market continues to be stronger than anticipated 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 \$1.4 million below budget due to staff turnover, which created attrition savings.
- Supplies and Services expenditures ended the year \$1.9 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 \$264.7 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 \$4.0 million net increase (including additions and deductions) from the prior year. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements.

The net capital assets for governmental activities decreased by \$0.5 million and net capital assets for business-type activities increased from last year by \$4.5 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 \$24.6 million of general obligation bonds.

\$2.3 million (9.2%) of the \$24.6 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

The Village of Palatine continues to operate with professional skepticism from a financial planning and execution standpoint. High inflation, supply chain issues, geopolitical conflicts, and domestic political polarization continue to inject uncertainty into the economy. The Village enjoys a healthy mix of retail diversity which has proven to weather economic downturns well.

VILLAGE OF PALATINE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 and Federal Government. The uncertainty on the federal level will most likely reduce the amount of grant funds the Village may have access to, which includes previously awarded but unspent allocations. The State of Illinois' budget includes structural financial imbalances. These imbalances are being addressed by the legislature through the proposition of bills that divert funds away from local governments. This mitigation tactic has become a pattern for the State of Illinois having already reduced the municipal share of tax revenues, such as Income Tax and Use Tax, in previous fiscal years to help offset their own fiscal shortfalls. The Village will continue to be aware, active, and oppose any such legislation that would negatively impact Village's operations and financial stability.

To keep the calendar year 2025 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 6.6% will go into effect on January 1, 2025. 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.

The fiscal year 2025 budget continues funding the General Fund in a progressive and responsible manner inclusive of no increase in the property tax levy. This marks the eleventh time in the last fourteen 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 Andrew D. Brown, Finance Director, Village of Palatine, 200 E. Wood Street, Palatine, IL 60067.

BASIC FINANCIAL STATEMENTS

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 115,708,375	\$ 18,636,132	\$ 134,344,507
Receivables (net of allowance where applicable)			
Property taxes	22,536,834	-	22,536,834
Accounts	-	2,354,177	2,354,177
Accrued interest	110,289	14,339	124,628
Other	1,208,034	210,336	1,418,370
Leases	6,763,855	169,579	6,933,434
Due from other governments	6,461,259	50,000	6,511,259
Prepaid expenses	72,549	-	72,549
Inventories	298,966	-	298,966
Land held for resale	5,454,130	-	5,454,130
Capital assets not being depreciated nor amortized	151,371,945	4,858,690	156,230,635
Capital assets being depreciated and amortized, net of accumulated depreciation and amortization	57,554,929	50,956,301	108,511,230
Investment in joint venture	-	15,795,940	15,795,940
Total assets	367,541,165	93,045,494	460,586,659
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	15,305	-	15,305
Asset retirement obligations	-	1,141,150	1,141,150
Pension items	32,266,243	1,212,227	33,478,470
OPEB items	2,538,261	40,749	2,579,010
Total deferred outflows of resources	34,819,809	2,394,126	37,213,935
Total assets and deferred outflows of resources	402,360,974	95,439,620	497,800,594
LIABILITIES			
Accounts payable	1,652,907	934,025	2,586,932
Accrued payroll	1,928,099	92,437	2,020,536
Accrued interest payable	59,190	2,735	61,925
Deposits payable	938,601	439,521	1,378,122
Unearned revenues	3,976,850	200,800	4,177,650
Long-term liabilities			
Due within one year	4,660,976	902,259	5,563,235
Due in more than one year	164,874,519	2,306,355	167,180,874
Total liabilities	178,091,142	4,878,132	182,969,274
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	22,536,834	-	22,536,834
Pension items	3,158,719	48,764	3,207,483
OPEB items	5,864,622	94,148	5,958,770
Lease items	6,144,784	150,945	6,295,729
Total deferred inflows of resources	37,704,959	293,857	37,998,816
Total liabilities and deferred inflows of resources	215,796,101	5,171,989	220,968,090

(This statement is continued on the following page.)

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 186,006,119	\$ 54,594,579	\$ 240,600,698
Restricted for			
Streets and highways	2,494,678	-	2,494,678
Public safety	1,667,530	-	1,667,530
Economic development	40,894,454	-	40,894,454
Unrestricted (deficit)	(44,497,908)	35,673,052	(8,824,856)
TOTAL NET POSITION	\$ 186,564,873	\$ 90,267,631	\$ 276,832,504

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,034,329	\$ 1,038,366	\$ 139,148	\$ 85,340
Public safety	63,246,520	9,809,229	2,735,041	17,150
Public works	10,843,276	546,507	3,228,191	1,089,429
Economic development	4,920,429	-	-	-
Interest and fiscal charges	655,614	-	-	-
Total governmental activities	84,700,168	11,394,102	6,102,380	1,191,919
Business-Type Activities				
Waterworks	11,864,498	16,246,599	582,000	-
Sewerage	4,443,036	4,028,059	-	-
Motor vehicle parking system	495,838	485,409	-	-
Refuse collection	4,741,404	4,892,741	-	-
Total business-type activities	21,544,776	25,652,808	582,000	-
TOTAL PRIMARY GOVERNMENT	\$ 106,244,944	\$ 37,046,910	\$ 6,684,380	\$ 1,191,919

Net (Expense) Revenue and Change in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (3,771,475)	\$ -	\$ (3,771,475)	
(50,685,100)	-	(50,685,100)	
(5,979,149)	-	(5,979,149)	
(4,920,429)	-	(4,920,429)	
(655,614)	-	(655,614)	
(66,011,767)	-	(66,011,767)	
-	4,964,101	4,964,101	
-	(414,977)	(414,977)	
-	(10,429)	(10,429)	
-	151,337	151,337	
-	4,690,032	4,690,032	
(66,011,767)	4,690,032	(61,321,735)	
General Revenues			
Taxes			
Property	35,697,794	-	35,697,794
Home rule sales	6,781,700	-	6,781,700
Electric utility use	2,003,889	-	2,003,889
Telecommunications	681,158	-	681,158
Other	2,746,767	-	2,746,767
Intergovernmental - unrestricted			
State sales and use	14,793,092	-	14,793,092
State income tax	11,532,162	-	11,532,162
Other intergovernmental revenues (unrestricted)	3,489,338	-	3,489,338
Investment income	5,137,188	828,716	5,965,904
Miscellaneous	1,003,766	100,000	1,103,766
Gain on sale of capital assets	104,621	-	104,621
Transfers in (out)	(606,358)	606,358	-
Total general revenues and transfers	83,365,117	1,535,074	84,900,191
CHANGE IN NET POSITION	17,353,350	6,225,106	23,578,456
NET POSITION, JANUARY 1	169,211,523	84,042,525	253,254,048
NET POSITION, DECEMBER 31	\$ 186,564,873	\$ 90,267,631	\$ 276,832,504

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2024

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 28,823,418	\$ 26,753,068	\$ 4,013,989
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	21,536,834	-	-
Accrued interest	23,509	10,145	-
Other	875,190	-	-
Leases	454,876	-	-
Due from other governments	5,852,240	-	-
Due from other funds	85,364	-	-
Land held for resale	-	5,454,130	-
Prepaid items	72,549	-	-
TOTAL ASSETS	\$ 57,723,980	\$ 32,217,343	\$ 4,013,989
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 955,833	\$ 107,297	\$ 166,489
Accrued payroll	1,903,781	-	-
Due to other funds	-	-	-
Deposits payable	916,531	22,070	-
Unearned revenues	-	-	3,847,500
Total liabilities	3,776,145	129,367	4,013,989
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	21,536,834	-	-
Unavailable revenue - Park District loan	259,119	-	-
Lease items	438,389	-	-
Total deferred inflows of resources	22,234,342	-	-
Total liabilities and deferred inflows of resources	26,010,487	129,367	4,013,989
FUND BALANCES			
Nonspendable			
Prepaid items	72,549	-	-
Restricted			
Streets and highways	-	-	-
Public safety	-	-	-
Economic development	-	32,087,976	-
Assigned			
Capital projects	-	-	-
Debt service	-	-	-
Unassigned (deficit)	31,640,944	-	-
Total fund balances	31,713,493	32,087,976	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 57,723,980	\$ 32,217,343	\$ 4,013,989

General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
\$ 20,862,278	\$ 7,854,659	\$ 20,939,617	\$ 109,247,029
-	-	1,000,000	22,536,834
28,455	21,092	20,414	103,615
-	78,333	218,333	1,171,856
-	6,308,979	-	6,763,855
-	40,558	568,461	6,461,259
-	-	-	85,364
-	-	-	5,454,130
-	-	-	72,549
<u>\$ 20,890,733</u>	<u>\$ 14,303,621</u>	<u>\$ 22,746,825</u>	<u>\$ 151,896,491</u>
\$ -	\$ 126,249	\$ 188,723	\$ 1,544,591
-	-	1,556	1,905,337
-	-	85,364	85,364
-	-	-	938,601
-	2,850	126,500	3,976,850
-	129,099	402,143	8,450,743
-	-	1,000,000	22,536,834
-	-	-	259,119
-	5,706,395	-	6,144,784
-	5,706,395	1,000,000	28,940,737
-	5,835,494	1,402,143	37,391,480
-	-	-	72,549
-	-	2,494,678	2,494,678
-	-	1,667,530	1,667,530
-	-	8,806,478	40,894,454
-	8,468,127	8,408,271	16,876,398
20,890,733	-	-	20,890,733
-	-	(32,275)	31,608,669
<u>20,890,733</u>	<u>8,468,127</u>	<u>21,344,682</u>	<u>114,505,011</u>
<u>\$ 20,890,733</u>	<u>\$ 14,303,621</u>	<u>\$ 22,746,825</u>	<u>\$ 151,896,491</u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

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

December 31, 2024

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 114,505,011
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds	208,926,874
Long-term intergovernmental assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	259,119
Long-term liabilities and related amounts are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(23,765,000)
Unamortized discount on general obligation bonds	2,530
Unamortized premium on general obligation bonds	(1,207,474)
Unamortized charge on refunding general obligation bonds	15,305
SBITA payable	(116,330)
Compensated absences (net of compensated absences reported in internal service funds)	(2,389,380)
Accrued interest on long-term debt is reported as a liability on the statement of net position	(59,190)
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)	2,524,592
Deferred inflows (net of deferred inflows reported in internal service funds)	(5,833,041)
Total OPEB liability (net of total OPEB liability reported in internal service funds)	(12,199,361)
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)	31,951,340
Deferred inflows (net of deferred inflows reported in internal service funds)	(3,146,052)
Net pension liability (net of net pension liability reported in internal service funds)	(128,211,409)
The net positions of the internal service funds are included in the governmental activities in the statement of net position	<u>5,307,339</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 186,564,873</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant
REVENUES			
Taxes	\$ 28,961,455	\$ 7,885,712	\$ -
Licenses and permits	2,483,390	-	-
Intergovernmental	29,270,041	-	2,751,386
Charges for services	7,424,533	-	-
Fines and forfeits	1,133,225	-	-
Investment income	1,450,857	1,246,558	321,970
Miscellaneous	818,959	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	71,542,460	9,132,270	3,073,356
EXPENDITURES			
Current			
General government	4,915,736	-	-
Public safety	58,485,422	-	-
Public works	7,113,868	-	-
Economic development	-	266,016	-
Capital outlay	-	361,853	2,751,386
Debt service			
Principal retirement	20,225	-	-
Interest and fiscal charges	775	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	70,536,026	627,869	2,751,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/>	<hr/>	<hr/>
	1,006,434	8,504,401	321,970
OTHER FINANCING SOURCES (USES)			
Transfers in	321,970	-	-
Transfers (out)	(6,042,000)	-	(321,970)
Sale of capital assets	-	-	-
SBITA issuance	153,892	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(5,566,138)	-	(321,970)
NET CHANGE IN FUND BALANCES			
	<hr/>	<hr/>	<hr/>
	(4,559,704)	8,504,401	-
FUND BALANCES, JANUARY 1			
	<hr/>	<hr/>	<hr/>
	36,273,197	23,583,575	-
FUND BALANCES, DECEMBER 31			
	<hr/>	<hr/>	<hr/>
	\$ 31,713,493	\$ 32,087,976	\$ -

General Obligation Bond	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,483,264	\$ 1,219,315	\$ 7,361,562	\$ 47,911,308
-	-	-	2,483,390
-	17,150	5,070,314	37,108,891
-	386,953	91,791	7,903,277
-	-	-	1,133,225
730,654	465,888	921,261	5,137,188
-	97,548	87,259	1,003,766
3,213,918	2,186,854	13,532,187	102,681,045
-	-	-	4,915,736
-	-	657,612	59,143,034
-	-	-	7,113,868
-	-	3,444,124	3,710,140
-	2,328,962	5,745,770	11,187,971
1,755,000	49,677	1,470,000	3,294,902
719,381	323	113,605	834,084
2,474,381	2,378,962	11,431,111	90,199,735
739,537	(192,108)	2,101,076	12,481,310
4,002,000	650,000	2,085,000	7,058,970
-	-	-	(6,363,970)
-	132,736	-	132,736
-	-	-	153,892
4,002,000	782,736	2,085,000	981,628
4,741,537	590,628	4,186,076	13,462,938
16,149,196	7,877,499	17,158,606	101,042,073
\$ 20,890,733	\$ 8,468,127	\$ 21,344,682	\$ 114,505,011

See accompanying notes to financial statements.

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, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 13,462,938
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 or amortized in the statement of activities	3,032,508
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(28,115)
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	587,705
Deferred inflows related to OPEB	363,136
Total OPEB liability	(1,039,325)
Deferred outflows related to pensions	(6,239,500)
Deferred inflows related to pensions	1,942,195
Net pension liability/asset	5,620,884
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(125,790)
The repayment and refunding of the principal portion long-term debt are reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
General obligation bonds	3,225,000
SBITA payable	69,902
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	(16,730)
The issuance of bonds is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities	
SBITAs issued	(153,892)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(3,493,287)
Change in compensated absences payable	(58,660)
Change in accrued interest	10,015
The change in net position of certain activities of internal service funds is in governmental funds	9,181
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 17,353,350

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2024

	Business-Type Activities				Governmental Activities
			Nonmajor	Total	Internal
	Waterworks	Sewerage	Enterprise		Service Funds
CURRENT ASSETS					
Cash and investments	\$ 9,976,512	\$ 5,949,337	\$ 2,710,283	\$ 18,636,132	\$ 6,461,346
Receivables (net, where applicable, of allowances for uncollectibles)					
Accounts	1,794,646	507,788	51,743	2,354,177	-
Accrued interest	4,366	3,774	6,199	14,339	6,674
Other	148,276	19,298	42,762	210,336	36,178
Leases	-	-	169,579	169,579	-
Due from other governments	50,000	-	-	50,000	-
Inventories	-	-	-	-	298,966
Total current assets	11,973,800	6,480,197	2,980,566	21,434,563	6,803,164
NONCURRENT ASSETS					
Capital assets not being depreciated nor amortized	740,200	-	4,118,490	4,858,690	-
Capital assets being depreciated and amortized, net of accumulated depreciation and amortization	33,390,584	17,498,622	67,095	50,956,301	-
Net capital assets	34,130,784	17,498,622	4,185,585	55,814,991	-
Investment in joint venture Northwest Water Commission	15,795,940	-	-	15,795,940	-
Total noncurrent assets	49,926,724	17,498,622	4,185,585	71,610,931	-
Total assets	61,900,524	23,978,819	7,166,151	93,045,494	6,803,164
DEFERRED OUTFLOWS OF RESOURCES					
Asset retirement obligation items	1,141,150	-	-	1,141,150	-
Pension items	840,578	371,649	-	1,212,227	314,903
OPEB items	27,080	13,669	-	40,749	13,669
Total deferred outflows of resources	2,008,808	385,318	-	2,394,126	328,572
Total assets and deferred outflows of resources	63,909,332	24,364,137	7,166,151	95,439,620	7,131,736

(This schedule is continued on the following page.)

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2024

	Business-Type Activities				Governmental Activities
			Nonmajor Enterprise	Total	Internal Service Funds
	Waterworks	Sewerage			
CURRENT LIABILITIES					
Accounts payable	\$ 393,222	\$ 78,527	\$ 462,276	\$ 934,025	\$ 108,316
Accrued payroll	65,943	26,494	-	92,437	22,762
Accrued interest payable	2,185	550	-	2,735	-
Deposits payable	346,809	37	92,675	439,521	-
Unearned revenues	50,000	-	150,800	200,800	-
Claims payable	-	-	-	-	204,415
Compensated absences payable	16,505	6,425	-	22,930	9,175
OPEB liability	6,200	3,129	-	9,329	3,129
General obligation bonds payable	696,000	174,000	-	870,000	-
Total current liabilities	1,576,864	289,162	705,751	2,571,777	347,797
LONG-TERM LIABILITIES					
Claims payable	-	-	-	-	1,142,410
Compensated absences payable	66,005	25,700	-	91,705	36,695
Asset retirement obligation	1,200,750	-	-	1,200,750	-
Net pension liability	508,080	224,634	-	732,714	190,326
OPEB liability	124,655	62,921	-	187,576	62,921
Unamortized bond premium	74,895	18,715	-	93,610	-
Total long-term liabilities	1,974,385	331,970	-	2,306,355	1,432,352
Total liabilities	3,551,249	621,132	705,751	4,878,132	1,780,149
DEFERRED INFLOWS OF RESOURCES					
Pension items	33,815	14,949	-	48,764	12,667
OPEB items	62,567	31,581	-	94,148	31,581
Lease items	-	-	150,945	150,945	-
Total deferred inflows of resources	96,382	46,530	150,945	293,857	44,248
Total liabilities and deferred inflows of resources	3,647,631	667,662	856,696	5,171,989	1,824,397
NET POSITION					
Net investment in capital assets	33,103,087	17,305,907	4,185,585	54,594,579	-
Unrestricted	27,158,614	6,390,568	2,123,870	35,673,052	5,307,339
TOTAL NET POSITION	<u>\$ 60,261,701</u>	<u>\$ 23,696,475</u>	<u>\$ 6,309,455</u>	<u>\$ 90,267,631</u>	<u>\$ 5,307,339</u>

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, 2024

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 14,658,439	\$ 3,987,842	\$ 5,378,150	\$ 24,024,431	\$ 3,804,754
Miscellaneous	1,200,660	40,217	-	1,240,877	83,711
Total operating revenues	15,859,099	4,028,059	5,378,150	25,265,308	3,888,465
OPERATING EXPENSES					
Costs of sales and services	9,723,728	2,356,576	4,970,751	17,051,055	4,205,184
Administrative fees	1,044,000	785,000	249,501	2,078,501	-
Total operating expenses	10,767,728	3,141,576	5,220,252	19,129,556	4,205,184
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	5,091,371	886,483	157,898	6,135,752	(316,719)
Depreciation	1,121,160	1,307,305	16,990	2,445,455	-
OPERATING INCOME (LOSS)	3,970,211	(420,822)	140,908	3,690,297	(316,719)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	446,146	265,119	117,451	828,716	325,900
Grants	582,000	-	-	582,000	-
Interest expense	(57,325)	(14,585)	-	(71,910)	-
Bond premium amortization	81,715	20,430	-	102,145	-
Insurance recoveries	-	-	100,000	100,000	-
Joint venture	387,500	-	-	387,500	-
Total non-operating revenues (expenses)	1,440,036	270,964	217,451	1,928,451	325,900
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	5,410,247	(149,858)	358,359	5,618,748	9,181
TRANSFERS					
Transfers (out)	(325,000)	(325,000)	(45,000)	(695,000)	-
Total transfers	(325,000)	(325,000)	(45,000)	(695,000)	-
CAPITAL CONTRIBUTIONS	1,301,358	-	-	1,301,358	-
CHANGE IN NET POSITION	6,386,605	(474,858)	313,359	6,225,106	9,181
NET POSITION, JANUARY 1	53,875,096	24,171,333	5,996,096	84,042,525	5,298,158
NET POSITION, DECEMBER 31	\$ 60,261,701	\$ 23,696,475	\$ 6,309,455	\$ 90,267,631	\$ 5,307,339

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2024

	Business-Type Activities			Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 15,540,391	\$ 4,061,613	\$ 5,367,980	\$ 24,969,984
Receipts from miscellaneous	-	-	100,000	100,000
Receipts from interfund services transactions	-	-	-	3,648,025
Payments to suppliers	(8,080,357)	(2,212,850)	(5,350,866)	(15,644,073)
Payments to employees	(2,035,815)	(911,823)	(6,220)	(2,953,858)
Payments for interfund services transactions	(1,044,000)	(785,000)	(225,000)	(2,054,000)
Net cash from operating activities	4,380,219	151,940	(114,106)	4,418,053
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants	532,000	89,126	-	621,126
Transfers (out)	(325,000)	(325,000)	(45,000)	(695,000)
Net cash from noncapital financing activities	207,000	(235,874)	(45,000)	(73,874)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(5,222,045)	(307,237)	-	(5,529,282)
Principal payments on long-term debt	(656,000)	(164,000)	-	(820,000)
Interest and fiscal charges paid on long-term debt	(60,100)	(15,275)	-	(75,375)
Net cash from capital and related financing activities	(5,938,145)	(486,512)	-	(6,424,657)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale and maturity of investment securities	243,171	405,502	-	648,673
Purchase of investment securities	(348,918)	43,270	(9,494)	(315,142)
Interest received	261,447	145,826	115,108	522,381
Net cash from investing activities	155,700	594,598	105,614	855,912
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,195,226)	24,152	(53,492)	(1,224,566)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,001,014	1,222,857	2,206,072	6,429,943
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,805,788	\$ 1,247,009	2,152,580	\$ 5,205,377

(This schedule is continued on the following page.)

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	Business-Type Activities			Governmental Activities	
			Nonmajor		Internal
	Waterworks	Sewerage	Enterprise	Total	Service Funds
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH FLOWS FROM					
Operating income (loss)	\$ 3,970,211	\$ (420,822)	\$ 140,908	\$ 3,690,297	\$ (316,719)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	1,121,160	1,307,305	16,990	2,445,455	-
Miscellaneous	-	-	100,000	100,000	-
(Increase) decrease in					
Accounts receivables	(175,660)	42,903	(5,033)	(137,790)	-
Other receivables	(143,048)	(9,349)	-	(152,397)	(17,436)
Leases	-	-	7,619	7,619	-
Inventories	-	-	-	-	(24,331)
Net pension asset	-	-	-	-	-
Deferred outflows - asset retirement obligation items	12,400	-	-	12,400	-
Deferred outflows - pension items	155,232	42,423	-	197,655	98,887
Deferred outflows - OPEB items	(1,519)	(4,158)	-	(5,677)	(4,158)
Increase (decrease) in					
Accounts payable	(167,422)	(663,853)	(355,011)	(1,186,286)	22,838
Accrued payroll	36,852	13,888	-	50,740	8,970
Deposits payable	16,813	35	(7,643)	9,205	-
Claims payable	-	-	-	-	285,570
Unearned revenue	50,000	-	820	50,820	-
Compensated absences payable	(17,885)	1,240	-	(16,645)	(9,230)
Net pension liability	(413,990)	(159,562)	-	(573,552)	(193,870)
Total OPEB liability	(16,423)	11,249	-	(5,174)	11,249
Deferred inflows related to leases	-	-	(12,756)	(12,756)	-
Deferred inflows related to pensions	(27,298)	(10,514)	-	(37,812)	(12,797)
Deferred inflows related to OPEB	(19,204)	1,155	-	(18,049)	1,155
NET CASH FROM OPERATING ACTIVITIES	\$ 4,380,219	\$ 151,940	\$ (114,106)	\$ 4,418,053	\$ (149,872)
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 1,805,788	\$ 1,247,009	\$ 2,152,580	\$ 5,205,377	\$ 1,705,964
Investments	8,170,724	4,702,328	557,703	13,430,755	4,755,382
TOTAL CASH AND INVESTMENTS	\$ 9,976,512	\$ 5,949,337	\$ 2,710,283	\$ 18,636,132	\$ 6,461,346
NONCASH TRANSACTIONS					
Unrealized gain (loss) on investments	\$ 190,172	\$ 121,309	\$ 2,571	\$ 314,052	\$ 144,511
Capital assets in accounts and retainage payable	146,422	-	-	146,422	-
Capital contributions	1,301,358	-	-	1,301,358	-
Change in investment in joint venture	387,500	-	-	387,500	-
TOTAL NONCASH TRANSACTIONS	\$ 2,025,452	\$ 121,309	\$ 2,571	\$ 2,149,332	\$ 144,511

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2024

	Pension Trust Funds
ASSETS	
Cash and short-term investments	\$ 5,105,464
Investments, at fair value	
Investments held in the Illinois	
Police Officers' Pension Investment Fund	122,539,517
Investments held in the Illinois	
Firefighters' Pension Investment Fund	<u>112,073,957</u>
Total assets	<u>239,718,938</u>
LIABILITIES	
None	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted	
Pension benefits	<u>239,718,938</u>
TOTAL NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 239,718,938</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2024

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 16,784,588
Employee	<u>2,387,404</u>
Total contributions	<u>19,171,992</u>
Investment income	
Net appreciation in fair value of investments	19,046,038
Interest	<u>3,137,976</u>
Total investment income	22,184,014
Less investment expense	<u>(202,350)</u>
Net investment income	<u>21,981,664</u>
Total additions	<u>41,153,656</u>
DEDUCTIONS	
Administration	14,168
Benefits and refunds	
Retirement benefits	16,640,312
Refunds of contributions	<u>96,035</u>
Total deductions	<u>16,750,515</u>
NET INCREASE	24,403,141
NET POSITION	
January 1	<u>215,315,797</u>
December 31	<u><u>\$ 239,718,938</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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.

The Village's financial statements include pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the Village's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. 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. 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. Separate financial statements are not available for the Police Pension Plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the Village's Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership. The Village and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. 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. 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 firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund. Separate financial statements are not available for the Firefighters' Pension Plan.

Joint Ventures

Northwest Water Commission (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) 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.

b. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings 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 are provided to outside parties (enterprise 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. Interfund services provided and used are not eliminated on these statements. 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 and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not properly included among program revenues but 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major proprietary funds:

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

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

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 the Firefighters' Pension Fund.

d. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and fiduciary funds (pension trust funds) are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary fund operating statements present additions (i.e., revenues) and deductions (i.e., expenses) in net total assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus and Basis of Accounting (Continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable, available, and earned). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day (except for sales and telecommunication taxes which are 90 days) availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations. Incidental revenues/expenses are reported as non-operating.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales owed to and taxes and fines collected and held by the state/county at year end on behalf of the Village also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary funds and pension trust funds. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred.

The Village reports unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year-intended-to-finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village 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 when the Village has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue and unavailable/deferred revenue is removed from the financial statements and revenue is recognized. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider 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 one year or less when purchased and non-negotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Investments in the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

Advances between funds (the noncurrent portion of interfund loans), 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. 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 using the consumption method.

h. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. 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.

j. Land Held for Resale

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

k. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets, 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 as follows, with the exception of land and vehicles which are capitalized regardless of cost and an estimated useful life in excess of one year:

Assets	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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

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:

Assets	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. 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 outflow 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.

m. 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)

m. 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.

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 are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or 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 Balances/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. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance, if any, is constrained by formal actions of the Village Council, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Council. 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 Village Finance Director by the Village Council per the fund balance policy adopted by resolution. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in governmental funds are reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balances/Net Position (Continued)

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 position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the Village. 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. Interfund Transactions

Transactions for interfund services provided and used 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.

q. Use of 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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

a. 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.

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 December 31, 2024, deposits in the Foreign Fire Tax Fund totaling \$74,437 were uninsured and uncollateralized.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments

The following table presents the Village's investments subject to interest rate risk as of December 31, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 60,910,321	\$ 21,131,745	\$ 39,778,576	\$ -	\$ -
Negotiable CDs	3,243,957	1,571,053	1,672,904	-	-
TOTAL	\$ 64,154,278	\$ 22,702,798	\$ 41,451,480	\$ -	\$ -

The Village has the following recurring fair value measurements as of December 31, 2024: The U.S. Treasury obligations and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

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.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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 negotiable CDs are not rated.

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.

3. RECEIVABLES

a. Property Taxes

Property taxes for 2024 attach as an enforceable lien on January 1, 2024, 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 2024, 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 2024 tax levy has been recorded as unavailable/deferred revenue on the financial statements.

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

3. RECEIVABLES (Continued)

b. Other Receivables

At December 31, 2024, the Village had other receivables reported in the Statement of Net Position as follows:

GOVERNMENTAL ACTIVITIES

Hotel occupancy tax	\$ 4,672
Ambulance service and fees	343,446
Cable franchise fees	186,330
Food and beverage tax	172,094
Red light violations	12,496
Electric utility tax	156,666
Billed miscellaneous receivables	<u>332,330</u>

Total governmental activities	<u>\$ 1,208,034</u>
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BUSINESS-TYPE ACTIVITIES

Billed miscellaneous receivables	\$ 185,801
Parking fees	15,640
Sewer loan program	<u>8,895</u>

Total business-type activities	<u>\$ 210,336</u>
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c. Due from Other Governments

At December 31, 2024, the Village had amounts due from other governments as follows:

GOVERNMENTAL ACTIVITIES

State sales tax	\$ 3,424,177
Home rule sales tax	1,958,911
Loan to park district	259,119
Grants	152,186
Video gaming tax	40,558
Court fines	29,036
Other state sources	172,635
Motor fuel tax allotments	255,001
Telecommunications tax	<u>169,636</u>

Total governmental activities	<u>\$ 6,461,259</u>
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BUSINESS-TYPE ACTIVITIES

Grants	<u>\$ 50,000</u>
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Total business-type activities	<u>\$ 50,000</u>
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VILLAGE OF PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

Primary Government

	Balances January 1	Additions	Retirements	Balances December 31
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	151,371,945	-	-	151,371,945
Tangible capital assets being depreciated				
Buildings and improvements	52,208,475	660,139	-	52,868,614
Machinery and equipment	14,823,871	1,398,687	598,300	15,624,258
Streets	37,065,522	819,790	136,856	37,748,456
Bridges	1,596,735	-	-	1,596,735
Total tangible capital assets being depreciated	105,694,603	2,878,616	735,156	107,838,063
Intangible right-to-use capital assets being amortized				
Subscriptions	2,549,694	153,892	-	2,703,586
Total intangible right-to-use capital assets being amortized	2,549,694	153,892	-	2,703,586
Total capital assets being depreciated and amortized	108,244,297	3,032,508	735,156	110,541,649
Less accumulated depreciation for				
Buildings and improvements	20,098,715	1,243,335	-	21,342,050
Machinery and equipment	9,084,300	1,091,520	598,300	9,577,520
Streets	19,664,600	806,955	108,741	20,362,814
Bridges	1,087,275	24,220	-	1,111,495
Total accumulated depreciation	49,934,890	3,166,030	707,041	52,393,879
Less accumulated amortization for				
Subscriptions	265,584	327,257	-	592,841
Total accumulated amortization	265,584	327,257	-	592,841
Total accumulated depreciation and amortization	50,200,474	3,493,287	707,041	52,986,720
Total tangible and intangible capital assets being depreciated and amortized, net	58,043,823	(460,779)	28,115	57,554,929
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 209,415,768	\$ (460,779)	\$ 28,115	\$ 208,926,874

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

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 428,445
Public safety	1,578,157
Public works	<u>1,486,685</u>
TOTAL	<u>\$ 3,493,287</u>

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,858,690	\$ -	\$ -	\$ 4,858,690
Total capital assets not being depreciated	<u>4,858,690</u>	<u>-</u>	<u>-</u>	<u>4,858,690</u>
Capital assets being depreciated				
Equipment	3,134,040	307,237	-	3,441,277
Buildings and improvements	8,206,825	-	-	8,206,825
Water system	39,711,804	6,669,825	64,160	46,317,469
Sewer system	63,530,650	-	-	63,530,650
Parking improvements	15,681,480	-	-	15,681,480
Total capital assets being depreciated	<u>130,264,799</u>	<u>6,977,062</u>	<u>64,160</u>	<u>137,177,701</u>
Less accumulated depreciation for				
Equipment	2,777,015	127,350	-	2,904,365
Buildings and improvements	5,526,320	126,630	-	5,652,950
Water system	14,212,005	968,400	64,160	15,116,245
Sewer system	45,727,370	1,206,085	-	46,933,455
Parking improvements	15,597,395	16,990	-	15,614,385
Total accumulated depreciation	<u>83,840,105</u>	<u>2,445,455</u>	<u>64,160</u>	<u>86,221,400</u>
Total capital assets being depreciated, net	<u>46,424,694</u>	<u>4,531,607</u>	<u>-</u>	<u>50,956,301</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS NET	\$ 51,283,384	\$ 4,531,607	\$ -	\$ 55,814,991

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

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

Depreciation expense was charged to functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES

Waterworks	\$ 1,121,160
Sewerage	1,307,305
Motor vehicle parking system	<u>16,990</u>

TOTAL	<u>\$ 2,445,455</u>
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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.

General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
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 2.00% to 3.30%. Final maturity is December 1, 2025.	Rand Road Corridor TIF	\$ 1,550,000	\$ -	\$ 760,000	\$ 790,000	\$ 790,000
\$1,465,000 General Obligation Refunding Bonds, Series 2017B, due in annual installments of \$485,000 to \$490,000 with interest at 3.00%. Final maturity is December 1, 2025.	General Obligation Bond	975,000	-	490,000	485,000	485,000

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

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$6,060,000 General Obligation Refunding Bonds, Taxable Series 2017D, due in annual installments of \$565,000 to \$745,000 with interest at 2.00% to 3.00%. Final maturity is December 1, 2026.	Rand Road Corridor TIF	\$ 2,180,000	\$ -	\$ 710,000	\$ 1,470,000	\$ 725,000
\$6,235,000 General Obligation Refunding Bonds, Series 2018, due in annual installments of \$345,000 to \$755,000 with interest at 5.00%. Final maturity is December 1, 2029.	General Obligation Bond	3,950,000	-	560,000	3,390,000	600,000
\$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	-	705,000	17,630,000	725,000
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 26,990,000</u>	<u>\$ -</u>	<u>\$ 3,225,000</u>	<u>\$ 23,765,000</u>	<u>\$ 3,325,000</u>
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 5.00% to 5.80%. Final maturity is December 1, 2025.	Water Sewerage	\$ 1,352,000 338,000	\$ - -	\$ 656,000 164,000	\$ 696,000 174,000	\$ 696,000 174,000
TOTAL BUSINESS-TYPE ACTIVITIES		<u>\$ 1,690,000</u>	<u>\$ -</u>	<u>\$ 820,000</u>	<u>\$ 870,000</u>	<u>\$ 870,000</u>

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,	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	2,170,000	298,956	-	-
2030-2034	11,495,000	715,533	-	-
TOTAL	\$ 23,765,000	\$ 3,132,383	\$ 870,000	\$ 32,750

b. Legal Debt Margin

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

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

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

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

5. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported on the schedule of long-term liabilities payable:

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 26,990,000	\$ -	\$ 3,225,000	\$ 23,765,000	\$ 3,325,000
Claims payable	792,890	1,371,558	817,623	1,346,825	204,415
SBITA payable	32,340	153,892	69,902	116,330	63,396
Net pension liability*/***	134,216,489	-	5,814,754	128,401,735	-
OPEB liability*	11,214,837	1,050,574	-	12,265,411	581,115
Compensated absences**	2,385,820	49,430	-	2,435,250	487,050
Subtotal	175,632,376	2,501,361	9,803,186	168,330,551	4,660,976
Unamortized bond discount	(3,805)	1,275	-	(2,530)	-
Unamortized bond premium	1,393,934	-	186,460	1,207,474	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 177,022,505	\$ 2,626,729	\$10,113,739	\$ 169,535,495	\$ 4,660,976

*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.

***The net pension liability totals encompass the IMRF pension liability, fire pension liability, and police pension liability.

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

5. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
BUSINESS-TYPE					
ACTIVITIES					
General obligation bonds					
Water Fund	\$ 1,352,000	\$ -	\$ 656,000	\$ 696,000	\$ 696,000
Sewer Fund	338,000	-	164,000	174,000	174,000
Asset retirement obligation					
Water Fund	1,200,750	-	-	1,200,750	-
Net pension liability - IMRF					
Water Fund	922,070	-	413,990	508,080	-
Sewer Fund	384,196	-	159,562	224,634	-
OPEB liability					
Water Fund	147,278	-	16,423	130,855	6,200
Sewer Fund	54,801	11,249	-	66,050	3,129
Compensated absences**					
Water Fund	100,395	-	17,885	82,510	16,505
Sewer Fund	30,885	1,240	-	32,125	6,425
Subtotal	4,530,375	12,489	1,427,860	3,115,004	902,259
Unamortized bond premium	195,755	-	102,145	93,610	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,726,130	\$ 12,489	\$ 1,530,005	\$ 3,208,614	\$ 902,259

d. 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 useful lives of the water wells is 100 years.

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

5. LONG-TERM DEBT (Continued)

e. 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, 2024, the Village reported a SBITA asset and liability in the amount of \$40,569 and \$12,115, respectively. Principal reduction and amortization of \$20,225 was reported for the year ended December 31, 2024.

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, and as such, there was no SBITA liability or principal reduction during the year ended December 31, 2024. At December 31, 2024, the Village reported a SBITA asset in the amount of \$2,509,125. Amortization of \$257,355 was reported for the year ended December 31, 2024.

As of March 25, 2024, the Village entered a subscription-based information technology arrangement (SBITA) with a vendor for document management system. The arrangement is for three years. At December 31, 2024, the Village reported a SBITA asset and liability in the amount of \$153,892 and \$104,215, respectively. Principal reduction and amortization of \$49,677 was reported for the year ended December 31, 2024.

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	
	Governmental Activities	
	Principal	Interest
2025	\$ 63,396	\$ 355
2026	52,934	111
TOTAL	\$ 116,330	\$ 466

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

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%.

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 five 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%.

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

6. LESSOR DISCLOSURES (Continued)

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 \$255,688 and interest revenue of \$155,381 related to leases.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village is self-insured for first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims. These self-insurance activities are reported in the Casualty and Liability Insurance Fund which is an internal service fund.

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

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Workers' Compensation	General Liability	Total
UNPAID CLAIMS, DECEMBER 31, 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
Claims incurred - 2024	845,857	257,336	1,103,193
Claims payments - 2024	420,637	396,986	817,623
UNPAID CLAIMS, DECEMBER 31, 2024	\$ 1,090,345	\$ 256,480	\$ 1,346,825

7. RISK MANAGEMENT (Continued)

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.

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 that 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

The Village has committed to purchase water from NWC. The Village expects to pay approximately \$3,564,265 through December 31, 2025. 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

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 2025 payment for operations and maintenance costs is \$1,411,387, based on an estimated tipping fee of \$55.18 per ton for 25,578 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 20 years from the date of the annexation. The rebate for the year totaled \$17,314.

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 \$448,884.

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. JOINT VENTURES

Solid Waste Agency of Northern Cook County

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.

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

10. JOINT VENTURES (Continued)

Solid Waste Agency of Northern Cook County (Continued)

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

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

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

In accordance with the contract, the Village made payments totaling \$1,430,780 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

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.

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

10. JOINT VENTURES (Continued)

Northwest Water Commission (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 \$3,018,184 to NWC during the year, net of a \$436,500 rebate. The Village’s equity interest in NWC was \$15,795,940 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.

11. INDIVIDUAL FUND DISCLOSURES

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 85,364
TOTAL		<u>\$ 85,364</u>

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)

11. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund Transfers

	Transfer In	Transfer Out
General Fund	\$ 321,970	\$ 6,042,000
Coronavirus State and Local Fiscal Recovery Grant Fund	-	321,970
General Obligation Bond Fund	4,002,000	-
Capital Equipment Acquisition Fund	650,000	-
Nonmajor Governmental Funds	2,085,000	-
Waterworks Fund	-	325,000
Sewerage Fund	-	325,000
Nonmajor Enterprise Funds	-	45,000
Subtotal	7,058,970	7,058,970
Governmental Activities	-	1,301,358
Business-Type Activities	1,301,358	-
Subtotal	1,301,358	1,301,358
TOTAL	\$ 8,360,328	\$ 8,360,328

The purpose of the significant transfers were as follows:

- \$321,970 transferred to the General Fund from the Coronavirus State and Local Fiscal Recovery Grant Fund to reallocate non-program income. This transfer will not be repaid.
- \$4,002,000 transferred to the General Obligation Bond Fund from the General Fund to fund a Debt Service Reserve. This transfer will not be repaid.
- \$650,000 transferred to the Capital Equipment Acquisition Fund from the Waterworks Fund and Sewerage Fund to fund capital equipment purchases. This transfer will not be repaid.
- \$2,040,000 transferred to the Nonmajor Governmental Funds (Combined Services Facility Renovation Fund) from the General Fund for future capital expenditures. This transfer will not be repaid.
- \$45,000 transferred to the Nonmajor Governmental Funds (Capital Improvement Fund) from the Nonmajor Enterprise Funds (Refuse Collection Fund) to fund capital improvements. This transfer will not be repaid.
- \$1,301,358 transferred from governmental activities to business-type activities for capital outlay recorded in governmental funds and capitalized in the waterworks fund. This transfer will not be repaid.

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

11. INDIVIDUAL FUND DISCLOSURES (Continued)

Deficit Fund Balances

The following fund had a deficit in fund balances at December 31, 2024:

<u>Fund</u>	<u>Deficit</u>
Dundee TIF #6	\$ 32,275

12. DEFINED BENEFIT PENSION PLANS

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 of the Village's pension plans as of and for the year ended December 31, 2024:

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Net pension liability (asset)	\$ 4,084,247	\$ 61,713,928	\$ 63,336,274	\$ 129,134,449
Deferred outflows of resources	6,757,103	13,252,934	13,468,433	33,478,470
Deferred inflows of resources	271,821	1,218,085	1,717,577	3,207,483
Pension expense (income)	(1,530,481)	8,570,296	8,697,940	15,737,755

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

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

Plan Membership

At December 31, 2023 (latest information available), membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	225
Inactive employees entitled to but not yet receiving benefits	116
Active employees	<u>134</u>
TOTAL	<u><u>475</u></u>

Benefits Provided

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 rate for the fiscal year ended December 31, 2024 was 6.43% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 91,002,080	\$ 83,318,164	\$ 7,683,916
Changes for the period			
Service cost	1,071,940	-	1,071,940
Interest	6,468,126	-	6,468,126
Difference between expected and actual experience	1,879,375	-	1,879,375
Changes of assumptions	(59,959)	-	(59,959)
Employer contributions	-	912,159	(912,159)
Employee contributions	-	533,080	(533,080)
Net investment income	-	9,114,107	(9,114,107)
Benefit payments and refunds	(4,645,038)	(4,645,038)	-
Other (net transfer)	-	2,399,805	(2,399,805)
Net changes	4,714,444	8,314,113	(3,599,669)
BALANCES AT DECEMBER 31, 2023	\$ 95,716,524	\$ 91,632,277	\$ 4,084,247

Changes in assumptions related to mortality rates compared to the previous measurement date.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2024, the Village recognized pension expense/(income) of \$(1,530,481). At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,297,866	\$ 232,818
Changes in assumption	-	39,003
Net difference between projected and actual earnings on pension plan investments	4,660,975	-
Contributions made subsequent to the measurement date	798,262	-
	<hr/>	<hr/>
TOTAL	\$ 6,757,103	\$ 271,821
	<hr/>	<hr/>

\$798,262 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ended December 31, 2025.

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

<u>Year Ending December 31,</u>	
2025	\$ 974,005
2026	2,116,784
2027	3,216,739
2028	(620,508)
2029	-
Thereafter	-
	<hr/>
TOTAL	\$ 5,687,020
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12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 (asset) 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 15,016,816	\$ 4,084,247	\$ (4,652,506)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. 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 Police Pension Plan as a pension trust fund. A separate report is not issued for the Police Pension Fund.

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

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2024, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	108
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	<u>109</u>
TOTAL	<u>231</u>

Benefits Provided

The Police Pension Plan 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% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% 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 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 ½ of the annual change in the Consumer Price Index or 3% compounded.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer 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% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. 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 2040. However, the Village has adopted a funding policy using the entry-age normal cost method that will result in 100% funding by 2040. For the year ended December 31, 2024, the Village's contribution was 64.57% of covered payroll.

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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

Deposits with Financial Institutions

The plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the fund's deposits may not be returned to it. The fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. At December 31, 2024, all deposits are covered by federal depository insurance.

Investments

Investments of the plan 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. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes 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. The plan held no investments subject to fair value measurement at December 31, 2024.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$122,539,517 at December 31, 2024. 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 December 31, 2024. The plan 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 Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments as calculated by the fund's Treasurer, net of pension plan investment expense, was 12.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2024, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 10.43%
Investment rate	7.00%
Cost of living adjustments	2.50%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

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 contribution rates and the member rate. Based on those assumptions, the Fund's 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 pension plan 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)

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 177,359,621	\$ 113,159,595	\$ 64,200,026
Changes for the period			
Service cost	2,644,443	-	2,644,443
Interest	12,111,301	-	12,111,301
Difference between expected and actual experience	3,207,859	-	3,207,859
Changes in assumptions	(9,699)	-	(9,699)
Changes in benefit terms	-	-	-
Employer contributions	-	8,278,596	(8,278,596)
Employee contributions	-	1,327,079	(1,327,079)
Net investment income	-	10,847,366	(10,847,366)
Benefit payments and refunds	(8,682,081)	(8,682,081)	-
Administrative expense	-	(13,039)	13,039
Net changes	9,271,823	11,757,921	(2,486,098)
BALANCES AT DECEMBER 31, 2024	\$ 186,631,444	\$ 124,917,516	\$ 61,713,928

There were changes in assumptions related to the inflation rate, salary increases, mortality rates, and other demographics since the previous measurement date.

The Police Pension Plan was 66.93% funded as of December 31, 2024.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2024, the Village recognized police pension expense of \$8,570,296. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,850,831	\$ 1,209,856
Changes in assumption	4,140,470	8,229
Net difference between projected and actual earnings on pension plan investments	2,261,633	-
TOTAL	\$ 13,252,934	\$ 1,218,085

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

Fiscal Year Ending December 31,	
2025	\$ 4,213,979
2026	5,660,897
2027	159,119
2028	1,083,895
2029	745,451
Thereafter	171,508
TOTAL	\$ 12,034,849

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ended December 31, 2024.

The table below presents the pension liability of the Village, for year ended December 31, 2024, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 88,993,539	\$ 61,713,928	\$ 39,600,939

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

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

The Firefighters' Pension 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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At December 31, 2024, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	96
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>91</u>
 TOTAL	 <u><u>191</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement 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% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' Pension Fund (the Fund). 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 Fund, 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 adopted a funding policy using the entry-age normal cost method that will result in funding of 100% of the past service cost by 2040. The Village's contribution was 73.10% of covered payroll for the year ended December 31, 2024.

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 plan retains all of its available cash with two financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance or collateralized by the financial institutions. All deposits at December 31, 2024, are covered by federal depository insurance.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investments

Investments of the plan 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. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

Fair Value Measurement

The plan categorizes 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. The plan held no investments subject to fair value measurement at December 31, 2024.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$112,073,957 at December 31, 2024. 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 December 31, 2024. The plan 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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2024, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 36.30%
Investment rate	7.00%
Cost of living adjustments	2.50%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 mortality table. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

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 contribution rates and the member rate. Based on those assumptions, the fund's 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 pension plan 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)

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	\$ 165,795,015	\$ 102,156,202	\$ 63,638,813
Changes for the period			
Service cost	2,493,590	-	2,493,590
Interest	11,323,752	-	11,323,752
Difference between expected and actual experience	1,054,959	-	1,054,959
Changes in assumptions	5,524,646	-	5,524,646
Changes in benefit terms	-	-	-
Employer contributions	-	8,505,992	(8,505,992)
Employee contributions	-	1,060,325	(1,060,325)
Net investment income	-	11,134,298	(11,134,298)
Benefit payments and refunds	(8,054,266)	(8,054,266)	-
Administrative expense	-	(1,129)	1,129
Net changes	12,342,681	12,645,220	(302,539)
BALANCES AT DECEMBER 31, 2024	\$ 178,137,696	\$ 114,801,422	\$ 63,336,274

There were changes in assumptions related to the inflation rate, salary increases, mortality rates, and other demographics since the previous measurement date.

The Firefighters' Pension Plan was 64.45% funded as of December 31, 2024.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2024, the Village recognized firefighters' pension expense of \$8,697,940. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,486,702	\$ 1,716,104
Changes in assumption	7,640,054	1,473
Net difference between projected and actual earnings on pension plan investments	1,341,677	-
TOTAL	\$ 13,468,433	\$ 1,717,577

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

Fiscal Year Ending December 31,	
2025	\$ 4,318,411
2026	4,504,519
2027	18,778
2028	1,189,545
2029	1,232,230
Thereafter	487,373
TOTAL	\$ 11,750,856

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ended December 31, 2024.

The table below presents the net pension liability of the Village, for year ended December 31, 2024, 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 (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 87,604,054	\$ 63,336,274	\$ 43,396,730

13. PENSION TRUST FUNDS

Summary Financial Statements

a. Schedule of Net Position as of December 31, 2024:

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 2,377,999	\$ 2,727,465	\$ 5,105,464
Investments, at fair value Held in the Illinois Illinois Police Officers' Pension Investment Fund	122,539,517	-	122,539,517
Illinois Firefighters' Pension Investment Fund	-	112,073,957	112,073,957
Total assets	124,917,516	114,801,422	239,718,938
LIABILITIES			
None	-	-	-
Total liabilities	-	-	-
NET POSITION	<u>\$ 124,917,516</u>	<u>\$ 114,801,422</u>	<u>\$ 239,718,938</u>

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

13. PENSION TRUST FUNDS (Continued)

Summary Financial Statements (Continued)

b. Schedule of Changes in Net Position for the year ended December 31, 2024:

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Contributions - employer	\$ 8,278,596	\$ 8,505,992	\$ 16,784,588
Contributions - plan members	1,327,079	1,060,325	2,387,404
Total contributions	9,605,675	9,566,317	19,171,992
Investment income			
Net appreciation in fair value of investments	10,064,564	8,981,474	19,046,038
Interest earned	850,770	2,287,206	3,137,976
Less investment expenses	(67,968)	(134,382)	(202,350)
Total investment income	10,847,366	11,134,298	21,981,664
Total additions	20,453,041	20,700,615	41,153,656
DEDUCTIONS			
Administrative	13,039	1,129	14,168
Benefits payments	8,682,081	8,054,266	16,736,347
Total deductions	8,695,120	8,055,395	16,750,515
NET INCREASE	11,757,921	12,645,220	24,403,141
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	113,159,595	102,156,202	215,315,797
December 31	\$ 124,917,516	\$ 114,801,422	\$ 239,718,938

14. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and any 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 Village's governmental and business-type activities.

b. Benefits Provided

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.

c. Membership

At December 31, 2024, membership consisted of:

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>284</u>
TOTAL	<u><u>342</u></u>

d. Total OPEB Liability

The Village's total OPEB liability of \$12,462,316 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2025.

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2024, as determined by an actuarial valuation as of January 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	2.50%
Salary increases	3.00%
Discount rate	4.08%
Healthcare cost trend rates	4.50% to 7.93% initial 4.50% to 5.00% ultimate

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2024.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2024	<u>\$ 11,416,916</u>
Changes for the period	
Service cost	729,408
Interest	362,567
Difference between expected and actual experience	(451,816)
Changes in benefit terms	-
Changes in assumptions	995,685
Benefit payments	(590,444)
Other changes	<u>-</u>
Net changes	<u>1,045,400</u>
BALANCES AT DECEMBER 30, 2024	<u><u>\$ 12,462,316</u></u>

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability (Continued)

Changes in assumptions related to the discount rate, inflation rates, healthcare cost trend rates, and other demographics were made since the previous measurement date.

g. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Village recognized OPEB expense of \$658,274. At December 31, 2024, 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
Differences between expected and actual experience	\$ -	\$ 4,310,872
Changes in assumptions	2,579,010	1,647,898
TOTAL	\$ 2,579,010	\$ 5,958,770

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

<u>Year Ending December 31,</u>	
2025	\$ (433,701)
2026	(433,701)
2027	(433,701)
2028	(408,038)
2029	(416,078)
Thereafter	<u>(1,254,541)</u>
TOTAL	<u>\$ (3,379,760)</u>

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

h. Rate Sensitivity

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 calculated using the discount rate of 4.08% 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 (3.08%) or 1 percentage point higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB liability	\$ 13,457,497	\$ 12,462,316	\$ 11,541,555

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 4.50% to 7.93% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (varies)	Current Healthcare Rate (varies)	1% Increase (varies)
Total OPEB liability	\$ 11,129,611	\$ 12,462,316	\$ 14,029,993

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, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 29,405,128	\$ 29,405,128	\$ 28,961,455	\$ (443,673)
Licenses and permits	2,685,000	2,685,000	2,483,390	(201,610)
Intergovernmental	28,255,605	28,571,884	29,270,041	698,157
Charges for services	8,321,400	8,372,935	7,424,533	(948,402)
Fines and forfeits	1,792,000	1,792,000	1,133,225	(658,775)
Investment income	100,000	100,000	1,450,857	1,350,857
Miscellaneous	450,000	450,500	818,959	368,459
Total revenues	71,009,133	71,377,447	71,542,460	165,013
EXPENDITURES				
Current				
General government	5,553,162	5,203,430	4,915,736	(287,694)
Public safety	56,219,495	61,190,718	58,506,422	(2,684,296)
Public works	7,491,955	7,439,070	7,113,868	(325,202)
Total expenditures	69,264,612	73,833,218	70,536,026	(3,297,192)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,744,521	(2,455,771)	1,006,434	3,462,205
OTHER FINANCING SOURCES (USES)				
Transfers in	-	321,970	321,970	-
Transfers (out)	(1,642,000)	(6,042,000)	(6,042,000)	-
SBITA issuance	-	-	153,892	153,892
Total other financing sources (uses)	(1,642,000)	(5,720,030)	(5,566,138)	153,892
NET CHANGE IN FUND BALANCE	<u>\$ 102,521</u>	<u>\$ (8,175,801)</u>	<u>(4,559,704)</u>	<u>\$ 3,616,097</u>
FUND BALANCE, JANUARY 1			<u>36,273,197</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 31,713,493</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property taxes	\$ 7,600,000	\$ 7,600,000	\$ 7,885,712	\$ 285,712
Investment income	2,500	2,500	1,246,558	1,244,058
Total revenues	7,602,500	7,602,500	9,132,270	1,529,770
EXPENDITURES				
Economic development				
Supplies and services	10,000	72,116	50,694	(21,422)
Project expenditures	-	215,322	215,322	-
Capital outlay				
Buildings and facilities	3,780,000	594,225	337,901	(256,324)
Flood control	500,000	23,952	23,952	-
Total expenditures	4,290,000	905,615	627,869	(277,746)
NET CHANGE IN FUND BALANCE				
	<u>\$ 3,312,500</u>	<u>\$ 6,696,885</u>	8,504,401	<u>\$ 1,807,516</u>
FUND BALANCE, JANUARY 1			<u>23,583,575</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 32,087,976</u></u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Grants	\$ -	\$ 2,752,077	\$ 2,751,386	\$ (691)
Investment income	-	321,970	321,970	-
Total revenues	-	3,074,047	3,073,356	(691)
EXPENDITURES				
Capital outlay				
Buildings and facilities	-	660,830	660,139	(691)
Vehicles	-	45,998	45,998	-
Other improvements	-	2,045,249	2,045,249	-
Total expenditures	-	2,752,077	2,751,386	(691)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	321,970	321,970	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(321,970)	(321,970)	-
Total other financing sources (uses)	-	(321,970)	(321,970)	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, JANUARY 1			<u>-</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ -</u></u>	

VILLAGE OF PALATINE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

BUDGETS

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.

Expenditures/expenses exceeded the final budget in the following funds:

Fund	Excess
Community Development Block Grant Fund	\$ 36,704
Foreign Fire Tax Fund	57,859

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 1,326,808	\$ 1,357,502	\$ 1,268,896	\$ 1,236,724	\$ 1,072,435	\$ 1,346,507	\$ 1,393,340	\$ 1,050,063	\$ 912,161	\$ 798,262
Contributions in relation to the actuarially determined contribution	1,326,808	1,359,414	1,286,486	1,236,724	1,072,435	1,346,507	1,393,340	1,050,063	912,161	798,262
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ (1,912)	\$ (17,590)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,563,758	\$ 10,630,398	\$ 10,452,192	\$ 10,772,855	\$ 10,976,825	\$ 11,230,254	\$ 11,611,171	\$ 11,278,873	\$ 11,846,230	\$ 12,410,136
Contributions as a percentage of covered payroll	12.56%	12.79%	12.31%	11.48%	9.77%	11.99%	12.00%	9.31%	7.70%	6.43%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 20 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 3.00% compounded annually.

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 3,038,973	\$ 3,441,579	\$ 4,075,790	\$ 4,307,574	\$ 4,397,183	\$ 4,700,943	\$ 5,638,311	\$ 5,428,437	\$ 5,445,509	\$ 5,870,654
Contributions in relation to the actuarially determined contribution	3,371,172	3,538,272	4,043,020	4,322,198	4,771,486	5,364,713	5,719,861	6,221,185	5,962,356	8,278,596
CONTRIBUTION DEFICIENCY (Excess)	\$ (332,199)	\$ (96,693)	\$ 32,770	\$ (14,624)	\$ (374,303)	\$ (663,770)	\$ (81,550)	\$ (792,748)	\$ (516,847)	\$ (2,407,942)
Covered payroll	\$ 10,205,207	\$ 10,358,270	\$ 10,849,076	\$ 10,871,318	\$ 10,997,170	\$ 11,218,955	\$ 11,914,392	\$ 11,796,852	\$ 12,430,855	\$ 12,820,743
Contributions as a percentage of covered payroll	33.03%	34.16%	37.27%	39.76%	43.39%	47.82%	48.01%	52.74%	47.96%	64.57%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1, 2025. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 16 years; the asset valuation method was at five-year smooth fair value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected total salary increases assumption of 3.25%, individual pay increases of 3.75% to 15.35%, and inflation of 2.25%.

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 3,238,069	\$ 3,254,943	\$ 3,911,411	\$ 4,596,932	\$ 4,654,347	\$ 4,935,330	\$ 5,482,655	\$ 5,551,876	\$ 5,470,821	\$ 6,108,404
Contributions in relation to the actuarially determined contribution	3,620,989	3,660,137	4,629,680	4,675,335	5,205,407	5,608,868	5,563,796	8,343,615	5,987,516	8,505,992
CONTRIBUTION DEFICIENCY (Excess)	\$ (382,920)	\$ (405,194)	\$ (718,269)	\$ (78,403)	\$ (551,060)	\$ (673,538)	\$ (81,141)	\$ (2,791,739)	\$ (516,695)	\$ (2,397,588)
Covered payroll	\$ 8,905,763	\$ 9,137,439	\$ 9,245,367	\$ 9,508,556	\$ 9,877,339	\$ 10,768,480	\$ 11,215,275	\$ 10,934,974	\$ 11,190,113	\$ 11,635,629
Contributions as a percentage of covered payroll	40.66%	40.06%	50.08%	49.17%	52.70%	52.09%	49.61%	76.30%	53.51%	73.10%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1, 2025. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 16 years; the asset valuation method was at five-year smooth fair value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected total salary increases assumption of 3.25%, individual pay increases of 3.75% to 36.05%, and inflation of 2.25%.

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

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL PENSION LIABILITY										
Service cost	\$ 1,215,353	\$ 1,135,095	\$ 1,157,484	\$ 1,134,861	\$ 1,024,994	\$ 1,097,251	\$ 1,130,613	\$ 1,075,860	\$ 1,083,163	\$ 1,071,940
Interest	4,415,607	4,821,993	5,043,039	5,178,562	5,298,581	5,560,012	5,826,652	5,984,758	6,308,906	6,468,126
Differences between expected and actual experience	216,592	(422,884)	(1,422,863)	922,845	939,544	822,768	108,059	1,658,086	(687,186)	1,879,375
Changes of assumptions	2,026,659	172,219	(262,779)	(2,317,207)	2,205,814	-	(783,224)	-	-	(59,959)
Benefit payments, including refunds of member contributions	(2,187,292)	(2,472,221)	(2,700,058)	(3,233,210)	(3,294,551)	(3,631,408)	(4,006,432)	(4,141,482)	(4,361,221)	(4,645,038)
Net change in total pension liability	5,686,919	3,234,202	1,814,823	1,685,851	6,174,382	3,848,623	2,275,668	4,577,222	2,343,662	4,714,444
Total pension liability - beginning	59,360,728	65,047,647	68,281,849	70,096,672	71,782,523	77,956,905	81,805,528	84,081,196	88,658,418	91,002,080
TOTAL PENSION LIABILITY - ENDING	\$ 65,047,647	\$ 68,281,849	\$ 70,096,672	\$ 71,782,523	\$ 77,956,905	\$ 81,805,528	\$ 84,081,196	\$ 88,658,418	\$ 91,002,080	\$ 95,716,524
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 1,299,693	\$ 1,326,807	\$ 1,359,414	\$ 1,286,486	\$ 1,236,724	\$ 1,072,435	\$ 1,346,507	\$ 1,393,340	\$ 1,050,063	\$ 912,159
Contributions - member	528,559	486,317	479,022	475,499	494,998	493,955	548,467	522,502	557,613	533,080
Net investment income	3,425,146	296,437	4,059,760	10,497,805	(3,659,634)	12,298,754	10,935,116	14,359,845	(12,173,513)	9,114,107
Benefit payments, including refunds of member contributions	(2,187,292)	(2,472,221)	(2,700,058)	(3,233,210)	(3,294,551)	(3,631,408)	(4,006,432)	(4,141,482)	(4,361,221)	(4,645,038)
Administrative expense	221,384	(579,310)	214,489	(1,090,449)	1,611,824	260,867	322,941	(225,648)	282,375	2,399,805
Net change in plan fiduciary net position	3,287,490	(941,970)	3,412,627	7,936,131	(3,610,639)	10,494,603	9,146,599	11,908,557	(14,644,683)	8,314,113
Plan fiduciary net position - beginning	56,329,449	59,616,939	58,674,969	62,087,596	70,023,727	66,413,088	76,907,691	86,054,290	97,962,847	83,318,164
PLAN FIDUCIARY NET POSITION - ENDING	\$ 59,616,939	\$ 58,674,969	\$ 62,087,596	\$ 70,023,727	\$ 66,413,088	\$ 76,907,691	\$ 86,054,290	\$ 97,962,847	\$ 83,318,164	\$ 91,632,277
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 5,430,708	\$ 9,606,880	\$ 8,009,076	\$ 1,758,796	\$ 11,543,817	\$ 4,897,837	\$ (1,973,094)	\$ (9,304,429)	\$ 7,683,916	\$ 4,084,247

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Plan fiduciary net position as a percentage of the total pension liability	91.65%	85.93%	88.57%	97.55%	85.19%	94.01%	102.35%	110.49%	91.56%	95.73%
Covered payroll	\$ 10,139,928	\$ 10,563,758	\$ 10,630,398	\$ 10,452,192	\$ 10,772,855	\$ 10,976,825	\$ 11,230,254	\$ 11,611,171	\$ 11,278,873	\$ 11,846,230
Employer's net pension liability (asset) as a percentage of covered payroll	53.56%	90.94%	75.34%	16.83%	107.16%	44.62%	(17.57%)	(80.13%)	68.13%	34.48%

Notes to Required Supplementary Information

There were changes in assumptions related to mortality rates in 2023.

There were changes in assumptions related to inflation, salary increases and mortality rates in 2020.

There were changes in assumptions related to the discount rate in 2018.

There were changes in assumptions related to inflation and salary increases in 2017.

There were changes in assumptions related to the discount rate in 2016.

There were changes in assumptions related to the discount rate in 2015.

The retirement age and mortality assumptions were changed in 2014.

VILLAGE OF PALATINE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ 2,015,249	\$ 2,107,038	\$ 2,135,476	\$ 2,290,298	\$ 2,233,157	\$ 2,385,236	\$ 2,383,728	\$ 2,447,261	\$ 2,599,727	\$ 2,644,443
Interest	7,633,547	8,334,207	8,262,326	8,777,152	9,322,558	10,250,927	10,379,255	10,902,536	11,520,828	12,111,301
Changes of benefit terms	-	-	-	-	624,567	-	-	(93,175)	-	-
Differences between expected and actual experience	550,745	(4,910,367)	1,524,716	1,720,631	1,682,132	(599,585)	(2,472,651)	3,110,405	2,631,699	3,207,859
Changes of assumptions	7,001,248	(2,119,085)	(4,940)	-	4,733,370	-	-	5,532,349	60,298	(9,699)
Benefit payments, including refunds of member contributions	(3,866,026)	(4,187,653)	(4,618,864)	(5,014,198)	(5,516,268)	(6,276,335)	(6,493,016)	(7,263,286)	(8,071,242)	(8,682,081)
Net change in total pension liability	13,334,763	(775,860)	7,298,714	7,773,883	13,079,516	5,760,243	3,797,316	14,636,090	8,741,310	9,271,823
Total pension liability - beginning	103,713,646	117,048,409	116,272,549	123,571,263	131,345,146	144,424,662	150,184,905	153,982,221	168,618,311	177,359,621
TOTAL PENSION LIABILITY - ENDING	\$ 117,048,409	\$ 116,272,549	\$ 123,571,263	\$ 131,345,146	\$ 144,424,662	\$ 150,184,905	\$ 153,982,221	\$ 168,618,311	\$ 177,359,621	\$ 186,631,444
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 3,371,172	\$ 3,538,272	\$ 4,043,020	\$ 4,322,198	\$ 4,771,486	\$ 5,364,713	\$ 5,719,861	\$ 6,221,185	\$ 5,962,356	\$ 8,278,596
Contributions - member	1,034,219	1,055,702	1,048,695	1,077,694	1,145,375	1,188,697	1,185,100	1,435,595	1,231,902	1,327,079
Net investment income	(209,305)	4,490,541	9,547,991	(5,144,043)	15,742,283	11,192,237	16,298,601	(16,712,527)	13,211,148	10,847,366
Benefit payments, including refunds of member contributions	(3,866,026)	(4,187,653)	(4,618,864)	(5,014,198)	(5,516,268)	(6,276,335)	(6,493,016)	(7,263,286)	(8,071,242)	(8,682,081)
Administrative expense	(35,446)	(48,430)	(23,802)	67,323	(16,500)	(13,975)	199,921	(17,500)	(15,635)	(13,039)
Net change in plan fiduciary net position	294,614	4,848,432	9,997,040	(4,691,026)	16,126,376	11,455,337	16,910,467	(16,336,533)	12,318,529	11,757,921
Plan fiduciary net position - beginning	62,236,359	62,530,973	67,379,405	77,376,445	72,685,419	88,811,795	100,267,132	117,177,599	100,841,066	113,159,595
PLAN FIDUCIARY NET POSITION - ENDING	\$ 62,530,973	\$ 67,379,405	\$ 77,376,445	\$ 72,685,419	\$ 88,811,795	\$ 100,267,132	\$ 117,177,599	\$ 100,841,066	\$ 113,159,595	\$ 124,917,516
EMPLOYER'S NET PENSION LIABILITY	\$ 54,517,436	\$ 48,893,144	\$ 46,194,818	\$ 58,659,727	\$ 55,612,867	\$ 49,917,773	\$ 36,804,622	\$ 67,777,245	\$ 64,200,026	\$ 61,713,928

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability	53.42%	57.95%	62.62%	55.34%	61.49%	66.76%	76.10%	59.80%	63.80%	66.93%
Covered payroll	\$ 10,205,207	\$ 10,358,270	\$ 10,849,076	\$ 10,871,318	\$ 10,997,170	\$ 11,218,955	\$ 11,914,392	\$ 11,796,852	\$ 12,430,855	\$ 12,820,743
Employer's net pension liability as a percentage of covered payroll	534.21%	472.02%	425.79%	539.58%	505.70%	444.94%	308.91%	574.54%	516.46%	481.36%

Notes to Required Supplementary Information

In 2024, there were changes in assumptions related to the inflation rate, salary increases, mortality rates, and other demographics.

In 2015-2017, 2019, and 2022-2023, there were changes in assumptions related to the discount rate.

In 2023, there were changes to benefit terms related to surviving spouse eligibility.

VILLAGE OF PALATINE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ 1,980,545	\$ 2,045,539	\$ 2,027,295	\$ 2,174,274	\$ 2,182,763	\$ 2,337,486	\$ 2,348,003	\$ 2,313,500	\$ 2,456,378	\$ 2,493,590
Interest	7,087,978	7,740,742	8,210,890	8,621,323	9,085,806	9,733,994	9,749,927	10,277,176	10,777,419	11,323,752
Changes of benefit terms	-	-	-	-	704,741	-	-	(143,917)	-	-
Differences between expected and actual experience	4,554	1,035,715	418,362	994,849	745,112	1,065,786	(4,475,390)	2,339,793	2,422,194	1,054,959
Changes of assumptions	7,553,761	328,856	-	(11,224)	1,518,292	-	-	4,838,686	-	5,524,646
Benefit payments, including refunds of member contributions	(4,215,646)	(4,513,084)	(4,818,995)	(5,171,821)	(5,573,297)	(5,899,592)	(6,389,135)	(7,090,392)	(7,638,430)	(8,054,266)
Net change in total pension liability	12,411,192	6,637,768	5,837,552	6,607,401	8,663,417	7,237,674	1,233,405	12,534,846	8,017,561	12,342,681
Total pension liability - beginning	96,614,199	109,025,391	115,663,159	121,500,711	128,108,112	136,771,529	144,009,203	145,242,608	157,777,454	165,795,015
TOTAL PENSION LIABILITY - ENDING	\$ 109,025,391	\$ 115,663,159	\$ 121,500,711	\$ 128,108,112	\$ 136,771,529	\$ 144,009,203	\$ 145,242,608	\$ 157,777,454	\$ 165,795,015	\$ 178,137,696
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 3,620,989	\$ 3,660,137	\$ 4,629,680	\$ 4,675,335	\$ 5,205,407	\$ 5,608,868	\$ 5,563,796	\$ 8,343,615	\$ 5,987,516	\$ 8,505,992
Contributions - member	857,036	899,896	886,245	905,175	940,243	962,993	999,524	1,057,570	1,017,712	1,060,325
Net investment income	(1,071,694)	4,226,592	9,065,572	(4,380,191)	12,209,428	11,448,837	8,454,382	(15,305,426)	13,416,876	11,134,298
Benefit payments, including refunds of member contributions	(4,215,646)	(4,513,084)	(4,818,995)	(5,171,822)	(5,573,297)	(5,899,592)	(6,389,135)	(7,090,392)	(7,638,430)	(8,054,266)
Administrative expense	(13,377)	(14,181)	(11,665)	62,362	(18,068)	(12,808)	4,260	(20,469)	(20,983)	(1,129)
Net change in plan fiduciary net position	(822,692)	4,259,360	9,750,837	(3,909,141)	12,763,713	12,108,298	8,632,827	(13,015,102)	12,762,691	12,645,220
Plan fiduciary net position - beginning	59,625,411	58,802,719	63,062,079	72,812,916	68,903,775	81,667,488	93,775,786	102,408,613	89,393,511	102,156,202
PLAN FIDUCIARY NET POSITION - ENDING	\$ 58,802,719	\$ 63,062,079	\$ 72,812,916	\$ 68,903,775	\$ 81,667,488	\$ 93,775,786	\$ 102,408,613	\$ 89,393,511	\$ 102,156,202	\$ 114,801,422
EMPLOYER'S NET PENSION LIABILITY	\$ 50,222,672	\$ 52,601,080	\$ 48,687,795	\$ 59,204,337	\$ 55,104,041	\$ 50,233,417	\$ 42,833,995	\$ 68,383,943	\$ 63,638,813	\$ 63,336,274

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability	53.93%	54.52%	59.93%	53.79%	59.71%	65.12%	70.51%	56.66%	61.62%	64.45%
Covered payroll	\$ 8,905,763	\$ 9,137,439	\$ 9,245,367	\$ 9,508,556	\$ 9,877,339	\$ 10,768,480	\$ 11,215,725	\$ 10,934,974	\$ 11,190,113	\$ 11,635,629
Employer's net pension liability as a percentage of covered payroll	563.93%	575.67%	526.62%	622.64%	557.88%	466.49%	381.91%	625.37%	568.71%	544.33%

Notes to Required Supplementary Information

In 2024, there were changes in assumptions related to the inflation rate, salary increases, mortality rates, and other demographics.

In 2015-2016, 2018-2019, and 2022, there were changes in assumptions related to the discount rate.

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023	2024
TOTAL OPEB LIABILITY							
Service cost	\$ 719,981	\$ 657,670	\$ 819,775	\$ 977,864	\$ 1,009,959	\$ 656,271	\$ 729,408
Interest	438,629	510,011	414,399	284,910	291,531	383,121	362,567
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(3,326,163)	-	(2,874,757)	-	(451,816)
Changes of assumptions	(856,449)	2,088,140	890,690	(63,325)	(1,757,693)	346,839	995,685
Benefit payments, including refunds of member contributions	(573,712)	(639,070)	(501,543)	(465,583)	(507,663)	(536,537)	(590,444)
Net change in total OPEB liability	(271,551)	2,616,751	(1,702,842)	733,866	(3,838,623)	849,694	1,045,400
Total OPEB liability - beginning	13,029,621	12,758,070	15,374,821	13,671,979	14,405,845	10,567,222	11,416,916
TOTAL OPEB LIABILITY - ENDING	\$ 12,758,070	\$ 15,374,821	\$ 13,671,979	\$ 14,405,845	\$ 10,567,222	\$ 11,416,916	\$ 12,462,316
Covered-employee payroll	\$ 27,077,166	\$ 27,780,330	\$ 28,273,958	\$ 28,353,996	\$ 30,571,858	\$ 31,916,313	\$ 33,023,498
Employer's net OPEB liability as a percentage of covered-employee payroll	47.12%	55.34%	48.36%	50.81%	34.57%	35.77%	37.74%

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.

Notes to Required Supplementary Information

In 2024, there were changes made to the assumptions related to the discount rate, inflation rates, healthcare cost trend rates, and other demographics.

In 2023, there were changes made to the assumptions related to the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	(0.37%)	7.19%	14.06%	(5.36%)	21.24%	13.56%	13.71%	(14.23%)	13.06%	12.64%

VILLAGE OF PALATINE, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	(1.82%)	7.30%	14.50%	(6.11%)	17.95%	14.16%	9.54%	(14.86%)	15.01%	14.50%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENT FUNDS

VILLAGE OF PALATINE, ILLINOIS**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
TAXES			
Property tax			
Police protection	\$ 2,231,939	\$ 2,231,939	\$ 2,200,151
Fire protection	2,231,939	2,231,939	2,198,058
FICA	2,885,000	2,885,000	2,841,595
IMRF	735,000	735,000	723,980
Police pension	5,871,000	5,871,000	5,783,940
Fire pension	6,109,000	6,109,000	6,011,055
Home rule sales tax	7,000,000	7,000,000	6,781,700
Food and beverage tax	1,600,000	1,600,000	1,688,571
Municipal cannabis sales tax	-	-	54,573
Motel occupancy tax	90,000	90,000	64,685
Township road and bridge tax	650,000	650,000	612,264
Other taxes	1,250	1,250	883
Total taxes	29,405,128	29,405,128	28,961,455
INTERGOVERNMENTAL			
State sales tax	12,500,000	12,500,000	12,249,554
State income tax	10,350,800	10,350,800	11,532,162
Local use tax	2,800,000	2,800,000	2,543,538
Fire protection district reimbursement	725,000	725,000	761,155
Police consultant - schools	1,096,060	1,096,060	1,096,060
TIF Rebate	-	291,280	291,264
State highway maintenance	201,405	201,405	209,670
Personal property replacement tax	285,000	285,000	211,486
Grants	30,000	54,999	52,000
Other intergovernmental	267,340	267,340	323,152
Total intergovernmental	28,255,605	28,571,884	29,270,041
CHARGES FOR SERVICES			
Cable TV franchise fees	964,800	964,800	807,155
Plan review fees	450,000	450,000	585,727
Inspection fees	255,000	255,000	343,414
Special police service	192,600	192,600	230,318
Special fire service	68,800	68,800	79,735
Ambulance fees	6,000,000	6,000,000	4,981,728
Streetfest revenue	185,000	236,535	196,100
Rental income	130,600	130,600	122,340
Other charges for services	74,600	74,600	78,016
Total charges for services	8,321,400	8,372,935	7,424,533

(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, 2024

	Original Budget	Final Budget	Actual
LICENSES AND PERMITS			
Professional and occupational	\$ 225,000	\$ 225,000	\$ 239,614
Liquor licenses	500,000	500,000	432,537
Rental dwelling licenses	500,000	500,000	478,429
Building permits and fees	1,200,000	1,200,000	1,065,151
Other licenses and permits	260,000	260,000	267,659
Total licenses and permits	2,685,000	2,685,000	2,483,390
FINES AND FORFEITS			
Circuit court fines	200,000	200,000	207,969
Traffic fines	1,575,000	1,575,000	922,278
Adjudication and other fines	17,000	17,000	2,978
Total fines and forfeits	1,792,000	1,792,000	1,133,225
INVESTMENT INCOME	100,000	100,000	1,450,857
MISCELLANEOUS			
Recoveries and refunds	50,000	50,000	207,559
Reimbursements	395,000	395,000	458,835
Donations	-	500	1,500
Other	5,000	5,000	151,065
Total miscellaneous	450,000	450,500	818,959
TOTAL REVENUES	\$ 71,009,133	\$ 71,377,447	\$ 71,542,460

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Mayor and Council			
Personnel	\$ 281,395	\$ 281,395	\$ 251,959
Supplies and services	43,910	38,410	34,535
Total Mayor and Council	325,305	319,805	286,494
Boards and commissions			
Supplies and services	75,630	69,798	57,060
Total boards and commissions	75,630	69,798	57,060
Village clerk			
Personnel	137,490	154,740	158,662
Supplies and services	61,820	47,284	22,209
Total village clerk	199,310	202,024	180,871
Village manager			
Personnel	831,645	902,709	898,984
Supplies and services	265,690	315,725	261,157
Total village manager	1,097,335	1,218,434	1,160,141
Finance and operations			
Personnel	721,915	855,509	784,851
Supplies and services	211,800	206,042	161,374
Total finance and operations	933,715	1,061,551	946,225
Legal			
Personnel	98,865	98,865	83,485
Supplies and services	421,645	421,645	364,987
Total legal	520,510	520,510	448,472
Human resources			
Personnel	1,156,170	565,734	532,564
Supplies and services	173,655	144,644	119,615
Total human resources	1,329,825	710,378	652,179

(This schedule is continued on the following pages.)

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Information technology			
Personnel	\$ 957,920	\$ 970,743	\$ 958,584
Supplies and services	689,205	705,780	801,303
Total information technology	1,647,125	1,676,523	1,759,887
Liability insurance			
Supplies and services	1,577,900	1,577,900	1,577,900
Total liability insurance	1,577,900	1,577,900	1,577,900
Less administrative fee reimbursements			
CDBG Fund	(99,493)	(99,493)	(99,493)
Waterworks fund	(1,044,000)	(1,044,000)	(1,044,000)
Sewerage fund	(785,000)	(785,000)	(785,000)
Refuse fund	(75,000)	(75,000)	(75,000)
Motor Vehicle Parking System fund	(150,000)	(150,000)	(150,000)
Total administrative fee reimbursements	(2,153,493)	(2,153,493)	(2,153,493)
Total general government	5,553,162	5,203,430	4,915,736
PUBLIC SAFETY			
Community development			
Personnel	2,847,270	2,859,708	2,696,303
Supplies and services	428,405	451,955	297,764
Total community development	3,275,675	3,311,663	2,994,067
Police			
Personnel	25,810,970	28,221,946	27,715,272
Supplies and services	1,609,660	1,667,729	1,469,574
Total police	27,420,630	29,889,675	29,184,846
Fire			
Personnel	21,965,945	24,450,006	24,189,021
Supplies and services	3,557,245	3,539,374	2,138,488
Total fire	25,523,190	27,989,380	26,327,509
Total public safety	56,219,495	61,190,718	58,506,422

(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, 2024

	Original Budget	Final Budget	Actual
PUBLIC WORKS			
Public works			
Personnel	\$ 4,654,515	\$ 4,618,787	\$ 4,366,750
Supplies and services	2,837,440	2,820,283	2,747,118
Total public works	7,491,955	7,439,070	7,113,868
TOTAL EXPENDITURES	\$ 69,264,612	\$ 73,833,218	\$ 70,536,026

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property tax	\$ 2,472,956	\$ 2,472,956	\$ 2,483,264
Investment income	633,830	633,830	730,654
Total revenues	3,106,786	3,106,786	3,213,918
EXPENDITURES			
Debt service			
Principal retirement	1,755,000	1,755,000	1,755,000
Interest and fiscal charges	719,381	719,381	719,381
Total expenditures	2,474,381	2,474,381	2,474,381
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	632,405	632,405	739,537
OTHER FINANCING SOURCES (USES)			
Transfers in	1,642,000	4,002,000	4,002,000
Total other financing sources (uses)	1,642,000	4,002,000	4,002,000
NET CHANGE IN FUND BALANCE	<u>\$ 2,274,405</u>	<u>\$ 4,634,405</u>	4,741,537
FUND BALANCE, JANUARY 1			<u>16,149,196</u>
FUND BALANCE, DECEMBER 31			<u>\$ 20,890,733</u>

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Electric utility use tax	\$ 1,075,000	\$ 1,075,000	\$ 1,001,945
Video gaming tax	176,550	176,550	217,370
Intergovernmental			
Grants	-	20,000	17,150
Charges for services			
Rental income	395,200	395,200	386,953
Investment income	7,500	7,500	465,888
Miscellaneous			
Reimbursements	-	53,139	97,548
Total revenues	1,654,250	1,727,389	2,186,854
EXPENDITURES			
Capital outlay			
Technology	574,980	487,572	360,168
Vehicles	1,373,660	1,849,627	1,849,463
Office and other equipment	46,000	125,830	119,331
Debt service			
Principal	-	-	49,677
Interest	-	-	323
Total expenditures	1,994,640	2,463,029	2,378,962
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(340,390)	(735,640)	(192,108)
OTHER FINANCING SOURCES (USES)			
Transfers in	650,000	650,000	650,000
Proceeds from sale of capital assets	50,000	56,400	132,736
Total other financing sources (uses)	700,000	706,400	782,736
NET CHANGE IN FUND BALANCE	\$ 359,610	\$ (29,240)	590,628
FUND BALANCE, JANUARY 1			7,877,499
FUND BALANCE, DECEMBER 31			\$ 8,468,127

NONMAJOR GOVERNMENT FUNDS

VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 12,751,445	\$ 8,188,172	\$ 20,939,617
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	-	1,000,000	1,000,000
Accrued interest	18,724	1,690	20,414
Other	-	218,333	218,333
Due from other governments	393,387	175,074	568,461
Total assets	13,163,556	9,583,269	22,746,825
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 13,163,556</u>	<u>\$ 9,583,269</u>	<u>\$ 22,746,825</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 140,225	\$ 48,498	\$ 188,723
Accrued payroll	1,556	-	1,556
Due to other funds	85,364	-	85,364
Unearned revenue	-	126,500	126,500
Total liabilities	227,145	174,998	402,143
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	1,000,000	1,000,000
Total deferred inflows of resources	-	1,000,000	1,000,000
Total liabilities and deferred inflows of resources	227,145	1,174,998	1,402,143
FUND BALANCES			
Restricted for streets and highways	2,494,678	-	2,494,678
Restricted for public safety	1,667,530	-	1,667,530
Restricted for economic development	8,806,478	-	8,806,478
Assigned for capital projects	-	8,408,271	8,408,271
Unassigned (deficit)	(32,275)	-	(32,275)
Total fund balances	12,936,411	8,408,271	21,344,682
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,163,556</u>	<u>\$ 9,583,269</u>	<u>\$ 22,746,825</u>

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<hr/>			
REVENUES			
Taxes	\$ 5,570,039	\$ 1,791,523	\$ 7,361,562
Intergovernmental	4,851,767	218,547	5,070,314
Charges for services	-	91,791	91,791
Investment income	591,543	329,718	921,261
Miscellaneous	82,289	4,970	87,259
	<hr/>		
Total revenues	11,095,638	2,436,549	13,532,187
	<hr/>		
EXPENDITURES			
Current			
Public safety	657,612	-	657,612
Economic development	3,444,124	-	3,444,124
Capital outlay	3,973,625	1,772,145	5,745,770
Debt service			
Principal	1,470,000	-	1,470,000
Interest and fiscal charges	113,605	-	113,605
	<hr/>		
Total expenditures	9,658,966	1,772,145	11,431,111
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,436,672	664,404	2,101,076
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,085,000	2,085,000
	<hr/>		
Total other financing sources (uses)	-	2,085,000	2,085,000
	<hr/>		
NET CHANGE IN FUND BALANCES	1,436,672	2,749,404	4,186,076
	<hr/>		
FUND BALANCES, JANUARY 1	11,499,739	5,658,867	17,158,606
	<hr/>		
FUND BALANCES, DECEMBER 31	\$ 12,936,411	\$ 8,408,271	\$ 21,344,682
	<hr/>		

VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2024

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and investments	\$ 2,239,677	\$ -	\$ 691,906	\$ 585,034
Receivables				
Accrued interest	-	-	-	-
Due from other governments	255,001	83,691	-	-
Total assets	2,494,678	83,691	691,906	585,034
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,494,678	\$ 83,691	\$ 691,906	\$ 585,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 83,691	\$ -	\$ 60
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	83,691	-	60
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	-	83,691	-	60
FUND BALANCES				
Restricted for streets and highways	2,494,678	-	-	-
Restricted for public safety	-	-	691,906	584,974
Restricted for economic development	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	2,494,678	-	691,906	584,974
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,494,678	\$ 83,691	\$ 691,906	\$ 585,034

Foreign Fire Tax	Rand Road Corridor TIF	Rand/ Lake Cook TIF	Dundee TIF #6	Police Grant	Opioid Settlement	Total
\$ 324,437	\$ 6,513,130	\$ 2,321,377	\$ -	\$ -	\$ 75,884	\$ 12,751,445
-	-	18,724	-	-	-	18,724
-	-	-	-	54,695	-	393,387
324,437	6,513,130	2,340,101	-	54,695	75,884	13,163,556
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 324,437	\$ 6,513,130	\$ 2,340,101	\$ -	\$ 54,695	\$ 75,884	\$ 13,163,556
\$ -	\$ 46,753	\$ -	\$ -	\$ 50	\$ 9,671	\$ 140,225
-	-	-	-	1,556	-	1,556
-	-	-	32,275	53,089	-	85,364
-	46,753	-	32,275	54,695	9,671	227,145
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	46,753	-	32,275	54,695	9,671	227,145
-	-	-	-	-	-	2,494,678
324,437	-	-	-	-	66,213	1,667,530
-	6,466,377	2,340,101	-	-	-	8,806,478
-	-	-	(32,275)	-	-	(32,275)
324,437	6,466,377	2,340,101	(32,275)	-	66,213	12,936,411
\$ 324,437	\$ 6,513,130	\$ 2,340,101	\$ -	\$ 54,695	\$ 75,884	\$ 13,163,556

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,018,521	870,882	435,160	27,318
Investment income	98,840	-	33,230	31,239
Miscellaneous	-	-	-	-
Total revenues	3,117,361	870,882	468,390	58,557
EXPENDITURES				
Current				
Public safety	-	-	155,270	91,750
Economic development	-	210,819	-	-
Capital outlay	2,786,731	660,063	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,786,731	870,882	155,270	91,750
NET CHANGE IN FUND BALANCES	330,630	-	313,120	(33,193)
FUND BALANCES, JANUARY 1	2,164,048	-	378,786	618,167
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 2,494,678	\$ -	\$ 691,906	\$ 584,974

Foreign Fire Tax	Rand Road Corridor TIF	Rand/ Lake Cook TIF	Dundee TIF #6	Police Grant	Opioid Settlement	Total
\$ -	\$ 4,154,195	\$ 1,415,844	\$ -	\$ -	\$ -	\$ 5,570,039
175,733	85,340	-	-	238,813	-	4,851,767
278	348,050	77,463	-	-	2,443	591,543
53	-	-	-	-	82,236	82,289
176,064	4,587,585	1,493,307	-	238,813	84,679	11,095,638
157,859	-	-	-	209,108	43,625	657,612
-	1,949,937	1,251,093	32,275	-	-	3,444,124
-	497,126	-	-	29,705	-	3,973,625
-	1,470,000	-	-	-	-	1,470,000
-	113,605	-	-	-	-	113,605
157,859	4,030,668	1,251,093	32,275	238,813	43,625	9,658,966
18,205	556,917	242,214	(32,275)	-	41,054	1,436,672
306,232	5,909,460	2,097,887	-	-	25,159	11,499,739
\$ 324,437	\$ 6,466,377	\$ 2,340,101	\$ (32,275)	\$ -	\$ 66,213	\$ 12,936,411

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotment	\$ 2,819,100	\$ 2,819,100	\$ 3,018,521
Grants	550,000	-	-
Investment income	1,000	1,000	98,840
Total revenues	3,370,100	2,820,100	3,117,361
EXPENDITURES			
Capital outlay			
Street improvements	3,614,045	2,786,731	2,786,731
Total expenditures	3,614,045	2,786,731	2,786,731
NET CHANGE IN FUND BALANCE	<u><u>\$ (243,945)</u></u>	<u><u>\$ 33,369</u></u>	330,630
FUND BALANCE, JANUARY 1			<u>2,164,048</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,494,678</u></u>

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 497,467	\$ 834,178	\$ 870,882
Total revenues	497,467	834,178	870,882
EXPENDITURES			
Economic development			
Administrative fees	99,493	99,493	111,496
Social service agencies	74,620	74,620	99,323
Capital outlay			
Rights of way improvements	323,354	660,065	660,063
Total expenditures	497,467	834,178	870,882
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

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, 2024

	Original Budget	Final Budget	Actual
<hr/>			
REVENUES			
Intergovernmental			
Grants	\$ 100,000	\$ 100,000	\$ 435,160
Investment income	-	-	33,230
	<hr/>		
Total revenues	100,000	100,000	468,390
	<hr/>		
EXPENDITURES			
Public safety			
Police			
Supplies and services	132,020	177,214	155,270
	<hr/>		
Total expenditures	132,020	177,214	155,270
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (32,020)</u>	<u>\$ (77,214)</u>	313,120
FUND BALANCE, JANUARY 1			<hr/> 378,786
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 691,906</u>

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 20,000	\$ 20,000	\$ 27,318
Investment income	-	-	31,239
Total revenues	20,000	20,000	58,557
EXPENDITURES			
Public safety			
Police			
Supplies and services	82,000	106,300	91,750
Total expenditures	82,000	106,300	91,750
NET CHANGE IN FUND BALANCE	\$ (62,000)	\$ (86,300)	(33,193)
FUND BALANCE, JANUARY 1			618,167
FUND BALANCE, DECEMBER 31			\$ 584,974

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Foreign fire tax	\$ 100,000	\$ 100,000	\$ 175,733
Investment income	-	-	278
Miscellaneous			
Other income	-	-	53
Total revenues	100,000	100,000	176,064
EXPENDITURES			
Public safety			
Fire			
Supplies and services	100,000	100,000	157,859
Total expenditures	100,000	100,000	157,859
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	18,205
FUND BALANCE, JANUARY 1			<u>306,232</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 324,437</u></u>

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 3,750,000	\$ 3,750,000	\$ 4,154,195
Intergovernmental			
Grants	-	89,473	85,340
Investment income	2,500	2,500	348,050
Total revenues	3,752,500	3,841,973	4,587,585
EXPENDITURES			
Economic development			
Supplies and services	10,000	10,000	1,093
Project expenditures	716,860	448,844	448,844
Surplus distribution	1,500,000	1,500,000	1,500,000
Capital outlay			
Technology	-	215,006	188,373
Roadway improvements	100,000	319,924	308,753
Debt service			
Principal retirement	1,470,000	1,470,000	1,470,000
Interest and fiscal charges	113,880	113,880	113,605
Total expenditures	3,910,740	4,077,654	4,030,668
NET CHANGE IN FUND BALANCE	\$ (158,240)	\$ (235,681)	556,917
FUND BALANCE, JANUARY 1			5,909,460
FUND BALANCE, DECEMBER 31			\$ 6,466,377

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 1,232,500	\$ 1,232,500	\$ 1,415,844
Investment income	500	500	77,463
Total revenues	1,233,000	1,233,000	1,493,307
EXPENDITURES			
Economic development			
Supplies and services	5,000	5,000	1,093
Surplus distribution	1,500,000	1,500,000	1,250,000
Total expenditures	1,505,000	1,505,000	1,251,093
NET CHANGE IN FUND BALANCE	\$ (272,000)	\$ (272,000)	242,214
FUND BALANCE, JANUARY 1			2,097,887
FUND BALANCE, DECEMBER 31			\$ 2,340,101

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DUNDEE TIF #6 FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Economic development			
Supplies and services	-	40,000	32,275
Total expenditures	-	40,000	32,275
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (40,000)</u>	(32,275)
FUND BALANCE, JANUARY 1			-
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (32,275)</u></u>

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ -	\$ 383,245	\$ 238,813
Total revenues	-	383,245	238,813
EXPENDITURES			
Public safety Police			
Personnel	-	353,540	209,108
Capital outlay Vehicles	-	29,705	29,705
Total expenditures	-	383,245	238,813
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 2,443
Miscellaneous			
Other income	-	20,184	82,236
Total revenues	-	20,184	84,679
EXPENDITURES			
Public safety			
Fire			
Supplies and services	-	44,086	43,625
Total expenditures	-	44,086	43,625
NET CHANGE IN FUND BALANCE	\$ -	\$ (23,902)	41,054
FUND BALANCE, JANUARY 1			25,159
FUND BALANCE, DECEMBER 31			\$ 66,213

VILLAGE OF PALATINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2024

	Capital Improvements	Combined Services Facility Renovation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 6,084,334	\$ 2,103,838	\$ 8,188,172
Receivables			
Property taxes	-	1,000,000	1,000,000
Accrued interest	1,690	-	1,690
Other	218,333	-	218,333
Due from other governments	175,074	-	175,074
Total assets	6,479,431	3,103,838	9,583,269
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,479,431</u>	<u>\$ 3,103,838</u>	<u>\$ 9,583,269</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 48,498	\$ -	\$ 48,498
Unearned revenue	126,500	-	126,500
Total liabilities	174,998	-	174,998
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	1,000,000	1,000,000
Total deferred inflows of resources	-	1,000,000	1,000,000
Total liabilities and deferred inflows of resources	174,998	1,000,000	1,174,998
FUND BALANCES			
Assigned for capital projects	6,304,433	2,103,838	8,408,271
Total fund balances	6,304,433	2,103,838	8,408,271
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,479,431</u>	<u>\$ 3,103,838</u>	<u>\$ 9,583,269</u>

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Capital Improvements	Combined Services Facility Renovation	Total
REVENUES			
Taxes	\$ 1,791,523	\$ -	\$ 1,791,523
Intergovernmental	218,547	-	218,547
Charges for service	91,791	-	91,791
Investment income	265,880	63,838	329,718
Miscellaneous	4,970	-	4,970
Total revenues	2,372,711	63,838	2,436,549
EXPENDITURES			
Capital outlay	1,772,145	-	1,772,145
Total expenditures	1,772,145	-	1,772,145
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	600,566	63,838	664,404
OTHER FINANCING SOURCES (USES)			
Transfers in	45,000	2,040,000	2,085,000
Total other financing sources (uses)	45,000	2,040,000	2,085,000
NET CHANGE IN FUND BALANCES	645,566	2,103,838	2,749,404
FUND BALANCES, JANUARY 1	5,658,867	-	5,658,867
FUND BALANCES, DECEMBER 31	\$ 6,304,433	\$ 2,103,838	\$ 8,408,271

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, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecommunication	\$ 600,000	\$ 600,000	\$ 681,158
Electric utility use tax	1,075,000	1,075,000	1,001,945
Cannabis excise tax	115,000	115,000	108,420
Intergovernmental			
Grants	296,000	534,109	218,547
Charges for services			
Improvement cost sharing programs	-	-	91,791
Investment income	7,500	7,500	265,880
Miscellaneous			
Reimbursements	-	-	4,970
Total revenues	2,093,500	2,331,609	2,372,711
EXPENDITURES			
Capital outlay			
Buildings and facilities	265,000	181,377	178,971
Rights of way improvements	435,000	472,131	472,130
Street improvements	1,946,070	1,122,199	1,121,044
Total expenditures	2,646,070	1,775,707	1,772,145
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(552,570)	555,902	600,566
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	\$ (507,570)	\$ 600,902	645,566
FUND BALANCE, JANUARY 1			5,658,867
FUND BALANCE, DECEMBER 31			\$ 6,304,433

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMBINED SERVICES FACILITY RENOVATION FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 63,838
Total revenues	-	-	63,838
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	63,838
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,040,000	2,040,000
Total other financing sources (uses)	-	2,040,000	2,040,000
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 2,040,000</u>	2,103,838
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			<u>\$ 2,103,838</u>

MAJOR ENTERPRISE FUNDS

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 14,300,595	\$ 14,300,595	\$ 14,658,439
Miscellaneous	35,000	42,300	1,200,660
Total operating revenues	14,335,595	14,342,895	15,859,099
OPERATING EXPENSES			
Costs of sales and services	13,148,830	15,572,631	9,723,728
Administrative fees	1,044,000	1,044,000	1,044,000
Total operating expenses	14,192,830	16,616,631	10,767,728
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	142,765	(2,273,736)	5,091,371
Depreciation	-	-	1,121,160
OPERATING INCOME (LOSS)	142,765	(2,273,736)	3,970,211
NON-OPERATING REVENUES (EXPENSES)			
Investment income	15,000	15,000	446,146
Grants	-	225,000	582,000
Principal retirement	(656,000)	(656,000)	-
Interest expense	(60,100)	(60,100)	(57,325)
Bond premium amortization	-	-	81,715
Joint venture	-	-	387,500
Total non-operating revenues (expenses)	(701,100)	(476,100)	1,440,036
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(558,335)	(2,749,836)	5,410,247
TRANSFERS			
Transfers (out)	(325,000)	(325,000)	(325,000)
Total transfers	(325,000)	(325,000)	(325,000)
CAPITAL CONTRIBUTIONS	-	-	1,301,358
CHANGE IN NET POSITION	<u>\$ (883,335)</u>	<u>\$ (3,074,836)</u>	6,386,605
NET POSITION, JANUARY 1			<u>53,875,096</u>
NET POSITION, DECEMBER 31			<u><u>\$ 60,261,701</u></u>

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF OPERATING REVENUES -
BUDGET AND ACTUAL
WATERWORKS FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water use fees			
Resident	\$ 10,174,000	\$ 10,174,000	\$ 10,298,768
Nonresident	2,033,000	2,033,000	2,039,508
Water penalties			
Resident	65,000	65,000	118,968
Nonresident	10,000	10,000	17,207
User charge			
Resident	1,802,815	1,802,815	1,849,733
Nonresident	135,780	135,780	136,297
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	183,240
Water turn-on/service fees	20,000	20,000	14,718
Total charges for services	14,300,595	14,300,595	14,658,439
Miscellaneous			
Reimbursements	-	7,300	1,072,953
Other income	35,000	35,000	127,707
Total miscellaneous	35,000	42,300	1,200,660
TOTAL OPERATING REVENUES	\$ 14,335,595	\$ 14,342,895	\$ 15,859,099

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES -
BUDGET AND ACTUAL
WATERWORKS FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Personnel	\$ 578,300	\$ 581,065	\$ 417,808
Supplies and services	295,210	294,010	260,859
Liability insurance			
Supplies and services	68,700	68,700	68,700
Public works			
Personnel	1,491,080	1,504,465	1,313,772
Supplies and services	1,061,835	1,315,842	1,226,076
Water purchase			
Northwest Water Commission	3,300,000	3,454,685	3,454,684
Capital projects			
Technology	25,000	621,232	619,091
Buildings and facilities	-	26,110	26,109
Street improvements	471,075	673,217	673,215
Water system	5,857,630	7,033,305	7,031,881
Less: non-operating capital assets capitalized	-	-	(5,368,467)
Total costs of sales and services	13,148,830	15,572,631	9,723,728
Administrative fees	1,044,000	1,044,000	1,044,000
TOTAL OPERATING EXPENSES	\$ 14,192,830	\$ 16,616,631	\$ 10,767,728

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 4,175,260	\$ 4,175,260	\$ 3,987,842
Miscellaneous	250	250	40,217
Total operating revenues	4,175,510	4,175,510	4,028,059
OPERATING EXPENSES			
Costs of sales and services	3,333,660	2,865,883	2,356,576
Administrative fees	785,000	785,000	785,000
Total operating expenses	4,118,660	3,650,883	3,141,576
OPERATING INCOME BEFORE DEPRECIATION	56,850	524,627	886,483
Depreciation	-	-	1,307,305
OPERATING INCOME (LOSS)	56,850	524,627	(420,822)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	2,500	2,500	265,119
Grants	433,200	350,000	-
Principal retirement	(164,000)	(164,000)	-
Interest expense	(15,375)	(15,375)	(14,585)
Bond premium amortization	-	-	20,430
Total non-operating revenues (expenses)	256,325	173,125	270,964
NET INCOME (LOSS) BEFORE TRANSFERS	313,175	697,752	(149,858)
TRANSFERS			
Transfers (out)	(325,000)	(325,000)	(325,000)
Total transfers	(325,000)	(325,000)	(325,000)
CHANGE IN NET POSITION	\$ (11,825)	\$ 372,752	(474,858)
NET POSITION, JANUARY 1			24,171,333
NET POSITION, DECEMBER 31			\$ 23,696,475

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF OPERATING REVENUES -
BUDGET AND ACTUAL
SEWERAGE FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Sewer use fees			
Resident	\$ 2,765,320	\$ 2,765,320	\$ 2,644,733
Nonresident	531,390	531,390	460,161
Sewer penalties			
Resident	25,000	25,000	35,913
Nonresident	2,000	2,000	4,043
Sewer connection fees	6,000	6,000	4,866
Surcharges			
Fair Meadows	1,800	1,800	2,292
Storm Water Management	843,750	843,750	828,634
50/50 sewer extension	-	-	7,200
Total charges for services	4,175,260	4,175,260	3,987,842
Miscellaneous			
Reimbursements	-	-	40,217
Other income	250	250	-
Total miscellaneous	250	250	40,217
TOTAL OPERATING REVENUES	\$ 4,175,510	\$ 4,175,510	\$ 4,028,059

VILLAGE OF PALATINE, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES -
BUDGET AND ACTUAL
SEWERAGE FUND**

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
<hr/>			
OPERATING EXPENSES			
Costs of sales and services			
Liability insurance			
Supplies and services	\$ 68,700	\$ 68,700	\$ 68,700
Public works			
Personnel	970,115	970,365	807,544
Supplies and services	297,845	286,761	247,517
Capital projects			
Vehicles and equipment	260,000	321,731	321,731
Less: non-operating capital assets capitalized	-	-	(307,237)
Flood control	1,437,000	753,967	753,963
Sanitary sewer	300,000	452,380	452,379
Buildings and structures	-	11,979	11,979
	<hr/>		
Total costs of sales and services	3,333,660	2,865,883	2,356,576
	<hr/>		
Administrative fees	785,000	785,000	785,000
	<hr/>		
TOTAL OPERATING EXPENSES	\$ 4,118,660	\$ 3,650,883	\$ 3,141,576
	<hr/> <hr/>		

NONMAJOR ENTERPRISE FUNDS

VILLAGE OF PALATINE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

December 31, 2024

	Motor Vehicle Parking System	Refuse Collection	Total
CURRENT ASSETS			
Cash and investments	\$ 1,588,496	\$ 1,121,787	\$ 2,710,283
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	-	51,743	51,743
Accrued interest	6,199	-	6,199
Other	42,762	-	42,762
Leases	169,579	-	169,579
Total assets	1,807,036	1,173,530	2,980,566
NONCURRENT ASSETS			
Capital assets not being depreciated	4,118,490	-	4,118,490
Capital assets being depreciated , net of accumulated depreciation	67,095	-	67,095
Total noncurrent assets	4,185,585	-	4,185,585
Total assets	5,992,621	1,173,530	7,166,151
CURRENT LIABILITIES			
Accounts payable	13,299	448,977	462,276
Deposits payable	-	92,675	92,675
Unearned revenues	-	150,800	150,800
Total liabilities	13,299	692,452	705,751
DEFERRED INFLOWS OF RESOURCES			
Lease items	150,945	-	150,945
Total deferred inflows of resources	150,945	-	150,945
Total liabilities and deferred inflows of resources	164,244	692,452	856,696
NET POSITION			
Net investment in capital assets	4,185,585	-	4,185,585
Unrestricted	1,642,792	481,078	2,123,870
TOTAL NET POSITION	\$ 5,828,377	\$ 481,078	\$ 6,309,455

VILLAGE OF PALATINE, ILLINOIS**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2024

	Motor Vehicle Parking System	Refuse Collection	Total
OPERATING REVENUES			
Charges for services	\$ 485,409	\$ 4,892,741	\$ 5,378,150
Total operating revenues	485,409	4,892,741	5,378,150
OPERATING EXPENSES			
Costs of sales and services	304,347	4,666,404	4,970,751
Administrative fees	174,501	75,000	249,501
Total operating expenses	478,848	4,741,404	5,220,252
OPERATING INCOME BEFORE DEPRECIATION	6,561	151,337	157,898
Depreciation	16,990	-	16,990
OPERATING INCOME (LOSS)	(10,429)	151,337	140,908
NON-OPERATING REVENUES (EXPENSES)			
Investment income	65,611	51,840	117,451
Insurance recoveries	100,000	-	100,000
Total non-operating revenues (expenses)	165,611	51,840	217,451
NET INCOME BEFORE TRANSFERS	155,182	203,177	358,359
TRANSFERS			
Transfers (out)	-	(45,000)	(45,000)
Total transfers	-	(45,000)	(45,000)
CHANGE IN NET POSITION	155,182	158,177	313,359
NET POSITION, JANUARY 1	5,673,195	322,901	5,996,096
NET POSITION, DECEMBER 31	\$ 5,828,377	\$ 481,078	\$ 6,309,455

VILLAGE OF PALATINE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2024

	Motor Vehicle Parking System	Refuse Collection	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 474,936	\$ 4,893,044	\$ 5,367,980
Receipts from miscellaneous	100,000	-	100,000
Payments to suppliers	(327,090)	(5,023,776)	(5,350,866)
Payments to employees	(6,220)	-	(6,220)
Payments for interfund services transactions	(150,000)	(75,000)	(225,000)
Net cash from operating activities	91,626	(205,732)	(114,106)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (out)	-	(45,000)	(45,000)
Net cash from noncapital financing activities	-	(45,000)	(45,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(9,494)	-	(9,494)
Interest received	63,268	51,840	115,108
Net cash from investing activities	53,774	51,840	105,614
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	145,400	(198,892)	(53,492)
CASH AND CASH EQUIVALENTS, JANUARY 1	885,393	1,320,679	2,206,072
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,030,793	\$ 1,121,787	\$ 2,152,580

(This schedule is continued on the following page.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2024

	Motor Vehicle Parking System	Refuse Collection	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (10,429)	\$ 151,337	\$ 140,908
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	16,990	-	16,990
Miscellaneous	100,000	-	100,000
(Increase) decrease in			
Accounts receivables	(5,336)	303	(5,033)
Leases receivable	7,619	-	7,619
Increase (decrease) in			
Accounts payable	(4,462)	(350,549)	(355,011)
Deposits payable	-	(7,643)	(7,643)
Unearned revenue	-	820	820
Deferred inflows related to leases	(12,756)	-	(12,756)
NET CASH FROM OPERATING ACTIVITIES	\$ 91,626	\$ (205,732)	\$ (114,106)
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 1,030,793	\$ 1,121,787	\$ 2,152,580
Investments	557,703	-	557,703
TOTAL CASH AND INVESTMENTS	\$ 1,588,496	\$ 1,121,787	\$ 2,710,283
NONCASH TRANSACTIONS			
Unrealized gain (loss) on investments	\$ 2,571	\$ -	\$ 2,571
TOTAL NONCASH TRANSACTIONS	\$ 2,571	\$ -	\$ 2,571

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, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 343,380	\$ 343,380	\$ 485,409
Total operating revenues	343,380	343,380	485,409
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Supplies and services	25,950	25,950	16,377
Public works			
Personnel	2,855	6,855	6,220
Supplies and services	327,110	323,498	270,260
Capital projects			
Buildings and facilities	100,000	11,490	11,490
Administrative fees	156,000	174,505	174,501
Total operating expenses	611,915	542,298	478,848
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(268,535)	(198,918)	6,561
Depreciation	-	-	16,990
OPERATING INCOME (LOSS)	(268,535)	(198,918)	(10,429)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	65,611
Insurance recoveries	-	100,000	100,000
Total non-operating revenues (expenses)	1,000	101,000	165,611
CHANGE IN NET POSITION	\$ (267,535)	\$ (97,918)	155,182
NET POSITION, JANUARY 1			5,673,195
NET POSITION, DECEMBER 31			\$ 5,828,377

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, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Refuse billing	\$ 4,913,120	\$ 4,913,120	\$ 4,892,741
Total operating revenues	4,913,120	4,913,120	4,892,741
OPERATING EXPENSES			
Costs of sales and services			
Refuse collection	4,741,755	4,765,030	4,666,404
Administrative fees	75,000	75,000	75,000
Total operating expenses	4,816,755	4,840,030	4,741,404
OPERATING INCOME	96,365	73,090	151,337
NON-OPERATING REVENUES (EXPENSES)			
Investment income	500	500	51,840
Total non-operating revenues (expenses)	500	500	51,840
NET INCOME BEFORE TRANSFERS	96,865	73,590	203,177
TRANSFERS			
Transfers (out)	(45,000)	(45,000)	(45,000)
Total transfers	(45,000)	(45,000)	(45,000)
CHANGE IN NET POSITION	\$ 51,865	\$ 28,590	158,177
NET POSITION, JANUARY 1			322,901
NET POSITION, DECEMBER 31			\$ 481,078

INTERNAL SERVICE FUNDS

VILLAGE OF PALATINE, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

December 31, 2024

	Fleet Services	Casualty and Liability Insurance	Total
CURRENT ASSETS			
Cash and investments	\$ 1,080,916	\$ 5,380,430	\$ 6,461,346
Receivables			
Accrued interest	-	6,674	6,674
Other	36,178	-	36,178
Inventories	298,966	-	298,966
 Total assets	 1,416,060	 5,387,104	 6,803,164
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	314,903	-	314,903
OPEB items	13,669	-	13,669
 Total deferred outflows of resources	 328,572	 -	 328,572
 Total assets and deferred outflows of resources	 1,744,632	 5,387,104	 7,131,736
CURRENT LIABILITIES			
Accounts payable	101,493	6,823	108,316
Accrued payroll	22,762	-	22,762
Claims payable	-	204,415	204,415
Compensated absences payable	9,175	-	9,175
OPEB liability	3,129	-	3,129
 Total current liabilities	 136,559	 211,238	 347,797
LONG-TERM LIABILITIES			
Claims payable	-	1,142,410	1,142,410
Compensated absences payable	36,695	-	36,695
Net pension liability	190,326	-	190,326
OPEB liability	62,921	-	62,921
 Total long-term liabilities	 289,942	 1,142,410	 1,432,352
 Total liabilities	 426,501	 1,353,648	 1,780,149
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	12,667	-	12,667
OPEB items	31,581	-	31,581
 Total deferred inflows of resources	 44,248	 -	 44,248
 Total liabilities and deferred inflows of resources	 470,749	 1,353,648	 1,824,397
NET POSITION			
Unrestricted	1,273,883	4,033,456	5,307,339
 TOTAL NET POSITION	 \$ 1,273,883	 \$ 4,033,456	 \$ 5,307,339

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Fleet Services	Casualty and Liability Insurance	Total
OPERATING REVENUES			
Charges for services	\$ 2,089,454	\$ 1,715,300	\$ 3,804,754
Miscellaneous	36,075	47,636	83,711
Total operating revenues	2,125,529	1,762,936	3,888,465
OPERATING EXPENSES			
Costs of sales and services	1,828,993	2,376,191	4,205,184
Total operating expenses	1,828,993	2,376,191	4,205,184
OPERATING INCOME (LOSS)	296,536	(613,255)	(316,719)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	54,267	271,633	325,900
Total non-operating revenues (expenses)	54,267	271,633	325,900
CHANGE IN NET POSITION	350,803	(341,622)	9,181
NET POSITION, JANUARY 1	923,080	4,375,078	5,298,158
NET POSITION, DECEMBER 31	\$ 1,273,883	\$ 4,033,456	\$ 5,307,339

VILLAGE OF PALATINE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2024

	Fleet Services	Casualty and Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 175,368	\$ 47,636	\$ 223,004
Receipts from interfund services transactions	1,932,725	1,715,300	3,648,025
Payments to suppliers	(1,136,003)	(2,094,355)	(3,230,358)
Payments to employees	(790,543)	-	(790,543)
Net cash from operating activities	181,547	(331,419)	(149,872)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturity of investment securities	-	238,827	238,827
Purchase of investment securities	-	(295,062)	(295,062)
Interest received	54,267	147,193	201,460
Net cash from investing activities	54,267	90,958	145,225
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	235,814	(240,461)	(4,647)
CASH AND CASH EQUIVALENTS, JANUARY 1	845,102	865,509	1,710,611
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,080,916	\$ 625,048	\$ 1,705,964

(This schedule is continued on the following page.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2024

	Fleet Services	Casualty and Liability Insurance	Total
<hr/>			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 296,536	\$ (613,255)	\$ (316,719)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
(Increase) decrease in			
Other receivables	(17,436)	-	(17,436)
Inventories	(24,331)	-	(24,331)
Deferred outflows related to pensions	98,887	-	98,887
Deferred outflows related to OPEB	(4,158)	-	(4,158)
Increase (decrease) in			
Accounts payable	26,572	(3,734)	22,838
Accrued payroll	8,970	-	8,970
Claims payable	-	285,570	285,570
Compensated absences payable	(9,230)	-	(9,230)
Net pension liability	(193,870)	-	(193,870)
Total OPEB liability	11,249	-	11,249
Deferred inflows related to pensions	(12,797)	-	(12,797)
Deferred inflows related to OPEB	1,155	-	1,155
	<hr/>	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 181,547	\$ (331,419)	\$ (149,872)
	<hr/>	<hr/>	<hr/>
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 1,080,916	\$ 625,048	\$ 1,705,964
Investments	-	4,755,382	4,755,382
	<hr/>	<hr/>	<hr/>
TOTAL CASH AND INVESTMENTS	\$ 1,080,916	\$ 5,380,430	\$ 6,461,346
	<hr/>	<hr/>	<hr/>
NONCASH TRANSACTIONS			
Unrealized gain (loss) on investments	\$ -	\$ 144,511	\$ 144,511
	<hr/>	<hr/>	<hr/>
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 144,511	\$ 144,511
	<hr/>	<hr/>	<hr/>

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, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Vehicle maintenance	\$ 2,099,475	\$ 2,099,475	\$ 2,089,454
Miscellaneous			
Reimbursements	15,000	15,000	25,616
Other	10,500	10,500	10,459
Total operating revenues	2,124,975	2,124,975	2,125,529
OPERATING EXPENSES			
Costs of sales and services			
Public works			
Personnel	929,510	929,510	690,749
Supplies and services	1,265,230	1,270,956	1,138,244
Total operating expenses	2,194,740	2,200,466	1,828,993
OPERATING INCOME (LOSS)	(69,765)	(75,491)	296,536
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	54,267
Insurance recoveries	15,000	15,000	25,616
Total non-operating revenues (expenses)	1,000	1,000	54,267
CHANGE IN NET POSITION	\$ (68,765)	\$ (74,491)	350,803
NET POSITION, JANUARY 1			923,080
NET POSITION, DECEMBER 31			\$ 1,273,883

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, 2024

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Insurance fees and premiums	\$ 1,715,300	\$ 1,715,300	\$ 1,715,300
Miscellaneous			
Reimbursements	-	-	47,636
Total operating revenues	1,715,300	1,715,300	1,762,936
OPERATING EXPENSES			
Costs of sales and services			
Administration	1,338,000	1,330,422	1,286,378
Insurance claims	875,000	881,078	1,089,813
Total operating expenses	2,213,000	2,211,500	2,376,191
OPERATING INCOME (LOSS)	(497,700)	(496,200)	(613,255)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	10,000	10,000	271,633
Total non-operating revenues (expenses)	10,000	10,000	271,633
CHANGE IN NET POSITION	\$ (487,700)	\$ (486,200)	(341,622)
NET POSITION, JANUARY 1			4,375,078
NET POSITION, DECEMBER 31			\$ 4,033,456

FIDUCIARY FUNDS

VILLAGE OF PALATINE, ILLINOIS**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2024

	Police Pension	Firefighters' Pension	Total
<hr/>			
ASSETS			
Cash and short-term investments	\$ 2,377,999	\$ 2,727,465	\$ 5,105,464
Investments, at fair value			
Investments held in the Illinois			
Police Officers' Pension Investment Fund	122,539,517	-	122,539,517
Investments held in the Illinois			
Firefighters' Pension Investment Fund	-	112,073,957	112,073,957
	<hr/>		
Total assets	124,917,516	114,801,422	239,718,938
	<hr/>		
LIABILITIES			
None	-	-	-
	<hr/>		
Total liabilities	-	-	-
	<hr/>		
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 124,917,516</u>	<u>\$ 114,801,422</u>	<u>\$ 239,718,938</u>

VILLAGE OF PALATINE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2024

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 8,278,596	\$ 8,505,992	\$ 16,784,588
Employee	1,327,079	1,060,325	2,387,404
Total contributions	9,605,675	9,566,317	19,171,992
Investment income			
Net appreciation in fair value of investments	10,064,564	8,981,474	19,046,038
Interest	850,770	2,287,206	3,137,976
Total investment income	10,915,334	11,268,680	22,184,014
Less investment expense	(67,968)	(134,382)	(202,350)
Net investment income	10,847,366	11,134,298	21,981,664
Total additions	20,453,041	20,700,615	41,153,656
DEDUCTIONS			
Administration	13,039	1,129	14,168
Benefits and refunds			
Retirement benefits	8,586,046	8,054,266	16,640,312
Refunds of contributions	96,035	-	96,035
Total deductions	8,695,120	8,055,395	16,750,515
NET INCREASE	11,757,921	12,645,220	24,403,141
RESTRICTED NET POSITION FOR PENSIONS			
January 1	113,159,595	102,156,202	215,315,797
December 31	\$ 124,917,516	\$ 114,801,422	\$ 239,718,938

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 6,270,000	\$ 8,577,160	\$ 8,278,596
Employee	1,275,000	1,275,000	1,327,079
Total contributions	7,545,000	9,852,160	9,605,675
Investment income			
Net appreciation in fair value of investments	250,000	250,000	10,064,564
Interest	750,000	750,000	850,770
Total investment income	1,000,000	1,000,000	10,915,334
Less investment expense	(152,000)	(152,000)	(67,968)
Net investment income	848,000	848,000	10,847,366
Total additions	8,393,000	10,700,160	20,453,041
DEDUCTIONS			
Administration	31,250	31,250	13,039
Benefits and refunds			
Retirement benefits	9,100,000	9,100,000	8,586,046
Refunds of contributions	200,000	200,000	96,035
Total deductions	9,331,250	9,331,250	8,695,120
NET INCREASE (DECREASE)	\$ (938,250)	\$ 1,368,910	11,757,921
RESTRICTED NET POSITION FOR PENSIONS			
January 1			113,159,595
December 31			\$ 124,917,516

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 6,295,000	\$ 8,602,440	\$ 8,505,992
Employee	1,050,000	1,050,000	1,060,325
Total contributions	7,345,000	9,652,440	9,566,317
Investment income			
Net appreciation in fair value of investments	250,000	250,000	8,981,474
Interest	750,000	750,000	2,287,206
Total investment income	1,000,000	1,000,000	11,268,680
Less investment expense	(102,000)	(102,000)	(134,382)
Net investment income	898,000	898,000	11,134,298
Total additions	8,243,000	10,550,440	20,700,615
DEDUCTIONS			
Administration	30,750	30,750	1,129
Benefits and refunds			
Retirement benefits	8,875,000	8,875,000	8,054,266
Refunds of contributions	200,000	200,000	-
Total deductions	9,105,750	9,105,750	8,055,395
NET INCREASE (DECREASE)	\$ (862,750)	\$ 1,444,690	12,645,220
RESTRICTED NET POSITION FOR PENSIONS			
January 1			102,156,202
December 31			\$ 114,801,422

SUPPLEMENTAL SCHEDULES

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2014B**

December 31, 2024

Date of Issue	December 9, 2014
Date of Maturity	December 1, 2025
Amount Issued	\$7,265,000
Denomination of Bond	\$5,000
Interest Rate	2.00% to 3.30%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 790,000	\$ 26,070	\$ 816,070	2025	\$ 13,035	2025	\$ 13,035
	<u>\$ 790,000</u>	<u>\$ 26,070</u>	<u>\$ 816,070</u>		<u>\$ 13,035</u>		<u>\$ 13,035</u>

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2015**

December 31, 2024

Date of Issue	December 2, 2015
Date of Maturity	December 1, 2025
Amount Issued	\$7,165,000
Denomination of Bond	\$5,000
Interest Rate	2.00% to 3.00%
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

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 870,000	\$ 32,750	\$ 902,750	2025	\$ 21,750	2025	\$ 11,000
	<u>\$ 870,000</u>	<u>\$ 32,750</u>	<u>\$ 902,750</u>		<u>\$ 21,750</u>		<u>\$ 11,000</u>

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B**

December 31, 2024

Date of Issue	June 19, 2017
Date of Maturity	December 1, 2025
Amount Issued	\$1,465,000
Denomination of Bond	\$5,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 485,000	\$ 14,550	\$ 499,550	2025	\$ 7,275	2025	\$ 7,275
	<u>\$ 485,000</u>	<u>\$ 14,550</u>	<u>\$ 499,550</u>		<u>\$ 7,275</u>		<u>\$ 7,275</u>

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017D**

December 31, 2024

Date of Issue	June 19, 2017
Date of Maturity	December 1, 2026
Amount Issued	\$6,060,000
Denomination of Bond	\$5,000
Interest Rate	2.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 725,000	\$ 44,100	\$ 769,100	2025	\$ 22,050	2025	\$ 22,050
2026	745,000	22,350	767,350	2026	11,175	2026	11,175
	<u>\$ 1,470,000</u>	<u>\$ 66,450</u>	<u>\$ 1,536,450</u>		<u>\$ 33,225</u>		<u>\$ 33,225</u>

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2018**

December 31, 2024

Date of Issue	September 5, 2018
Date of Maturity	December 1, 2029
Amount Issued	\$6,235,000
Denomination of Bond	\$5,000
Interest Rate	5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 600,000	\$ 169,500	\$ 769,500	2025	\$ 84,750	2025	\$ 84,750
2026	640,000	139,500	779,500	2026	69,750	2026	69,750
2027	670,000	107,500	777,500	2027	53,750	2027	53,750
2028	725,000	74,000	799,000	2028	37,000	2028	37,000
2029	755,000	37,750	792,750	2029	18,875	2029	18,875
	<u>\$ 3,390,000</u>	<u>\$ 528,250</u>	<u>\$ 3,918,250</u>		<u>\$ 264,125</u>		<u>\$ 264,125</u>

VILLAGE OF PALATINE, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2020**

December 31, 2024

Date of Issue	December 1, 2020
Date of Maturity	December 1, 2034
Amount Issued	\$18,335,000
Denomination of Bond	\$5,000
Interest Rate	2.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals	Interest Due On			
				June 1	Amount	December 1	Amount
2025	\$ 725,000	\$ 455,956	\$ 1,180,956	2025	\$ 227,978	2025	\$ 227,978
2026	1,275,000	419,706	1,694,706	2026	209,853	2026	209,853
2027	1,345,000	355,956	1,700,956	2027	177,978	2027	177,978
2028	1,375,000	288,706	1,663,706	2028	144,353	2028	144,353
2029	1,415,000	261,206	1,676,206	2029	130,603	2029	130,603
2030	2,190,000	232,906	2,422,906	2030	116,453	2030	116,453
2031	2,245,000	189,106	2,434,106	2031	94,553	2031	94,553
2032	2,300,000	144,206	2,444,206	2032	72,103	2032	72,103
2033	2,355,000	98,206	2,453,206	2033	49,103	2033	49,103
2034	2,405,000	51,109	2,456,109	2034	25,554	2034	25,555
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STATISTICAL SECTION

This section of the Village of Palatine, Illinois' 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 changed over time.	151-160
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	161-164
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 additional debt in the future.	165-168
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.	169-170
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.	171-172

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	2015	2016	2017	2018*
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 157,741,380	\$ 164,820,305	\$ 166,189,158	\$ 168,673,918
Restricted	1,838,578	1,750,986	1,748,002	3,925,818
Unrestricted	(51,107,972)	(61,926,571)	(66,937,376)	(80,303,379)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 108,471,986	\$ 104,644,720	\$ 100,999,784	\$ 92,296,357
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 32,408,120	\$ 32,913,880	\$ 32,491,180	\$ 32,259,964
Unrestricted	24,957,201	22,065,439	25,552,745	28,010,112
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 57,365,321	\$ 54,979,319	\$ 58,043,925	\$ 60,270,076
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 190,149,500	\$ 197,734,185	\$ 198,680,338	\$ 200,933,882
Restricted	1,838,578	1,750,986	1,748,002	3,925,818
Unrestricted	(26,150,771)	(39,861,132)	(41,384,631)	(52,293,267)
TOTAL PRIMARY GOVERNMENT	\$ 165,837,307	\$ 159,624,039	\$ 159,043,709	\$ 152,566,433

* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ 173,519,488	\$ 176,417,781	\$ 177,240,431	\$ 179,772,791	\$ 184,765,334	\$ 186,006,119
6,659,575	9,405,544	16,868,616	24,171,058	31,353,314	45,056,662
(86,814,683)	(83,289,926)	(63,799,313)	(54,401,883)	(46,907,125)	(44,497,908)
\$ 93,364,380	\$ 102,533,399	\$ 130,309,734	\$ 149,541,966	\$ 169,211,523	\$ 186,564,873
\$ 34,213,539	\$ 37,903,674	\$ 40,996,804	\$ 46,908,460	\$ 49,397,629	\$ 54,594,579
30,384,301	32,433,156	32,870,152	31,672,558	34,644,896	35,673,052
\$ 64,597,840	\$ 70,336,830	\$ 73,866,956	\$ 78,581,018	\$ 84,042,525	\$ 90,267,631
\$ 207,733,027	\$ 214,321,455	\$ 218,237,235	\$ 226,681,251	\$ 234,162,963	\$ 240,600,698
6,659,575	9,405,544	16,868,616	24,171,058	31,353,314	45,056,662
(56,430,382)	(50,856,770)	(30,929,161)	(22,729,325)	(12,262,229)	(8,824,856)
\$ 157,962,220	\$ 172,870,229	\$ 204,176,690	\$ 228,122,984	\$ 253,254,048	\$ 276,832,504

VILLAGE OF PALATINE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018*
EXPENSES				
Governmental activities				
General government	\$ 5,181,480	\$ 7,411,863	\$ 4,992,470	\$ 4,792,852
Public safety	39,766,935	53,993,443	58,319,928	53,387,729
Public works	10,574,340	11,764,624	10,938,679	10,658,853
Economic development	5,187,476	4,080,021	1,464,895	6,692,302
Interest and fiscal charges	3,685,197	3,466,073	3,490,399	2,800,515
Total governmental activities expenses	64,395,428	80,716,024	79,206,371	78,332,251
Business-type activities				
Waterworks	10,988,330	12,485,417	9,115,608	9,071,013
Sewerage	3,641,693	4,580,455	3,373,247	3,815,318
Parking system	1,226,379	1,526,641	1,256,792	1,277,515
Refuse collection	4,553,546	4,394,918	4,408,987	4,524,457
Total business-type activities expenses	20,409,948	22,987,431	18,154,634	18,688,303
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 84,805,376	\$ 103,703,455	\$ 97,361,005	\$ 97,020,554
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 4,338,815	\$ 4,443,342	\$ 4,348,698	\$ 4,333,166
Public safety	4,290,067	4,608,293	4,954,398	5,586,131
Other activities	2,079,704	2,273,555	2,454,501	2,408,431
Operating grants and contributions	2,766,089	3,277,846	2,795,038	2,870,901
Capital grants and contributions	-	1,200,000	-	-
Total governmental activities program revenues	13,474,675	15,803,036	14,552,635	15,198,629
Business-type activities				
Charges for services				
Waterworks	10,572,378	11,504,526	11,756,016	11,134,742
Sewerage	3,539,701	3,821,872	3,987,480	4,348,556
Parking system	701,265	631,587	709,390	729,953
Refuse collection	4,537,427	4,518,775	4,537,890	4,515,375
Operating grants and contributions	-	-	791,930	525,390
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	19,350,771	20,476,760	21,782,706	21,254,016
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 32,825,446	\$ 36,279,796	\$ 36,335,341	\$ 36,452,645

2019	2020	2021	2022	2023	2024
\$ 4,927,957	\$ 4,750,856	\$ 3,358,688	\$ 3,904,060	\$ 4,527,670	\$ 5,034,329
53,810,869	47,724,257	41,750,555	56,557,069	59,283,975	63,246,520
12,901,798	14,110,117	11,110,100	12,391,484	14,232,249	10,843,276
8,404,890	4,182,530	3,873,006	4,951,483	3,892,008	4,920,429
2,139,900	2,331,499	1,074,402	911,591	738,321	655,614
82,185,414	73,099,259	61,166,751	78,715,687	82,674,223	84,700,168
7,867,493	8,538,978	8,038,256	7,746,433	8,707,341	11,864,498
3,406,455	3,415,404	3,511,129	3,487,048	4,764,053	4,443,036
1,549,161	1,356,121	1,259,959	1,253,862	452,780	495,838
4,641,663	4,268,888	4,449,434	4,561,219	4,588,706	4,741,404
17,464,772	17,579,391	17,258,778	17,048,562	18,512,880	21,544,776
\$ 99,650,186	\$ 90,678,650	\$ 78,425,529	\$ 95,764,249	\$ 101,187,103	\$ 106,244,944
\$ 3,176,329	\$ 2,272,664	\$ 1,341,725	\$ 1,335,988	\$ 1,294,893	\$ 1,038,366
7,187,378	6,277,299	8,785,816	12,327,021	12,610,568	9,809,229
2,484,425	2,453,582	2,599,663	1,627,947	1,418,731	546,507
3,113,193	5,124,361	3,570,636	3,761,947	3,626,361	6,102,380
1,033,112	584,973	1,832,572	1,532,811	1,619,659	1,191,919
16,994,437	16,712,879	18,130,412	20,585,714	20,570,212	18,688,401
11,743,045	12,078,859	12,633,962	13,201,026	13,548,382	16,246,599
4,363,320	4,577,350	4,672,335	4,483,549	4,350,453	4,028,059
711,700	273,043	176,337	331,785	419,475	485,409
4,574,031	4,379,117	4,438,090	4,715,125	4,859,871	4,892,741
-	582,062	-	-	580,200	582,000
704,840	2,287,404	21,484	-	89,126	-
22,096,936	24,177,835	21,942,208	22,731,485	23,847,507	26,234,808
\$ 39,091,373	\$ 40,890,714	\$ 40,072,620	\$ 43,317,199	\$ 44,417,719	\$ 44,923,209

VILLAGE OF PALATINE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018*
NET (EXPENSE) REVENUE				
Governmental activities	\$ (50,920,753)	\$ (64,912,988)	\$ (64,653,736)	\$ (63,133,622)
Business-type activities	(1,059,177)	(2,510,671)	3,628,072	2,565,713
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (51,979,930)	\$ (67,423,659)	\$ (61,025,664)	\$ (60,567,909)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 31,387,642	\$ 31,113,482	\$ 32,991,371	\$ 34,799,347
Home rule sales tax	4,360,722	4,217,287	4,111,583	4,446,002
Electric utility use	1,641,246	2,054,689	2,263,482	2,360,118
Telecommunications	1,891,654	1,869,966	1,490,678	1,348,572
Other	1,400,596	1,407,848	1,456,653	1,461,691
State shared sales taxes	9,892,846	9,558,566	9,634,893	10,163,314
State shared income tax	7,294,684	6,673,615	6,296,903	6,565,435
Other intergovernmental revenues	293,748	244,029	251,911	406,251
Investment income	305,362	391,626	698,159	1,129,713
Miscellaneous	156,573	458,387	1,134,667	526,783
Gain on sale of capital assets	-	-	-	-
Transfers	360,000	368,000	678,500	689,000
Total governmental activities	58,985,073	58,357,495	61,008,800	63,896,226
Business-type activities				
Investment income	16,402	41,124	115,034	256,541
Miscellaneous	-	-	-	309,188
Transfers	(360,000)	(368,000)	(678,500)	(689,000)
Total business-type activities	(343,598)	(326,876)	(563,466)	(123,271)
TOTAL PRIMARY GOVERNMENT	\$ 58,641,475	\$ 58,030,619	\$ 60,445,334	\$ 63,772,955
CHANGE IN NET POSITION				
Governmental activities	\$ 8,064,320	\$ (6,555,493)	\$ (3,644,936)	\$ 762,604
Business-type activities	(1,402,775)	(2,837,547)	3,064,606	2,442,442
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 6,661,545	\$ (9,393,040)	\$ (580,330)	\$ 3,205,046

* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ (65,190,977)	\$ (56,386,380)	\$ (43,036,339)	\$ (58,129,973)	\$ (62,104,011)	\$ (66,011,767)
4,632,164	6,598,444	4,683,430	5,682,923	5,334,627	4,690,032
\$ (60,558,813)	\$ (49,787,936)	\$ (38,352,909)	\$ (52,447,050)	\$ (56,769,384)	\$ (61,321,735)
\$ 35,631,269	\$ 35,482,895	\$ 34,830,135	\$ 35,397,436	\$ 34,302,215	\$ 35,697,794
4,252,692	4,105,026	5,720,013	6,457,178	6,596,941	6,781,700
2,225,106	2,211,795	2,225,398	2,164,566	2,053,596	2,003,889
1,214,776	942,200	798,031	740,280	704,064	681,158
1,518,712	1,235,020	1,524,289	1,685,377	1,746,466	2,746,767
10,461,255	11,334,735	13,993,460	14,464,458	14,883,509	14,793,092
7,297,142	7,450,016	9,050,756	11,065,424	10,846,223	11,532,162
889,609	709,168	829,566	4,357,999	3,445,691	3,489,338
1,500,877	512,785	280,078	458,914	4,610,341	5,137,188
568,062	496,759	497,096	525,078	1,888,522	1,003,766
-	-	-	-	-	104,621
699,500	1,075,000	1,122,600	670,000	696,000	(606,358)
66,259,000	65,555,399	70,871,422	77,986,710	81,773,568	83,365,117
376,534	166,161	(30,704)	(275,577)	822,880	828,716
18,566	49,385	-	3,436	-	100,000
(699,500)	(1,075,000)	(1,122,600)	(670,000)	(696,000)	606,358
(304,400)	(859,454)	(1,153,304)	(942,141)	126,880	1,535,074
\$ 65,954,600	\$ 64,695,945	\$ 69,718,118	\$ 77,044,569	\$ 81,900,448	\$ 84,900,191
\$ 1,068,023	\$ 9,169,019	\$ 27,835,083	\$ 19,856,737	\$ 19,669,557	\$ 17,353,350
4,327,764	5,738,990	3,530,126	4,740,782	5,461,507	6,225,106
\$ 5,395,787	\$ 14,908,009	\$ 31,365,209	\$ 24,597,519	\$ 25,131,064	\$ 23,578,456

VILLAGE OF PALATINE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018
GENERAL FUND				
Nonspendable	\$ 5,022,070	\$ 5,261,220	\$ 4,470,370	\$ 3,738,890
Unrestricted				
Assigned	-	-	-	-
Unassigned	17,012,432	18,224,006	18,909,919	21,145,386
TOTAL GENERAL FUND	<u>\$ 22,034,502</u>	<u>\$ 23,485,226</u>	<u>\$ 23,380,289</u>	<u>\$ 24,884,276</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	14,882,305	14,057,043	19,059,512	19,554,231
Unrestricted				
Assigned	13,536,719	7,451,239	9,116,907	10,817,419
Unassigned	(43,615)	(35,515)	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 28,375,409</u>	<u>\$ 21,472,767</u>	<u>\$ 28,176,419</u>	<u>\$ 30,371,650</u>

Data Source

Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ 2,889,849	\$ 2,023,377	\$ 1,067,140	\$ 76,447	\$ 71,941	\$ 72,549
-	-	572,744	374,387	106,930	-
21,426,642	24,198,154	33,569,340	40,422,875	36,094,326	31,640,944
\$ 24,316,491	\$ 26,221,531	\$ 35,209,224	\$ 40,873,709	\$ 36,273,197	\$ 31,713,493
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,728,606	19,935,775	24,800,883	29,433,655	35,083,314	45,056,662
11,354,671	10,805,047	12,134,442	12,516,610	29,685,562	37,767,131
-	-	-	-	-	(32,275)
\$ 31,083,277	\$ 30,740,822	\$ 36,935,325	\$ 41,950,265	\$ 64,768,876	\$ 82,791,518

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2015	2016	2017	2018
REVENUES				
Taxes	\$ 40,681,860	\$ 40,663,272	\$ 42,313,767	\$ 44,415,730
Licenses and permits	3,153,792	3,284,115	3,272,240	3,226,870
Intergovernmental	22,291,479	21,845,363	21,401,178	22,394,130
Charges for services	4,116,301	4,367,516	4,419,448	4,871,126
Fines and forfeitures	1,394,381	1,582,252	1,753,256	1,953,421
Investment income	305,362	391,626	698,159	1,129,713
Miscellaneous	156,573	458,387	1,134,667	526,783
Total revenues	72,099,748	72,592,531	74,992,715	78,517,773
EXPENDITURES				
General government	5,853,988	6,064,441	5,359,971	5,129,280
Public safety	40,197,022	40,907,770	42,657,188	43,654,462
Public works	6,419,162	6,227,585	5,982,359	6,065,407
Economic development	5,187,476	4,080,021	1,464,895	6,692,302
Capital outlay	15,883,621	11,571,849	5,010,113	4,954,603
Debt service				
Principal retirement	6,988,013	6,138,391	14,589,233	13,715,000
Interest and fiscal charges	3,741,292	3,505,683	3,601,098	2,816,915
Total expenditures	84,270,574	78,495,740	78,664,857	83,027,969
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,170,826)	(5,903,209)	(3,672,142)	(4,510,196)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,451,125	466,031	716,596	9,219,552
Transfers (out)	(3,016,125)	(98,031)	(38,096)	(8,471,784)
Refunding bonds issued, at par	-	-	18,355,000	6,235,000
Bond premium	-	-	265,712	903,240
Payment to refunded bond escrow agent	-	-	(9,086,571)	-
Proceeds from sale of capital assets	51,778	83,291	58,216	87,712
SBITA issuance	-	-	-	-
Total other financing sources (uses)	486,778	451,291	10,270,857	7,973,720
NET CHANGE IN FUND BALANCES	\$ (11,684,048)	\$ (5,451,918)	\$ 6,598,715	\$ 3,463,524
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	13.22%	13.01%	23.76%	23.16%

Data Source

Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ 44,748,875	\$ 43,976,936	\$ 45,097,866	\$ 46,444,837	\$ 45,403,282	\$ 47,911,308
3,609,532	3,148,869	4,011,603	3,137,925	3,076,218	2,483,390
25,493,475	27,845,178	32,003,165	38,064,440	36,500,298	37,108,891
5,053,079	4,126,897	4,605,774	8,193,748	8,381,503	7,903,277
1,694,156	1,202,217	1,502,214	1,198,466	1,073,380	1,133,225
1,500,877	512,785	280,078	458,914	5,646,341	5,137,188
568,062	496,759	497,096	525,078	834,908	1,003,766
82,668,056	81,309,641	87,997,796	98,023,408	100,915,930	102,681,045
5,190,804	4,915,571	4,395,811	4,937,310	4,963,140	4,915,736
45,586,440	47,152,610	48,179,367	53,952,605	53,456,214	59,143,034
6,212,413	6,219,908	6,291,028	6,801,488	6,886,501	7,113,868
8,404,890	4,182,530	3,873,006	4,951,483	3,892,008	3,710,140
7,004,730	11,557,718	5,009,281	11,135,665	11,021,098	11,187,971
8,575,419	4,870,463	5,053,229	5,219,000	2,459,068	3,294,902
2,353,995	2,558,951	1,256,167	1,092,151	913,486	834,084
83,328,691	81,457,751	74,057,889	88,089,702	83,591,515	90,199,735
(660,635)	(148,110)	13,939,907	9,933,706	17,324,415	12,481,310
3,556,360	2,005,980	1,258,382	2,439,480	14,814,532	7,058,970
(2,856,860)	(930,980)	(135,782)	(1,769,480)	(14,118,532)	(6,363,970)
-	18,335,000	-	-	-	-
-	1,045,434	-	-	-	-
-	(18,800,000)	-	-	-	-
104,977	55,261	178,437	75,719	157,115	132,736
-	-	-	-	40,569	153,892
804,477	1,710,695	1,301,037	745,719	893,684	981,628
\$ 143,842	\$ 1,562,585	\$ 15,240,944	\$ 10,679,425	\$ 18,218,099	\$ 13,462,938
14.21%	8.55%	8.98%	7.39%	4.23%	4.74%

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	Estimated Actual Taxable Value
2014	\$ 1,286,288,306	\$ 261,895,895	\$ 58,787,142	N/A	\$ 1,606,971,343	\$ 1.3680	\$ 4,820,914,029	33.333%
2015	1,251,420,992	255,861,463	56,605,366	N/A	1,563,887,821	1.4060	4,691,663,463	33.333%
2016	1,499,369,745	253,938,396	60,969,048	N/A	1,814,277,189	1.2120	5,442,831,567	33.333%
2017	1,503,316,838	261,662,095	62,863,747	N/A	1,827,842,680	1.2490	5,483,528,040	33.333%
2018	1,463,225,616	254,339,800	61,515,897	N/A	1,779,081,313	1.2960	5,337,243,939	33.333%
2019	1,616,703,874	344,315,040	72,514,158	N/A	2,033,533,072	1.1140	6,100,599,216	33.333%
2020	1,611,474,223	364,626,790	76,435,802	N/A	2,052,536,815	1.1330	6,157,610,445	33.333%
2021	1,486,924,813	343,380,900	65,321,561	N/A	1,895,627,274	1.2270	5,686,881,822	33.333%
2022	1,840,426,100	341,790,219	80,966,080	N/A	2,263,182,399	1.0080	6,789,547,197	33.333%
2023	1,893,352,332	349,942,400	90,901,758	N/A	2,334,196,490	0.9780	7,002,589,470	33.333%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.
N/A = Not Available

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
VILLAGE DIRECT RATES										
Social Security	0.119	0.125	0.111	0.136	0.117	0.104	0.128	0.141	0.123	0.125
IMRF	0.080	0.085	0.075	0.060	0.054	0.055	0.059	0.059	0.037	0.032
Police Protection	0.306	0.295	0.215	0.206	0.228	0.186	0.167	0.182	0.135	0.097
Fire Protection	0.306	0.295	0.215	0.206	0.228	0.186	0.167	0.182	0.135	0.097
Fire Pension	0.204	0.210	0.218	0.254	0.269	0.274	0.270	0.300	0.249	0.264
Police Pension	0.191	0.222	0.227	0.238	0.254	0.262	0.278	0.293	0.248	0.254
Debt Service	0.162	0.174	0.151	0.149	0.146	0.077	0.064	0.070	0.081	0.109
TOTAL DIRECT RATES	1.368	1.406	1.212	1.249	1.296	1.144	1.133	1.227	1.008	0.978
OVERLAPPING RATES										
School Districts										
Palatine CCSD No. 15	3.868	4.035	3.543	3.618	3.807	3.486	3.564	3.955	3.673	3.714
Junior College No. 512	0.451	0.466	0.416	0.425	0.443	0.403	0.409	0.457	0.410	0.413
Township HSD No. 211	3.213	3.309	2.871	2.922	3.044	2.749	2.787	3.020	2.710	2.751
Park District	0.696	0.725	0.648	0.657	0.693	0.633	0.650	0.711	0.637	0.649
Library District	0.295	0.308	0.268	0.276	0.291	0.344	0.353	0.388	0.346	0.353
County										
County of Cook	0.568	0.552	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386
Forest Preserve	0.069	0.069	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075
Township										
Palatine Township	0.059	0.063	0.054	0.055	0.059	0.055	0.550	0.060	0.050	0.049
General Assistance	0.017	0.018	0.012	0.010	0.007	0.007	0.007	0.008	0.007	0.006
Road and Bridge	0.090	0.092	0.079	0.078	0.080	0.072	0.068	0.074	0.060	0.054
Other Districts										
Northwest Mosquito	0.013	0.011	0.010	0.010	0.011	0.010	0.010	0.011	0.009	0.010
Sanitary District	0.430	0.426	0.406	0.402	0.396	0.389	0.500	0.382	0.374	0.345
Elections (ELCO)	0.000	0.034	0.000	0.031	0.000	0.030	0.000	0.019	0.000	0.032
TOTAL OVERLAPPING RATES	9.769	10.108	8.903	9.042	9.380	8.691	9.409	9.589	8.788	8.837
TOTAL DIRECT AND OVERLAPPING	11.137	11.514	10.115	10.291	10.676	9.835	10.542	10.816	9.796	9.815
SHARE OF TOTAL TAX LEVIED BY THE VILLAGE	12.28%	12.21%	11.98%	12.14%	12.14%	11.63%	10.75%	11.34%	10.29%	9.96%

Note: District value by tax code.

[Data Source](#)

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Years Ago

Taxpayer	2024 Levy Year			2015 Levy Year		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Albion Residential	\$ 53,169,397	1	2.28%	NA	NA	NA
TMIF II Clayson LLC	16,218,871	2	0.69%	NA	NA	NA
United Parcel Service	13,144,160	3	0.56%	NA	NA	NA
Weber Stephen Products	12,014,646	4	0.51%	14,869,426	1	0.93%
Wal Mart	10,430,987	5	0.45%	14,295,909	2	0.89%
DNA Realty	10,289,685	6	0.44%	NA	NA	NA
Deer Grove Center	10,281,891	7	0.44%	NA	NA	NA
CR Northwest LLC	10,040,261	8	0.43%	NA	NA	NA
RMK Management	9,324,877	9	0.40%	NA	NA	NA
Target	8,925,675	10	0.38%	5,935,624	10	0.37%
Bourbon Square Apartments	NA	NA	NA	10,411,846	3	0.65%
Brookind Corporate Tax Dept	NA	NA	NA	8,959,056	4	0.56%
Thomson Partners	NA	NA	NA	7,970,718	5	0.50%
City Club Apartments	NA	NA	NA	7,900,878	6	0.49%
Arlington Toyota	NA	NA	NA	7,715,479	7	0.48%
McCaffrey Interests	NA	NA	NA	7,186,321	8	0.45%
Highland Management	NA	NA	NA	6,538,705	9	0.41%
	<u>\$ 153,840,450</u>		<u>6.58%</u>	<u>\$ 91,783,962</u>		<u>5.73%</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 for Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy**
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%	701,080	22,884,632	100.31%
2023	22,828,444	22,345,671	97.89%	(11,504)	22,334,167	97.83%

*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	Total Primary Government	Ratio to Total Personal Income	Per Capita*
	General Obligation Bonds	TIF Revenue Bonds	Subscription- Based IT Arrangements	General Obligation Bonds			
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	56,163,601	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
2024	24,969,944	-	116,330	963,610	26,049,884	0.84%	384

*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	General Obligation Bonds		Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	Governmental Activities	Business- Type Activities				
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
2024	24,969,944	963,610	-	25,933,554	0.37%	382

*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, 2024

Government Unit	Gross Debt	Percentage Debt Applicable to the Village of Palatine (1)	Village of Palatine Share of Debt
Village of Palatine	\$ 25,086,274	100.00%	\$ 25,086,274
School Districts			
Community Unit District 15	142,720,000	52.39%	74,771,008
Township High School District 214	16,415,000	0.02%	3,283
Community College District 512	207,460,000	9.62%	19,957,652
Total school districts	366,595,000		94,731,943
Other than schools			
Cook County	2,093,131,750	1.17%	24,489,641
Cook County Forest Preserve District	75,290,000	1.17%	880,893
Metropolitan Water Reclamation District	2,693,351,774	1.19%	32,050,886
Park Districts			
Arlington Heights Park District	4,780,000	0.05%	2,390
Palatine Park District	12,485,000	79.08%	9,873,138
Salt Creek Park District	6,448,000	42.78%	2,758,454
Palatine Public Library District	3,445,000	78.36%	2,699,502
Total other than schools	4,888,931,524		72,754,904
Total Overlapping Governmental Activities Debt	5,255,526,524		167,486,847
Total Direct and Overlapping Governmental Activities Debt	\$ 5,280,612,798		\$ 192,573,121

(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 2023 EAV is the most current available.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2024

The City 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... 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
2015	69,188	\$ 2,421,307,161	\$ 34,996	5.00%
2016	69,188	2,431,032,638	35,137	4.30%
2017	68,766	2,476,263,660	36,010	3.60%
2018	68,766	2,476,263,660	36,010	3.30%
2019	68,766	2,476,263,660	36,010	2.50%
2020	68,766	2,476,263,660	36,010	7.00%
2021	67,908	2,169,623,920	31,949	3.30%
2022	67,908	2,299,416,735	33,861	3.70%
2023	67,908	2,482,306,906	36,554	3.40%
2024	67,908	3,095,943,543	45,590	3.90%

Data Sources

Illinois Department of Employment Security
United States Census Bureau

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2024			2015		
	Rank	Employment	% of Total City Population	Rank	Employment	% of Total City Population
Township High School District 211	1	2,125	3.13%	2	2,057	2.97%
Community Consolidated School District 15	2	1,310	1.93%	1	2,088	3.02%
Community College District 512	3	910	1.34%	4	840	1.21%
Little City Foundation	4	650	0.96%	NA	NA	NA
United Parcel Service	5	500	0.74%	5	500	0.72%
United States Postal Service	6	375	0.55%	3	1,000	1.45%
Village of Palatine	7	330	0.49%	6	338	0.49%
AIT Worldwide Logistics, Inc	8	240	0.35%	NA	NA	NA
Weber-Stephen Products	9	200	0.29%	8	200	0.29%
Clean-air Engineering, Inc.	10	150	0.22%	NA	NA	NA
Schneider Electric-Square D	NA	NA	NA	7	250	0.36%
Intec Group, Inc.	NA	NA	NA	9	150	0.22%
Keller Williams	NA	NA	NA	10	140	0.20%
Total population		<u>67,908</u>			<u>69,188</u>	

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GENERAL GOVERNMENT										
Village Clerk	2.00	1.50	1.50	2.00	2.00	1.50	1.00	1.00	1.00	2.00
Village Manager	6.00	4.50	5.00	4.00	4.00	3.50	4.00	4.00	4.00	4.00
Finance and Operations	12.00	10.00	10.00	10.00	10.00	10.00	9.50	8.50	8.00	8.00
Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Information Technology	7.00	7.00	8.00	7.50	7.50	7.50	6.50	6.50	6.50	6.50
PUBLIC SAFETY										
Community Development	20.50	20.50	24.00	24.00	24.00	22.00	22.50	22.50	22.00	18.50
Police										
Sworn personnel	109.00	109.00	109.00	109.00	109.00	109.00	108.00	108.00	108.00	109.00
Civilians	31.50	27.50	31.00	29.50	29.50	28.00	28.00	28.00	28.00	28.00
Fire										
Sworn personnel	91.00	91.00	91.00	91.00	91.00	91.00	88.00	88.00	88.00	91.00
Civilians	9.50	9.50	8.50	8.50	8.50	8.50	8.00	8.00	8.00	7.50
PUBLIC WORKS										
Public works	63.50	63.00	62.00	62.00	64.00	62.50	62.50	63.50	63.50	57.50
TOTAL	355.50	347.50	354.00	351.50	353.50	347.50	342.00	342.00	341.00	336.00

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

OPERATING INDICATORS										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PUBLIC SAFETY										
Police										
Physical arrests	1,660	1,832	2,155	2,233	2,146	1,931	815	1,114	1,157	1,255
Parking violations	5,664	5,645	6,638	7,017	7,490	5,485	6,592	5,706	3,290	3,318
Traffic violations	11,229	10,663	10,056	11,251	10,258	7,370	8,094	11,550	4,973	12,247
Fire										
Emergency responses	7,661	7,853	7,709	8,080	7,879	7,416	8,222	9,090	9,068	9,383
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	6.49M	6.22M	5.75M	5.93M	5.71M	5.94M	5.95M	5.72M	5.85M	5.54M
CAPITAL ASSET STATISTICS										
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	179	179	179	179	212	212	212	212	212
Fire hydrants	2,060	2,513	2,513	2,523	2,523	2,625	2,625	2,625	2,625	2,625
Sewerage										
Sanitary sewers (miles)	145	168	168	169	169	169	169	169	169	169
Storm sewers (miles)	225	260	260	263	263	267	267	274	274	274

Data Source

Village Records

ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15C2-12

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12 STATEMENT OF INDEBTEDNESS

December 31, 2024

		As Percent of		
	Amount	Assessed Value	Estimated True Value	Per Capita
Taxable real property, 2023				
Assessed valuation	\$ 2,334,196,490	100.00%	33.33%	\$ 34,373
Estimated true value	7,002,589,470	300.00%	100.00%	103,119
Total general obligation bonded debt ⁽¹⁾ :	24,635,000	1.06%	0.35%	363
Less: Self-Supporting	(4,195,000)	(0.18%)	(0.06%)	(62)
Net general obligation bonded debt	20,440,000	0.88%	0.29%	301
Overlapping bonded debt payable from property taxes ⁽²⁾ :				
Schools	94,731,943	4.06%	1.35%	1,395
Other than schools	72,754,904	3.12%	1.04%	1,071
Total overlapping bonded debt	167,486,847	7.18%	2.39%	2,466
Total net direct and overlapping bonded debt	\$ 187,926,847	8.05%	2.68%	\$ 2,767

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, 2024

Due December 1	Series 2014B	Series 2015	Series 2017B	Series 2017D	2017 (2 Issues)	Series 2018	Series 2020	Total Maturities ^{(1) (2)}	
								Amount	%
2025	\$ 790,000	\$ 870,000	\$ 485,000	\$ 725,000	\$ 1,210,000	\$ 600,000	\$ 725,000	\$ 4,195,000	17.0%
2026	-	-	-	745,000	745,000	640,000	1,275,000	2,660,000	10.8%
2027	-	-	-	-	-	670,000	1,345,000	2,015,000	8.2%
2028	-	-	-	-	-	725,000	1,375,000	2,100,000	8.5%
2029	-	-	-	-	-	755,000	1,415,000	2,170,000	8.8%
2030	-	-	-	-	-	-	2,190,000	2,190,000	8.9%
2031	-	-	-	-	-	-	2,245,000	2,245,000	9.1%
2032	-	-	-	-	-	-	2,300,000	2,300,000	9.3%
2033	-	-	-	-	-	-	2,355,000	2,355,000	9.6%
2034	-	-	-	-	-	-	2,405,000	2,405,000	9.8%
	\$ 790,000	\$ 870,000	\$ 485,000	\$ 1,470,000	\$ 1,955,000	\$ 3,390,000	\$ 17,630,000	\$ 24,635,000	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, 2024

Village Issue		Ratio to Estimated Actual Value				Per Capita			Population Estimate
		Direct Debt		Direct and Overlapping Debt		Direct and Overlapping Debt			
		Including Self-Supporting	Excluding Self-Supporting ⁽¹⁾	Including Self-Supporting	Excluding Self-Supporting ⁽¹⁾	Including Self-Supporting	Excluding Self-Supporting ⁽¹⁾		
Sale Date	Amount								
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, 2024

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%	\$ 142,720,000	52.39%	\$ 74,771,008
Township High School District No. 214	0.1%	16,415,000	0.02%	3,283
Community College District No. 512	100.0%	207,460,000	9.62%	19,957,652
Total school districts		<u>366,595,000</u>		<u>94,731,943</u>
Other than schools				
Cook County	100.0%	2,093,131,750	1.17%	24,489,641
Cook County Forest Preserve District	100.0%	75,290,000	1.17%	880,893
Metropolitan Water Reclamation District	100.0%	2,693,351,774	1.19%	32,050,886
Park Districts				
Arlington Heights Park District	0.1%	4,780,000	0.05%	2,390
Palatine Park District	94.2%	12,485,000	79.08%	9,873,138
Salt Creek Park District	5.7%	6,448,000	42.78%	2,758,454
Palatine Public Library District	100.0%	3,445,000	78.36%	2,699,502
Total other than schools		<u>4,888,931,524</u>		<u>72,754,904</u>
Total Overlapping Governmental Activities Debt		<u>\$ 5,255,526,524</u>		<u>\$ 167,486,847</u>

Notes:

⁽¹⁾ As of May 2024.

⁽²⁾ Overlapping debt percentages based on 2023 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, 2024

Levy Year	Net for General Taxing Purposes	Plus Incremental Valuation	Total For All Taxing Purposes ⁽¹⁾	Increase Over Prior Year
2014	\$ 1,606,971,343	\$ 84,767,445	\$ 1,691,738,788	(0.20%)
2015	1,563,887,821	197,915,722	1,761,803,543	4.10%
2016 ⁽²⁾	1,814,277,189	82,951,271	1,897,228,460	7.70%
2017	1,827,842,680	108,242,637	1,936,085,317	2.00%
2018	1,779,081,313	111,848,301	1,890,929,614	(2.30%)
2019 ⁽²⁾	2,033,533,072	170,232,002	2,203,765,074	16.50%
2020	2,052,536,815	228,625,586	2,281,162,401	3.50%
2021	1,895,627,274	215,116,389	2,110,743,663	(7.50%)
2022	2,263,182,399	226,833,541	2,490,015,940	18.00%
2023	2,334,196,490	239,738,410	2,573,934,900	3.40%

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, 2024

Tax Levy Year	2019	2020	2021	2022	2023
TAX RATES					
Village of Palatine ⁽¹⁾					
Social Security	\$ 0.104	\$ 0.128	\$ 0.141	\$ 0.123	\$ 0.125
IMRF	0.055	0.059	0.059	0.037	0.032
Corporate (Police Protection)	0.186	0.167	0.182	0.135	0.097
Fire Protection	0.186	0.167	0.182	0.135	0.097
Fire Pension	0.274	0.270	0.300	0.249	0.264
Police Pension	0.262	0.278	0.293	0.248	0.254
Debt Service	0.077	0.064	0.070	0.081	0.109
Total Village of Palatine	1.144	1.133	1.227	1.008	0.978
School Districts					
Palatine CCSD No. 15	3.486	3.564	3.955	3.673	3.714
Junior College No. 512	0.403	0.409	0.457	0.410	0.413
Township HSD No. 211	2.749	2.787	3.020	2.710	2.751
Park District	0.633	0.650	0.711	0.637	0.649
Library District	0.344	0.353	0.388	0.346	0.353
County					
County of Cook	0.454	0.453	0.446	0.431	0.386
Forest Preserve	0.059	0.580	0.580	0.081	0.075
Township					
Palatine Township	0.055	0.550	0.060	0.050	0.049
General Assistance	0.007	0.007	0.008	0.007	0.006
Road and Bridge	0.072	0.068	0.074	0.060	0.054
Other Districts					
Northwest Mosquito	0.010	0.010	0.011	0.009	0.010
Sanitary District	0.389	0.500	0.382	0.374	0.345
Elections (ELCO)	0.030	-	0.019	-	0.032
TOTAL TAX RATE ⁽²⁾	\$ 9.835	\$ 11.064	\$ 11.338	\$ 9.796	\$ 9.815
SHARE OF TOTAL TAX LEVIED BY THE VILLAGE	11.63%	10.24%	10.82%	10.29%	9.96%

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, 2024

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%	701,080	22,884,632	100.31%
2023	22,828,444	22,345,671	97.89%	(11,504)	22,334,167	97.83%

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, 2024

Property Classification ⁽¹⁾	2019	2020	2021	2022	2023
Residential	\$ 1,616,703,874	\$ 1,611,474,223	\$ 1,486,924,813	\$ 1,840,426,100	\$ 1,893,352,332
Commercial	344,315,040	364,626,790	343,380,900	341,790,219	349,942,400
Industrial/Railroad/Farm	72,514,158	76,435,802	65,321,561	80,966,080	90,901,758
Net for General Taxing Purposes	2,033,533,072	2,052,536,815	1,895,627,274	2,263,182,399	2,334,196,490
Incremental Valuation ⁽²⁾	170,232,002	228,625,586	215,116,389	226,833,541	239,738,410
Total for all Taxing Purposes	\$ 2,203,765,074	\$ 2,281,162,401	\$ 2,110,743,663	\$ 2,490,015,940	\$ 2,573,934,900
Percentage Increase	16.5%	3.5%	(7.5%)	18.0%	3.4%

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, 2024

Taxpayer		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Albion Residential	Multi-Family Housing	\$ 53,169,397	1	2.28%
TMIF II Clayson LLC	Multi-Family Housing	16,218,871	2	0.69%
United Parcel Service	Delivery	13,144,160	3	0.56%
Weber Stephen Products	Manufacturing	12,014,646	4	0.51%
Wal Mart	Retail Store	10,430,987	5	0.45%
DNA Realty	Commercial Real Estate	10,289,685	6	0.44%
Deer Grove Center	Commercial Real Estate	10,281,891	7	0.44%
CR Northwest LLC	Commercial Real Estate	10,040,261	8	0.43%
RMK Management	Multi-Family Housing	9,324,877	9	0.40%
Target	Retail Store	8,925,675	10	0.38%
		<u>\$ 153,840,450</u>		<u>6.58%</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 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, 2024

***Summary Statement of Revenue, Expenditures and Changes in Fund Balance ⁽¹⁾
(Fiscal Year Ending December 31, 2020 - 2024)***

	2020	2021	2022	2023	2024	CY 2024 Budget ⁽²⁾
REVENUES						
Taxes	\$ 27,921,769	\$ 30,897,540	\$ 30,700,058	\$ 29,185,088	\$ 28,961,455	\$ 29,405,128
Licenses and permits	3,148,869	4,011,603	3,137,925	3,076,218	2,483,390	2,685,000
Intergovernmental	22,111,733	26,501,973	29,407,004	29,570,122	29,270,041	28,571,884
Charges for services	3,587,245	4,132,742	7,725,730	7,887,115	7,424,533	8,372,935
Fines and forfeits	1,196,453	1,498,459	1,198,466	1,073,379	1,133,225	1,792,000
Investment income	289,279	96,279	(55,988)	1,636,918	1,450,857	100,000
Miscellaneous	487,681	493,257	506,943	695,786	818,959	450,500
Sale of capital assets	-	-	-	40,569	-	-
SBITA issuance	-	-	-	-	153,892	-
Transfers	930,980	75,782	-	576,532	321,970	321,970
Total revenues	59,674,009	67,707,635	72,620,138	73,741,727	72,018,322	71,699,417
EXPENDITURES						
General government	4,915,571	4,395,811	4,937,310	4,963,140	4,915,736	5,203,430
Public safety	46,692,238	47,914,355	53,447,375	52,950,598	58,506,422	61,190,718
Public works	6,219,908	6,291,028	6,801,488	6,886,501	7,113,868	7,439,070
Transfers	-	60,000	1,769,480	13,542,000	6,042,000	6,042,000
Total expenditures	57,827,717	58,661,194	66,955,653	78,342,239	76,578,026	79,875,218
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,846,292	9,046,441	5,664,485	(4,600,512)	(4,559,704)	<u>\$ (8,175,801)</u>
FUND BALANCE, JANUARY 1	24,316,491	26,162,783	35,209,224	40,873,709	36,273,197	
FUND BALANCE, DECEMBER 31	<u>\$ 26,162,783</u>	<u>\$ 35,209,224</u>	<u>\$ 40,873,709</u>	<u>\$ 36,273,197</u>	<u>\$ 31,713,493</u>	

Notes:

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

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

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12
GENERAL FUND

December 31, 2024

Balance Sheet ⁽¹⁾					
(December 31, 2020 - 2024)					
	2020	2021	2022	2023	2024
ASSETS					
Cash and investments	\$ 22,422,763	\$ 31,204,940	\$ 36,423,778	\$ 33,340,390	\$ 28,823,418
Receivables					
Property taxes	21,747,049	21,712,678	25,210,243	20,063,878	21,536,834
Other	917,803	959,236	1,444,472	995,374	875,190
Due from other governments	4,317,221	5,383,945	5,507,641	5,552,306	5,852,240
Accrued interest	47,525	8,361	9,784	29,354	23,509
Leases	-	251,214	113,175	566,657	454,876
Due from other funds	26,833	19,832	22,238	23,061	85,364
Prepaid expenses	36,689	72,800	76,447	71,941	72,549
Advance to other funds	1,927,940	994,340	-	-	-
TOTAL ASSETS	\$ 51,443,823	\$ 60,607,346	\$ 68,807,778	\$ 60,642,961	\$ 57,723,980
LIABILITIES					
Accounts payable	\$ 1,205,985	\$ 1,085,450	\$ 2,728,427	\$ 1,766,440	\$ 955,833
Deferred revenues	-	-	-	-	-
All other liabilities	1,608,057	1,740,695	3,854,250	1,593,808	2,820,312
TOTAL LIABILITIES	2,814,042	2,826,145	6,582,677	3,360,248	3,776,145
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	21,719,178	21,712,678	20,757,678	20,063,878	21,536,834
Unavailable revenue	747,820	629,258	508,273	384,909	259,119
Lease items	-	230,041	85,441	560,729	438,389
TOTAL DEFERRED	22,466,998	22,571,977	21,351,392	21,009,516	22,234,342
FUND BALANCES					
Nonspendable	2,023,377	1,067,140	76,447	71,941	72,549
Assigned	-	572,744	374,387	106,930	-
Unassigned	24,139,406	33,569,340	40,422,875	36,094,326	31,640,944
TOTAL FUND BALANCES	26,162,783	35,209,224	40,873,709	36,273,197	31,713,493
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 51,443,823	\$ 60,607,346	\$ 68,807,778	\$ 60,642,961	\$ 57,723,980

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, 2024

<i>Fund Balances/Net Position</i>					
	2020	2021	2022	2023	2024
Governmental Fund Types					
General	\$ 26,221,531	\$ 35,209,224	\$ 40,873,709	\$ 36,273,197	\$ 31,713,493
Special Revenue	19,800,091	24,670,139	27,366,556	35,083,314	45,024,387
Debt Service	135,684	130,744	2,067,099	16,149,196	20,890,733
Capital Projects	10,805,047	12,134,442	12,516,610	13,536,366	16,876,398
	<u>56,962,353</u>	<u>72,144,549</u>	<u>82,823,974</u>	<u>101,042,073</u>	<u>114,505,011</u>
Proprietary Fund Types					
Enterprise Funds	70,336,830	73,866,956	78,581,018	84,042,525	90,267,631
Internal Service Funds	6,150,802	5,576,990	5,265,792	5,298,158	5,307,339
	<u>76,487,632</u>	<u>79,443,946</u>	<u>83,846,810</u>	<u>89,340,683</u>	<u>95,574,970</u>
Fiduciary Fund Types					
Pension Trust	170,479,283	194,042,918	190,234,577	215,315,797	239,718,938
Total All Funds (Memo Only)	<u>\$ 303,929,268</u>	<u>\$ 345,631,413</u>	<u>\$ 356,905,361</u>	<u>\$ 405,698,553</u>	<u>\$ 449,798,919</u>
<i>Cash and Investments</i>					
	2020	2021	2022	2023	2024
Fund					
General	\$ 19,975,689	\$ 31,204,940	\$ 36,423,778	\$ 33,340,390	\$ 28,823,418
Special Revenue	17,924,211	28,003,355	29,849,833	36,230,437	43,518,502
Debt Service	124,657	130,744	1,681,940	16,111,550	20,862,278
Capital Projects	10,974,219	11,955,482	12,165,758	13,256,328	16,042,831
Enterprise Funds	17,909,059	19,220,142	17,059,033	19,880,177	18,636,132
Internal Service Funds	9,348,561	7,439,842	6,244,272	6,265,247	6,461,346
Pension Trust	169,673,169	219,193,877	6,749,322	4,529,428	5,105,464
Total All Funds (Memo Only)	<u>\$ 245,929,565</u>	<u>\$ 317,148,382</u>	<u>\$ 110,173,936</u>	<u>\$ 129,613,557</u>	<u>\$ 139,449,971</u>

Notes:

⁽¹⁾ These condensed financial statements for the years ending December 31, 2020 - 2024, 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, 2024, included an unmodified "Report of Independent Auditors". Similar unmodified opinions were included in the Village's ACFRs for the fiscal years ended December 31, 2020 - 2024. 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, 2024, 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, 2024

	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	15,624,258	3,441,227
Buildings and improvements	52,868,614	23,888,305
Streets	37,748,456	-
Bridges	1,596,735	-
Sanitary sewer system	-	28,956,625
Storm sewer system	-	34,574,025
Water system	-	46,317,469
Intangible capital assets		
Subscription asset	2,703,586	-
	<u>261,913,594</u>	<u>142,036,341</u>
Less: Accumulated depreciation	<u>52,986,720</u>	<u>86,221,400</u>
Net investment in capital assets	<u><u>\$ 208,926,874</u></u>	<u><u>\$ 55,814,941</u></u>

Data Source

Village Records