

**TOWNSHIP OF PALATINE, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
FEBRUARY 28, 2010 FOR ALL FUNDS EXCEPT  
ROAD AND BRIDGE FUND ENDED MARCH 31, 2010**

**TOWNSHIP OF PALATINE, ILLINOIS  
TABLE OF CONTENTS  
FEBRUARY 28, 2010 AND MARCH 31, 2010**

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report		1
Management's Discussion and Analysis		3
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Assets	A	11
Statement of Activities	B	12
Fund Financial Statements		
Balance Sheet – Governmental Funds	C	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	D	15
Statement of Fiduciary Net Assets	E	18
Notes to the Basic Financial Statements		19
Required Supplementary Information:		
Illinois Municipal Retirement Fund – Schedule of Funding Progress		29
	<u>Schedule</u>	
Schedule of Revenues and Expenditures – Budget and Actual – Town Fund	1	30
Schedule of Revenues and Expenditures – Budget and Actual – General Assistance Fund	2	36
Schedule of Revenues and Expenditures – Budget and Actual – Road and Bridge Fund	3	38
Schedule of Revenues and Expenditures – Budget and Actual – Needy Family Fund	4	41



SINCE 1917

## EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

1875 Hicks Road  
Rolling Meadows, Illinois 60008

PAUL H. THERMEN, C.P.A.  
JEFFERY M. ROLLEFSON, C.P.A.

### Independent Auditors' Report

Board of Trustees  
Township of Palatine  
Palatine, IL

We have audited the accompanying basic financial statements of the Township of Palatine, Illinois as of and for the year ended February 28, 2010, and for the Road and Bridge Fund for the year ended March 31, 2010, as listed in the accompanying table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Township of Palatine, Illinois as of February 28, 2010, and the Road and Bridge Fund as of March 31, 2010, and the respective changes in financial position for the year then ended, in conformity with the accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the schedule of funding progress for the Illinois Municipal Retirement Fund are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Revenue and Expenditures – Budget and Actual are required supplementary information, and are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

August 12, 2010  
Rolling Meadows, IL  
(15)

# **Township of Palatine**

## **Management's Discussion and Analysis**

### **For the Year Ended February 28, 2010 and March 31, 2010**

The Management's Discussion and Analysis ("MD & A") is an element of the financial reporting model adopted by the Governmental Accounting Stand Board (GASB) in their statement No. 34 Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. In this area the Township of Palatine ("Township") presents its discussion and analysis of the Township's financial performance and provides an overall review of the Township's financial activities for the fiscal year-end February 28, 2009 and March 31, 2009 (Road and Bridge Fund). The management of the Township encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance.

This discussion and analysis is designed to:

1. Assist the reader in focusing on significant financial issues,
2. Provide an overview of the Township's financial activity,
3. Identify changes in the Township's financial position (its ability to cope with the next and subsequent year challenges),
4. Identify any material deviations from the financial plan (the approved budgets), and
5. Identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD & A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Township's financial statements beginning on page 11.

#### **General Background**

Palatine Township is a local unit of government established in 1850 serving approximately 114,000 residents within our boundaries. Located in Chicago's Northwest suburbs our boundaries are Wilke Road on the east, Huntington Road on the west, Lake Cook Road to the north and Central Road to the south; serving all or part of: Palatine, Rolling Meadows, Inverness, Arlington Heights, Hoffman Estates, Barrington, South Barrington and Schaumburg.

Three taxing bodies collectively comprise the Township's levies, budgets and services: Town Fund, General Assistance and Road & Bridge. These three funds provide distinct and separate services to Township residents. The Township also has a blended component unit which is the Needy Family Fund.

Town Fund supports the funding of numerous social service agencies; the provision of assistance to property owners with all facets of real estate; the provision of transportation assistance to senior citizens and the physically challenged; maintenance and improvements to five historic cemeteries, employment services, community workshops and programs, and other auxiliary services. General Assistance provides financial support to economically disadvantaged residents who meet program qualifications and income guidelines and administers numerous community based assistance programs. The Road and Bridge fund supports the maintenance and improvement of roads, rights-of-way, drainage systems, and bridges in the unincorporated areas of the Township. The Needy Family Fund is a non-profit organization, established by the Township, to accept tax deductible donations to help eligible residents in need within the Township and provide numerous outreach programs, including the Township Food Pantry.

#### **Financial Highlights**

Palatine Township continues to operate under the restrictions of the Property Tax Extension Limitation Law (PTELL). The "tax caps" limit the annual growth of the Township's primary revenue source to the annual CPI index factor. This limitation requires the Township to use fund balances to offset any deficits between revenues and expenditures in the operating funds.

## **Township of Palatine Management's Discussion and Analysis For the Year Ended February 28, 2010 and March 31, 2010**

Primary effects on fiscal 2010 operating results include the following:

- The Township's total net assets as of fiscal year end February 28, 2010 for the Town Fund/General Assistance Fund and March 31, 2010 for the Road and Bridge Fund were \$4,621,911.
- The fund balances at the end of the fiscal year are comprised of \$627,088 Town Fund; \$224,165 General Assistance Fund; \$1,732,030 Road and Bridge Fund and \$266,769 Needy Family Fund.

For purpose of this analysis, the Township considers operating funds to include the General Town, General Assistance and Road and Bridge Funds.

### **Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are *government-wide financial statements* that represent a new reporting concept and provide both short-term and long-term information about the Township's overall financial status.
- The remaining statements are *fund financial statements* that are similar to the historical reporting concept and focus on individual parts of the Township, reporting the Township's operations and in more detail than the government-wide statements.

The fund financial statements have the following two primary components.

- The *governmental funds* statements tell how basic services were financed in the short term, as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the Township acts solely as trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Figure A summarizes the major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2010 and March 31, 2010**

**Figure A**  
**Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary, such as Educational and Operations & Maintenance.	Instances in which the Township administers resources on behalf of someone else, such as student activities monies.
Required financial statements	<ul style="list-style-type: none"> <li>• Statements of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance.</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting Basis and measurement focus.	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

**Government-wide Financial Statements**

The Government-wide financial statements are designed to provide readers with a broad overview of the Township's financial position and operations as a whole, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated into columns which add to a total for the Township.

The statement of net assets presents information on the entire Township's current and non-current assets and liabilities, with the difference between the two reported as net assets, a concept similar to "equity" in enterprise financial statements.

The statement of activities presents information showing how the Township's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, on the accrual basis of accounting, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Use of the Net Asset concept is one way to measure the Township's financial health or position.

Over time, increases or decreases in net assets serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

- To assess the Township's overall financial health, consideration also needs to be given to other non-financial factors such as changes in the Township's property tax base, the condition of its facilities and other similar items.

**Township of Palatine**  
**Management's Discussion and Analysis**  
**For the Year Ended February 28, 2010 and March 31, 2010**

In the Government-wide financial statements, the Township's activities are categorized as follows:

- *Government Activities* – Most of the Township's basic services such as social services, transportation and administration are included. Property taxes finance most of these activities, although some support is received from local fees and intergovernmental agreements.

**Fund-based Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. This accounting presentation also provides information prepared on a consistent method with prior years to facilitate comparative analysis. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* – These funds are used to account for essentially the same functions reported as governmental activities in the Township-wide financial statements. However, unlike the Township-wide financial statements, governmental fund financial statements focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out of Township operations and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term asset and debt focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

The financial content of the Government-wide financial statements differs from the financial content of the traditional fund based financial statements primarily due to:

- Use of the full accrual basis of accounting in the governmental-wide financial statements versus the modified accrual basis of accounting in the fund-based financial statements.
- Recognition in the government-wide financial statements of the cost and related current and accumulated depreciation of long-term assets.
- Recognition in the government-wide financial statements of the remaining liability for the principal payments due that are related to long-term debt obligations.

Governmental funds are further summarized by a Major funds category and a Non-Major funds category.

- The Major Funds of the Township include its General Town, General Assistance, and Road and Bridge funds.

The major and non-major category determinations are made annually based on previously prescribed fund balance materiality criteria. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances for the combined total governmental funds and for each summary category of funds.

The Township also adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate actual results compared with this budget.



**Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2010 and March 31, 2010**

*Fiduciary funds* – The Township is the trustee, or *fiduciary*, for certain assets that belong to others, such as the deferred compensation plan. The Township is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The Township excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operation.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund-based financial statements.

**Other Information**

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary financial and statistical information concerning the Township's operations.

**Government-Wide Financial Analysis**

The following is a comparative condensed summary of Net Assets financial information for fiscal year ending February 29, 2010 and March 31, 2010 (Road and Bridge fund), and for fiscal year ending February 28, 2009 and March 31, 2009 (Road and Bridge fund).

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

**Table 1  
Condensed Statement of Net Assets**

	2010	2009
Current and other assets	\$ 6,383,865	\$ 7,475,743
Capital assets	1,798,478	1,866,952
Total assets	<u>\$ 8,182,343</u>	<u>\$ 9,342,695</u>
 Total liabilities	 \$ 3,560,432	 \$ 4,822,022
 Net assets		
Invested in capital assets, net of related debt	\$ 1,798,478	\$ 1,866,952
Unrestricted	2,556,664	2,490,534
Restricted - Needy Family Fund	266,769	163,187
Total net assets	<u><u>\$ 4,621,911</u></u>	<u><u>\$ 4,520,673</u></u>

**TABLE 1:**

**NET ASSETS –**

The overall net asset position of the Township as of February 28, 2010 and March 31, 2010 is \$4,621,911, with \$2,556,664 being unrestricted. Total net assets increased by 2.2% from the previous fiscal year end and represent a solid financial condition.

**Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2010 and March 31, 2010**

**NORMAL IMPACTS**

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

Net Results for Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

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

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

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets Through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

**CURRENT YEAR IMPACTS**

**Table 2  
Changes in Net Assets**

	<b>Governmental Activities 2010</b>	<b>Percentage of Total</b>	<b>Governmental Activities 2009</b>	<b>Percentage of Total</b>
<b>Revenues:</b>				
Property taxes	\$ 3,167,123	81.31%	\$ 3,070,596	81.58%
Corporate replacement taxes	117,905	3.03%	131,998	3.51%
Earnings on investments	30,483	0.78%	69,444	1.84%
Charges for services	326,981	8.39%	305,114	8.11%
Operating grants	29,173	0.75%	32,296	0.86%
Contributions	174,718	4.49%	122,682	3.26%
Fines and fees	7,824	0.20%	7,297	0.19%
Other	40,825	1.05%	24,609	0.65%
Total revenues	<u>\$ 3,895,032</u>	<u>100.00%</u>	<u>\$ 3,764,036</u>	<u>100.00%</u>
<b>Expenses</b>				
Administration	\$ 1,272,376	33.54%	\$ 1,222,608	31.05%
Assessor	126,154	3.33%	106,090	2.69%
Transportation	276,250	7.28%	292,041	7.42%
Social Service Agencies	595,116	15.69%	553,996	14.07%
Cemetery	27,139	0.72%	26,925	0.68%
Road District	1,207,048	31.82%	1,467,427	37.27%
Home Relief	164,964	4.35%	140,780	3.58%
Depreciation (Unallocated)	124,747	3.29%	127,873	3.25%
Total expenses	<u>\$ 3,793,794</u>	<u>100.00%</u>	<u>\$ 3,937,740</u>	<u>100.00%</u>
<b>Increase (decrease) in net assets</b>	<u>\$ 101,238</u>		<u>\$ (173,704)</u>	

**Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2010 and March 31, 2010**

**TABLE 2:**

**CHANGES IN NET ASSETS –**

**REVENUES:**

Property taxes continue to be the major source of revenue for the Township, representing 81.3% of total revenues. This revenue is limited by the State's "tax cap" methodology. In essence, the annual growth in Township property tax revenues is limited to the CPI index factor, plus a factor as defined for new property, added to the total value of the property in the Township. The CPI factor related to the 2008 calendar levy was 4.1%. The resulting property tax revenues for fiscal 2009-10 were \$3,167,123. The remaining 18.7% of revenues in FY 09-10 closely mirror performance in FY 08-09. Overall, Township revenues from all sources increased 3.5%, totaling \$3,895,032.

**EXPENSES:**

Total operating expenditures for the 2009 – 10 fiscal year were \$3,791,116. This figure represents a decrease of 3.7% from the previous fiscal year.

The Township maintained delivery of its mandated and desired services with a consistent level of quality programs, ending the fiscal year with positive net assets. This positive trend has now been continued for several years.

Every effort has been made to develop budgets, for all major funds, that are fiscally responsible to the taxpayers, yet proactive to the diverse and growing needs of our community.

**FUND BUDGETARY HIGHLIGHTS:**

Town Fund budgeting continued to present challenges from the increased demand for current services while instituting responsive, innovative programming. The increase in the end of the year fund balance from \$580,208 to \$627,088 (+8.1%) can be attributed to the diligence of keeping expenses in check.

The General Assistance fund experienced increased demand for rent, travel, food and personal essentials for disabled clients, with pending applications for social security benefits. The positive net change of \$16,621 in the end of the year fund balance is directly attributable to the decline in Emergency Assistance expenditures.

The Road & Bridge fund had a positive fund balance of \$1,732,030 showing an approximate 2% increase from the previous FY balance of \$1,702,781.

**FACTORS BEARING ON THE TOWNSHIP'S FUTURE:**

At the time these financial statements were prepared and audited, the Township was aware of the following items that could significantly affect its future operations and related financial position:

- The current depressed economy will continue to increase the demand for township services along with the continued increase in population and diversity of the Township residents creates higher demand, placing even greater pressure on the limited revenue sources available to the Township.
- With property taxes providing over 81% of the Town Fund total annual revenues, the necessary expenditures related to the continuation of vital service delivery systems, creates increased financial stress on the fund balance.

**Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2010 and March 31, 2010**

- The continued increase in demand for General Assistance services creates a difficult financial position for this fund, which is forced to rely on fund balances to sustain services. Additional funding must be explored to provide a continuum of quality services to the growing number of Township residents in need.
- Exploring all avenues of potential revenues, including but not limited to utilization of revenue increase from property taxes, maximizing any and all new growth for future levies, exploration of public and private grants and/or reimbursements for services, securing maximum interest rates and liquidity for Township investments, continue to be budgetary commitments.

***Contacting the Township's Financial Management Team***

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report, contact Linda Fleming, Township Supervisor, Township of Palatine, 721 S. Quentin Road, Suite 101, Palatine, IL 60067.

TOWNSHIP OF PALATINE, ILLINOIS  
STATEMENT OF NET ASSETS  
FEBRUARY 28, 2010 AND MARCH 31, 2010

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash and investments	\$ 3,775,818
Receivables (net of allowance for uncollectibles):	
Property taxes	2,527,352
Personal property replacement taxes	19,122
Interest	4,252
Other	293
Prepaid insurance	40,421
Prepaid senior transportation	16,602
Other assets	<u>5</u>
Total Current Assets	<u>\$ 6,383,865</u>
Capital Assets:	
Land	\$ 119,098
Land improvements	396,186
Buildings	2,685,807
Machinery and equipment	<u>1,128,385</u>
	\$ 4,329,476
Less: Accumulated depreciation	<u>(2,530,998)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 1,798,478</u>
Total Assets	<u>\$ 8,182,343</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 20,559
Salaries and wages payable	54,376
Payroll liabilities	10,352
Deferred revenue	<u>3,448,526</u>
Total Current Liabilities	<u>\$ 3,533,813</u>
Non-current Liabilities:	
Net OPEB obligation	<u>\$ 26,619</u>
Total Non-current Liabilities	<u>\$ 26,619</u>
Total Liabilities	<u>\$ 3,560,432</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 1,798,478
Restricted for:	
Needy Family Fund	266,769
Unrestricted	<u>2,556,664</u>
Total Net Assets	<u>\$ 4,621,911</u>

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF PALATINE, ILLINOIS  
STATEMENT OF ACTIVITIES  
YEAR ENDED FEBRUARY 28, 2010 AND MARCH 31, 2010

Functions/ Programs	Expenses	Program Revenues		Excess (Deficiency) of Revenues Over Expenses and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Administration	\$ 1,272,376	\$ 136,590	\$ -	\$ (1,135,786)
Assessor	126,154	-	-	(126,154)
Senior - transportation	276,250	50,374	-	(225,876)
Social agency and organizational funding	595,116	-	-	(595,116)
Cemetery maintenance	27,139	1,615	-	(25,524)
Maintenance of roads	1,207,048	137,902	-	(1,069,146)
Home relief	164,964	500	203,891	39,427
Depreciation - Unallocated	124,747	-	-	(124,747)
<b>Total Governmental Activities</b>	<b>\$ 3,793,794</b>	<b>\$ 326,981</b>	<b>\$ 203,891</b>	<b>\$ (3,262,922)</b>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				\$ 3,167,123
Personal property replacement taxes				117,905
Unrestricted investment earnings				30,483
Fines and Fees				7,824
Other				40,825
<b>Total General Revenues</b>				<b>\$ 3,364,160</b>
Change in Net Assets				\$ 101,238
Net Assets, Beginning				4,520,673
Net Assets, Ending				<b>\$ 4,621,911</b>

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF PALATINE, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FEBRUARY 28, 2010 AND MARCH 31, 2010

	Town Fund	General Assistance Fund	Road and Bridge Fund	Needy Family Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 798,465	\$ 261,824	\$ 2,407,420	\$ 308,109	\$ 3,775,818
Receivables (net of allowance for uncollectibles):					
Property taxes	1,435,583	338,553	753,216	-	2,527,352
Personal property replacement taxes	2,942	-	16,180	-	19,122
Interest	-	-	4,252	-	4,252
Other	293	-	-	-	293
Prepaid insurance	12,261	2,845	25,315	-	40,421
Prepaid senior transportation	-	-	16,602	-	16,602
Other assets	5	-	-	-	5
<b>Total Assets</b>	<b><u>\$ 2,249,549</u></b>	<b><u>\$ 603,222</u></b>	<b><u>\$ 3,222,985</u></b>	<b><u>\$ 308,109</u></b>	<b><u>\$ 6,383,865</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 13,655	\$ 164	\$ 6,711	\$ 29	\$ 20,559
Salaries and wages payable	29,559	6,892	17,925	-	54,376
Deferred revenue	1,576,292	370,714	1,460,209	41,311	3,448,526
Payroll liabilities payable	2,955	1,287	6,110	-	10,352
<b>Total Liabilities</b>	<b><u>\$ 1,622,461</u></b>	<b><u>\$ 379,057</u></b>	<b><u>\$ 1,490,955</u></b>	<b><u>\$ 41,340</u></b>	<b><u>\$ 3,533,813</u></b>
<b>FUND EQUITY</b>					
Fund Balances:					
Reserved	\$ -	\$ -	\$ -	\$ 202,906	\$ 202,906
Unreserved	627,088	224,165	1,732,030	63,863	2,647,146
<b>Total Fund Balances</b>	<b><u>\$ 627,088</u></b>	<b><u>\$ 224,165</u></b>	<b><u>\$ 1,732,030</u></b>	<b><u>\$ 266,769</u></b>	<b><u>\$ 2,850,052</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,249,549</u></b>	<b><u>\$ 603,222</u></b>	<b><u>\$ 3,222,985</u></b>	<b><u>\$ 308,109</u></b>	<b><u>\$ 6,383,865</u></b>

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF PALATINE, ILLINOIS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

---

Total fund balances-governmental funds (Exhibit C) \$ 2,850,052

Amounts reported for governmental activities in the balance sheet are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the Township as a whole.

Cost of capital assets:		
Land	\$	119,098
Land improvements		396,186
Buildings		2,685,807
Machinery and equipment		<u>1,128,385</u>
		<u>\$ 4,329,476</u>
Accumulated depreciation		<u>(2,530,998)</u>
		<u>\$ 1,798,478</u>

Long-term liabilities applicable to the Township's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Balances at March 31 and February 28, 2010 are:		
Net OPEB obligation	\$	<u>(26,619)</u>
		<u>\$ (26,619)</u>

Total net assets-governmental activities (Exhibit A) \$ 4,621,911

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

The accompanying notes to the financial statements are an integral part of this statement.



TOWNSHIP OF PALATINE, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED FEBRUARY 28, 2010 AND MARCH 31, 2010

	Town Fund	General Assistance Fund	Road and Bridge Fund	Needy Family Fund	Total Governmental Funds
<u>Revenues</u>					
Property taxes	\$ 1,442,364	\$ 330,215	\$ 1,394,544	\$ -	\$ 3,167,123
Corporate replacement taxes	60,959	-	56,946	-	117,905
Earnings on investments	2,138	866	27,202	277	30,483
Charges for services	188,579	500	137,902	-	326,981
Operating grants	-	29,173	-	-	29,173
Contributions	-	-	-	174,718	174,718
Fines and fees	-	-	7,824	-	7,824
Other	5,349	13,163	21,242	1,071	40,825
<u>Total Revenues</u>	<u>\$ 1,699,389</u>	<u>\$ 373,917</u>	<u>\$ 1,645,660</u>	<u>\$ 176,066</u>	<u>\$ 3,895,032</u>
<u>Expenditures</u>					
Current					
Administration					
Personnel	\$ 544,563	\$ 240,228	\$ 84,672	\$ -	\$ 869,463
Contractual services	274,749	5,493	60,378	14,778	355,398
Commodities	8,978	2,268	4,501	901	16,648
Assessor					
Personnel	114,176	-	-	-	114,176
Contractual services	6,692	-	-	-	6,692
Commodities	940	-	-	-	940
Senior - Transportation					
Personnel	222,453	-	-	-	222,453
Contractual services	51,653	-	-	-	51,653
Commodities	292	-	-	-	292
Social Agency and Organizational Funding					
Contractual services	595,116	-	-	-	595,116
Cemetery Maintenance					
Contractual services	27,139	-	-	-	27,139
Maintenance of Roads					
Personnel	-	-	637,729	-	637,729
Contractual services	-	-	462,236	-	462,236
Commodities	-	-	106,348	-	106,348
Home Relief					
Contractual services	-	108,159	-	56,805	164,964
Capital outlay	8,743	1,148	57,563	-	67,454
<u>Total Expenditures</u>	<u>\$ 1,855,494</u>	<u>\$ 357,296</u>	<u>\$ 1,413,427</u>	<u>\$ 72,484</u>	<u>\$ 3,698,701</u>
<u>Excess (Deficiency) of Revenues</u>					
<u>Over (Under) Expenditures</u>	<u>\$ (156,105)</u>	<u>\$ 16,621</u>	<u>\$ 232,233</u>	<u>\$ 103,582</u>	<u>\$ 196,331</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF PALATINE, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED FEBRUARY 28, 2010 AND MARCH 31, 2010

	Town Fund	General Assistance Fund	Road and Bridge Fund	Needy Family Fund	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>					
Operating transfers in (out)	\$ 202,984	\$ -	\$ (202,984)	\$ -	\$ -
<u>Total Other Financing Sources (Uses)</u>	\$ 202,984	\$ -	\$ (202,984)	\$ -	\$ -
<u>Net Change in Fund Balances</u>	\$ 46,879	\$ 16,621	\$ 29,249	\$103,582	\$ 196,331
<u>Fund Balance, Beginning of Year</u>	580,209	207,544	1,702,781	163,187	2,653,721
<u>Fund Balance, End of Year</u>	<u>\$ 627,088</u>	<u>\$ 224,165</u>	<u>\$ 1,732,030</u>	<u>\$266,769</u>	<u>\$ 2,850,052</u>

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

The accompanying notes to the financial statements are an integral part of this statement.

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

---

Total net change in fund balances-governmental funds (Exhibit D) \$ 196,331

Capital outlays are reported in governmental funds as expenditures disbursed. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year. Capital outlays for items below the Township's capitalization policy limits and repairs and maintenance are expensed. Also, when these assets are disposed of before they are fully depreciated, the loss is reported on the statement of activities, thereby further decreasing net assets.

Depreciation expense	\$ (124,747)	
Capital outlay over capitalization limits	<u>56,273</u>	
		<u>(68,474)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The expenses include the changes in:

OPEB obligation	<u>\$ (26,619)</u>	
		<u>(26,619)</u>

Change in net assets of governmental activities (Exhibit B) \$ 101,238

\*The Road and Bridge Fund has a year end of March 31, 2010, all other funds have a year end of February 28, 2010

TOWNSHIP OF PALATINE, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FEBRUARY 28, 2010

---

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$       23
Total Assets	<u>\$       23</u>
LIABILITIES	
Due to Cook County	\$       23
Total Liabilities	<u>\$       23</u>
NET ASSETS	
Unreserved	<u><u>\$       -</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of Palatine, Illinois (the Township) is located in Cook County, Illinois. The Township is governed by an elected Board of Trustees. The Board of Trustees maintains final responsibility for all budgetary, taxing and debt matters.

The Township provides the following services as authorized by its charter: maintenance of roads in the unincorporated area, youth services, senior and disabled services, mental health services including individual and family counseling, general assistance, property tax related matters and general administrative services.

The financial statements of the Township 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 Township's accounting policies are described below.

**a. Reporting Entity**

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units an amendment of GASB Statement No. 14*, in that the financial statements include all organizations, activities, and functions that comprise the Township. The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Using these criteria, the Township is not included as a component unit of any other governmental reporting entity. The Township does have a component unit which is the Palatine Township Needy Family Fund, Inc. which is a non-profit organization setup by the Township to accept tax deductible donations to be spent to help needy families in the Township. Because this component unit's governing body is substantively the same as the governing body of the primary government this component unit should be and is reported in these financial statements using the blending method. The blending method states that the fund types of the component unit should be blended with those of the primary government by including them in the appropriate combining statements of the primary government. This blended component unit is reported in these financial statements as a special revenue fund type called the Needy Family Fund.

The Township is considered a major funding source of the Community Child Care Center of Palatine Township, Palatine Senior Citizens Council and the Bridge Youth Services. Although these entities are financed primarily by the Township, they are not included in the Township's financial statements. They have their own oversight boards and their expenditures are financed from other sources as well as the Township.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**b. Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been eliminated from 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 of fees and charges for support. Likewise, the primary government is reported separately from certain legally separate discretely presented component units for which the primary government is financially accountable.

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

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are no proprietary funds within the Township

The funds of the Township are described below:

**Governmental Funds**

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in a Debt Service Fund or Capital Projects Fund) that are legally restricted to expenditures for specific purposes.

**Proprietary Funds (not included in governmental-wide statements)**

There are no proprietary fund types.

**Fiduciary Fund Types (not included in governmental-wide statements)**

Agency Funds – The Agency Fund (Cook County Vehicle Sticker Program) is used to account for assets held by the Township in a trust capacity or as an agent for other governmental units. This fund is custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**b. Government-wide and Fund Financial Statements (Cont'd)**

**Major and Nonmajor Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township, is considered major by the Township, or meets the following criteria:

- a. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues collected, or expenses paid of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The Township considers all funds to be major as follows:

**Major:**

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

General Assistance  
Fund                        A special revenue fund used to account for the Township's general assistance program.

Road and Bridge  
Fund                        A special revenue fund used to account for the maintenance of roads within the Township.

Needy Family  
Fund                        A special revenue fund used to account for contributions received and disbursed for needy families within the Township.

**c. Measurement Focus/Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues other than property taxes are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**c. Measurement Focus/Basis of Accounting (Cont'd)**

revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, replacement taxes, interest revenue, and intergovernmental revenue. Property taxes are recognized in the period for which those taxes were levied. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when earned and billed because they are generally not measurable until then. Investment earnings are recorded as earned because they are measurable and available.

**d. Budgets and Budgetary Accounting**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to February 1, the Department Managers submit to the Board of Trustees a proposed operating budget for the fiscal year commencing on the following March 1 or April 1 for the Road & Bridge Department. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) At the Township Board of Trustees' meeting during the first quarter of each fiscal year, the budget is legally enacted.
- 4) The adopted budget is forwarded to the Cook County Clerk as required by law.
- 5) The level of budgetary control (that is, the level at which changes or amendments must be approved by the board) is established at the department level. Any changes or amendments to the budget of any fund must be approved by the Board of Trustees. Revisions made by the Board of Trustees to the current year's budget were in accordance with legal requirements (not to exceed 10% of each total fund's current year's budget) and are reflected within the budgetary data included in the general purpose financial statements.
- 6) Expenditures may not legally exceed budgeted appropriations at the department level. All annual appropriations lapse at fiscal year end.

Township budgets are prepared on a basis of accounting consistent with accounting principles generally accepted in the United States (GAAP). This allows for comparability between budget and actual amounts. The original budgets were passed April 27, 2009 and the Road District amended budget was passed on June 22, 2009. Subsequent approved line item changes were made after passage.

**e. Cash and Investments**

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition.



**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**e. Cash and Investments (Cont'd)**

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased, are reported at fair value

Under Illinois law, the Township is restricted to investing funds in specified types of investment instruments. The following generally represent the types of instruments allowable by State Law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of bank and savings and loans insured up to \$100,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States of Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these types of obligations.
- Illinois Funds

**f. Receivables**

Receivables consist primarily of property taxes, intergovernmental and other miscellaneous amounts due the Township.

**g. Vacation and Comp Time Liability**

Township employees must take vacation by the end of the annual anniversary date of hire, unless prevented from taking vacation time by sickness, accident, severe family hardship or other unforeseen circumstances. The Board, Supervisor of General Assistance, Assessor or Highway Commissioner, as the case may be, shall have the sole discretion to determine the amount of vacation time that may be carried over. Terminated employees are reimbursed for any accumulated unpaid vacation days.

**h. Capital Assets**

In government-wide financial statements, capital outlays are accounted for as capital assets. All capital outlays which exceed a capitalization threshold are capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Capital assets purchased or acquired with an original cost of \$500 for equipment, \$10,000 for buildings and improvements and \$50,000 for infrastructure assets are capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20-50 years and machinery and equipment 5-20 years.

In fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**i. Long-term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for government funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest reported as expenditures.

**NOTE 2 - CASH AND INVESTMENTS**

At February 28, 2010 (for the Town Fund, General Assistance Fund and Needy Family Fund) and March 31, 2010 (for the Road and Bridge Fund), the carrying amount of the Township's deposits totaled \$3,775,818 and the bank balances totaled \$3,868,764. Investments consist solely of certificates of deposits with maturities of one year or less.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Township's investment portfolio is limited to maturities of one year or less.

*Credit Risk.* Statutes authorized the Township to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. During fiscal year ended February 28, 2010 and March 31, 2010, the Township invested in money market accounts and certificates of deposits from banks, which are both not rated by nationally recognized statistical rating organizations.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Township will not be able to recover the value of its deposits and investments or collateral securities. Of the Township's cash and investments, \$3,868,764 are insured or collateralized with securities held by the pledging bank's agent not in the Township's name.

*Concentration of Credit Risk.* The Township places no limit on the amount the Township may invest in any one issuer. The Township's investments are held in the Bank of Palatine and Cornerstone Bank. These investments are 35.3% and 64.7%, respectively, of the Township's total investments.

**NOTE 3- PROPERTY TAXES**

The Township's property tax is levied each calendar year on all taxable real property located in the Township.

The County Assessor is responsible for assessment of all taxable real property within Cook County (the County), except for certain railroad property which is assessed directly by the State. Reassessments occur based on market conditions. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the county Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about March 1 and August 1 during the following year. Taxes must be levied by the last Tuesday in December of the levy year and the levy becomes an enforceable lien against the property as of January 1 of the levy year.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3- PROPERTY TAXES (CONT'D)**

The 2008 property tax levy is recorded as a receivable as of February 28, 2010 and March 31, 2010, net of estimated uncollectibles; that amount is deferred and will be recognized as revenue in fiscal year 2011. Based upon collection histories, the Township has provided as of February 28, 2010 and March 31, 2010, an allowance for uncollectible real property taxes equivalent to 1% of the current year's tax levy.

The 2010 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has not been recorded as a receivable as of February 28, 2010 and March 31, 2010 as the tax has not yet been levied by the Township and will not be levied until December 2010, and therefore, the levy is not measurable at February 28, 2010 and March 31, 2010.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended February 28, 2010 and March 31, 2010, was as follows:

	Balances March 1, 2009 & April 1, 2009	Additions	Deletions	Balances Feb. 28, 2010 & March 31, 2010
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
Capital Assets being depreciated:				
Land Improvements	\$ 396,186	\$ -	\$ -	\$ 396,186
Buildings	2,685,807	-	-	2,685,807
Machinery and Equipment	1,074,761	56,273	2,649	1,128,385
Total Capital Assets being Depreciated	\$ 4,156,754	\$ 56,273	\$ 2,649	\$ 4,210,378
Less accumulated depreciation:				
Land Improvements	\$ 261,981	\$ 18,310	\$ -	\$ 280,291
Buildings	1,478,329	46,726	-	1,525,055
Machinery and Equipment	668,590	59,711	2,649	725,652
Total accumulated depreciation	\$ 2,408,900	\$ 124,747	\$ 2,649	\$ 2,530,998
Total capital assets, being depreciated, net	\$ 1,747,854	\$ (68,474)	\$ -	\$ 1,679,380
Governmental activities capital assets, net	\$ 1,866,952	\$ (68,474)	\$ -	\$ 1,798,478

Depreciation was charged to unallocated depreciation.

**NOTE 5 - LONG-TERM DEBT**

The Township has no long-term debt obligations for the year ended February 28, 2010 and March 31, 2010.

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - RETIREMENT FUND COMMITMENTS**

Illinois Municipal Retirement Fund:

The Township's agent multiple employer defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500 Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The employer rate for calendar year 2009, based on the 2007 valuation, was 10.93% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 23 years.

For December 31, 2009, the Township's annual pension cost of \$133,685 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions for the 2007 annual pension cost were based on the 2002-2004 experience study. However, the 2009 actuarial valuation information shown in the accompanying schedules is based on the 2005-2007 experience study.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 133,685	100%	\$ -
12/31/2008	135,936	100%	-
12/31/2007	126,511	100%	-
12/31/2006	125,054	100%	-
12/31/2005	111,416	100%	-
12/31/2004	98,810	100%	-
12/31/2003	94,055	100%	-
12/31/2002	83,901	100%	-
12/31/2001	76,239	100%	-
12/31/2000	73,405	100%	-
12/31/1999	72,545	100%	-

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Township purchases third party indemnity insurance for general liability, property casualty, workers' compensation and health. The policies are in effect from March 1, 2010 to March 1, 2011. The policies limit the Township's exposure to deductibles of \$100 - \$1,000 per occurrence depending on the coverage. There have been no significant reductions in insurance coverage from the prior fiscal year. Settled claims have not exceeded this commercial coverage in each of the past three years.

**NOTE 8 – OPERATING LEASE COMMITMENT**

The Township entered into an operating lease agreement with CIT Technology Financing Services on June 26, 2008. The agreement was for the use of three copiers for a period of 60 months, with monthly payments of \$521 beginning on September 12, 2008.

**NOTE 9 – CONTRACTUAL AGREEMENTS**

On January 15, 2010 the Township entered into an agreement with Vanguard Heating & Air Conditioning, Inc. to replace rooftop heater/air conditioning unit in the amount of \$6,600.

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The Township provides post-employment benefits other than pensions (OPEB) to employees who meet certain criteria. As a result of offering such benefits, the Township is required to report the value of such benefits and the associated costs according GASB Statement No. 45.

The summary bellows represents the actuarial valuations results by the Township's active and retired employee groups.

Annual Required Contribution	\$ 36,612
Interest on Net OPEB Obligation	\$ -
Adjustment to ARC	\$ -
Annual OPEB Cost	\$ 36,612
Employer Contributions	\$ 9,993
Increase in Net OPEB Obligation	\$ -
Net OPEB Obligation - Beginning of Year	\$ -
Net OPEB Obligation - End of Year	\$ 26,619

**TOWNSHIP OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between February 28, 2010 for all funds and March 31, 2010 for the Road and Bridge fund and the date of this audit report requiring disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**





**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL Percentage of Covered Payroll [(b-a)/c]
12/31/2009	\$ 1,997,870	\$ 2,922,452	\$ 924,582	68.36%	\$ 1,223,101	75.59%
12/31/2008	2,058,424	3,081,466	1,023,042	68.36%	1,258,688	81.28%
12/31/2007	2,266,732	2,770,581	503,849	81.81%	1,180,143	42.69%
12/31/2006	1,931,188	2,358,759	427,571	81.87%	1,127,629	37.92%
12/31/2005	1,982,123	2,413,948	431,825	82.11%	1,096,612	39.38%
12/31/2004	1,918,003	2,326,790	408,787	82.43%	1,057,928	38.64%
12/31/2003	1,870,202	2,152,320	282,118	86.89%	1,042,738	27.06%
12/31/2002	1,850,612	1,973,666	123,054	93.77%	931,196	13.21%
12/31/2001	1,660,697	1,719,812	59,115	96.56%	850,880	6.95%
12/31/2000	1,406,689	1,449,005	42,316	97.08%	766,235	5.52%
12/31/1999	1,154,770	1,225,235	70,465	94.25%	692,892	10.17%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$1,922,910. On a market basis, the funded ratio would be 65.80%.

(THIS PAGE INTENTIONALLY LEFT BLANK)

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
<u>Revenues</u>			
Property taxes	\$ 1,490,271	\$ 1,490,271	\$ 1,442,364
Corporate replacement taxes	68,000	68,000	60,959
Earnings on investments	10,000	10,000	2,138
Charges for Services:			
Senior - transportation	33,796	33,796	50,374
Rentals	71,027	71,027	136,590
Cemetery	1,000	1,000	1,615
Employment job fair	100	100	-
Other	30,500	30,500	5,349
<u>Total Revenues</u>	<u>\$ 1,704,694</u>	<u>\$ 1,704,694</u>	<u>\$ 1,699,389</u>
<u>Expenditures</u>			
<u>Administration</u>			
Personnel:			
Salaries:			
Supervisor	\$ 26,000	\$ 26,000	\$ 25,978
Clerk	21,000	21,000	21,000
Assessor	23,000	23,000	23,000
Collector	100	100	-
Highway Commissioner	12,250	12,250	12,250
Board of Trustees	20,000	20,000	20,050
Weed Commissioner	500	500	120
Road District Treasurer	1,000	1,000	1,000
Office personnel	247,000	229,380	224,127
Temporary personnel	100	16,495	16,495
Janitorial salaries	63,700	62,156	59,828
Enforcement officer	100	100	-
Board meetings	1,500	1,500	1,250
Social security/medicare expense	32,150	32,150	29,023
Municipal retirement	48,000	48,000	44,942
Health & life insurance	59,550	62,210	62,616
Unemployment compensation	100	100	-
Workers compensation	2,900	3,009	2,884
<u>Total Personnel</u>	<u>\$ 558,950</u>	<u>\$ 558,950</u>	<u>\$ 544,563</u>

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
Contractual Services:			
Maintenance of building	\$ 14,200	\$ 14,200	\$ 11,974
Maintenance of equipment	2,100	3,298	4,609
General insurance	27,000	27,000	29,634
Telephone & communications	4,000	4,940	3,985
Alarm	3,500	4,841	5,177
Utilities	47,794	47,794	43,229
Scavenger	3,900	3,900	3,865
Conferences and seminars	3,000	4,333	4,333
Travel expenses	2,500	2,500	1,126
Printing and publishing	10,000	5,928	5,928
Grounds maintenance	8,100	8,100	6,461
Day Care Brokerage Service	15,000	15,000	23,999
Audit	5,100	5,100	5,032
Legal services	14,000	14,000	22,574
Professional services	4,000	4,000	4,374
Engineering services	22,000	22,000	15,962
Community events	1,000	742	697
Officials bonding	100	100	-
Supervisor bonding	7,000	4,525	3,813
Committees	500	500	400
Recognition	3,500	3,500	2,161
Copier	-	2,475	2,951
Employment counseling	15,000	15,000	13,720
Training	100	329	329
Employment job fair	5,000	5,000	1,159
Recruitment	-	111	111
Dues and subscriptions	5,500	5,906	5,906
Miscellaneous	5,000	5,000	3,549
Plan commission	100	100	-
Website services	8,000	8,000	4,005
Communications	41,000	41,000	42,994
Health and safety programs	2,000	2,000	692
Contingency provision	40,600	40,600	-
<u>Total Contractual Services</u>	<u>\$ 320,594</u>	<u>\$ 321,822</u>	<u>\$ 274,749</u>
Commodities:			
Postage	\$ 3,500	\$ 3,500	\$ 2,578
Office supplies	8,500	8,500	4,553
Operating supplies	3,200	3,200	1,847
<u>Total Commodities</u>	<u>\$ 15,200</u>	<u>\$ 15,200</u>	<u>\$ 8,978</u>

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
Capital Outlay:			
Land purchase	\$ 100	\$ 100	\$ -
Improvements	14,275	11,736	450
Equipment	7,500	8,811	2,095
<u>Total Capital Outlay</u>	<u>\$ 21,875</u>	<u>\$ 20,647</u>	<u>\$ 2,545</u>
<u>Total Administration</u>	<u>\$ 916,619</u>	<u>\$ 916,619</u>	<u>\$ 830,835</u>
<u>Township Assessor</u>			
Personnel:			
Salaries	\$ 102,550	\$ 102,550	\$ 90,211
Social security/medicare expense	7,200	7,200	6,713
Municipal retirement	10,750	10,750	7,920
Health & life insurance	8,750	8,750	9,007
Workers compensation	250	250	325
<u>Total Personnel</u>	<u>\$ 129,500</u>	<u>\$ 129,500</u>	<u>\$ 114,176</u>
Contractual Services:			
Maintenance of equipment	\$ 550	\$ 550	\$ 848
Travel	975	975	396
Computer program	700	700	-
IPA Institute Workshop	925	925	1,313
Training	475	475	29
Printing	375	375	242
Dues and subscriptions	300	300	492
Professional services	350	350	250
Publications	135	135	28
Telephone	800	800	900
Copier	-	-	797
Miscellaneous	125	125	32
SID annual rental	800	800	1,365
Equipment rental	15	15	-
Contingency provision	1,000	1,000	-
<u>Total Contractual Services</u>	<u>\$ 7,525</u>	<u>\$ 7,525</u>	<u>\$ 6,692</u>
Commodities:			
Postage	\$ 350	\$ 350	\$ 374
Office supplies	500	500	566
<u>Total Commodities</u>	<u>\$ 850</u>	<u>\$ 850</u>	<u>\$ 940</u>

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
Capital Outlay:			
Equipment	\$ 1,250	\$ 1,250	\$ 4,346
<u>Total Capital Outlay</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 4,346</u>
<u>Total Township Assessor</u>	<u>\$ 139,125</u>	<u>\$ 139,125</u>	<u>\$ 126,154</u>
<u>Senior - Transportation</u>			
Personnel:			
Salaries	\$ 167,500	\$ 167,500	\$ 159,875
Social security/medicare expense	13,000	13,000	12,122
Municipal retirement	15,850	15,850	14,980
Health & life insurance	30,700	30,700	27,946
Workers compensation	5,900	5,900	7,530
Contingency provision	5,000	5,000	-
<u>Total Personnel</u>	<u>\$ 237,950</u>	<u>\$ 237,950</u>	<u>\$ 222,453</u>
Contractual Services:			
Fuel and oil	\$ 22,000	\$ 16,381	\$ 16,602
Maintenance	20,000	17,442	15,611
Travel	350	350	207
Telephone	3,500	3,500	3,099
Advertising	100	1,288	1,288
Equipment maintenance	1,500	1,500	985
Taxi	6,000	6,000	4,549
Training	100	152	152
Copier	-	850	972
DOT testing	800	800	525
303 - Taxi	500	4,404	4,404
Legal	500	500	577
Miscellaneous	500	2,683	2,682
Vehicle insurance	1,500	1,500	-
Contingency provision	10,000	-	-
<u>Total Contractual Services</u>	<u>\$ 67,350</u>	<u>\$ 57,350</u>	<u>\$ 51,653</u>
Commodities:			
Office supplies	\$ 500	\$ 500	\$ 172
Postage	350	350	120
<u>Total Commodities</u>	<u>\$ 850</u>	<u>\$ 850</u>	<u>\$ 292</u>

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
Capital Outlay:			
Equipment	\$ 2,400	\$ 2,400	\$ 1,852
<u>Total Capital Outlay</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 1,852</u>
<u>Total Senior - Transportation</u>	<u>\$ 308,550</u>	<u>\$ 298,550</u>	<u>\$ 276,250</u>
<u>Social Agency and Organizational Funding</u>			
Contractual Services:			
Behavioral Health	\$ 4,000	\$ 4,000	\$ 4,000
Bridge	190,000	222,626	222,626
Clearbrook	1,000	1,000	1,000
Community Child Care Center	120,000	152,937	152,937
Alexian Brothers Mental Health	20,000	20,000	20,000
Palatine Opportunity Center	8,000	8,000	8,000
Countryside Association	9,000	9,000	9,000
Rolling Meadows Golden Years	3,500	3,500	3,500
Salvation Army	12,000	12,000	12,000
Shelter, Inc.	8,000	8,000	8,000
Community Living	5,000	5,000	5,000
Community Initiative	34,000	34,000	-
NW Casa	1,000	1,000	1,000
Palatine Township Senior Center	110,000	110,000	110,003
PHD	2,500	2,500	2,500
Catholic Charities	5,000	5,000	5,000
Dental Care Program	20,000	20,000	20,000
Barrington Career Center	-	-	3,550
Access to Care	5,000	5,000	5,000
Escorted Transportation Services	1,000	1,000	1,000
Hospice of NE IL	1,000	1,000	1,000
<u>Total Contractual Services</u>	<u>\$ 560,000</u>	<u>\$ 625,563</u>	<u>\$ 595,116</u>
<u>Total Social Agency and Organizational Funding</u>	<u>\$ 560,000</u>	<u>\$ 625,563</u>	<u>\$ 595,116</u>

TOWNSHIP OF PALATINE, ILLINOIS  
TOWN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
<u>Cemetery Maintenance</u>			
Contractual Services:			
Maintenance/improvements	\$ 5,000	\$ 5,000	\$ -
Ground upkeep	30,300	30,300	25,685
Survey	100	100	-
Memorial Day	500	500	187
Cemetery burial	1,000	1,000	1,125
Miscellaneous	100	100	142
<u>Total Contractual Services</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 27,139</u>
<u>Total Cemetery Maintenance</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 27,139</u>
Provisions for Contingencies:	\$ 60,000	\$ 4,437	\$ -
<u>Total Provisions for Contingencies</u>	<u>\$ 60,000</u>	<u>\$ 4,437</u>	<u>\$ -</u>
<u>Total Expenditures</u>	<u>\$ 2,021,294</u>	<u>\$ 2,021,294</u>	<u>\$ 1,855,494</u>
<u>Excess (Deficiency) of Revenues</u>			
<u>Over (Under) Expenditures</u>	<u>\$ (316,600)</u>	<u>\$ (316,600)</u>	<u>\$ (156,105)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfer in	\$ 200,000	\$ 200,000	\$ 202,984
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 202,984</u>
<u>Net Change in Fund Balance</u>	<u>\$ (116,600)</u>	<u>\$ (116,600)</u>	<u>\$ 46,879</u>



PALATINE TOWNSHIP  
GENERAL ASSISTANCE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
<u>Revenues</u>			
Property taxes	\$ 340,630	\$ 340,630	\$ 330,215
Earnings on investments	3,500	3,500	866
Operating Grants:			
SSI reimbursements	15,000	15,000	18,024
Community Development Block Grant	7,500	7,500	11,149
Charges for services	7,500	7,500	500
Other	8,100	8,100	13,163
<u>Total Revenues</u>	<u>\$ 382,230</u>	<u>\$ 382,230</u>	<u>\$ 373,917</u>
<u>Expenditures</u>			
<u>Administration</u>			
Personnel Services:			
Salaries	\$ 175,000	\$ 176,491	\$ 176,772
Temporary personnel	100	100	-
Health and life insurance	33,200	33,516	31,827
Municipal retirement	25,000	23,114	18,350
Workers compensation	300	379	416
Social security/ medicare expense	14,750	14,750	12,863
<u>Total Personnel</u>	<u>\$ 248,350</u>	<u>\$ 248,350</u>	<u>\$ 240,228</u>
Contractual Services:			
Equipment maintenance	\$ 2,500	\$ 1,592	\$ 1,592
Travel expense	300	300	133
Printing	700	700	582
Legal	1,000	1,000	154
Telephone	1,200	1,590	1,590
Training	1,000	290	151
Copier	-	949	1,113
Hearing officer expenses	100	100	-
Miscellaneous	400	400	178
<u>Total Contractual Services</u>	<u>\$ 7,200</u>	<u>\$ 6,921</u>	<u>\$ 5,493</u>
Commodities:			
Office supplies	\$ 1,500	\$ 1,779	\$ 1,779
Postage	500	500	489
<u>Total Commodities</u>	<u>\$ 2,000</u>	<u>\$ 2,279</u>	<u>\$ 2,268</u>

PALATINE TOWNSHIP  
GENERAL ASSISTANCE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
Capital Outlay:			
Equipment purchases	\$ 1,500	\$ 1,500	\$ 1,148
<u>Total Capital Outlay</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,148</u>
Provisions for Contingencies	\$ 14,000	\$ 14,000	\$ -
<u>Total Administration</u>	<u>\$ 273,050</u>	<u>\$ 273,050</u>	<u>\$ 249,137</u>
<u>Home Relief</u>			
Contractual Services:			
Medical care	\$ 16,500	\$ 16,500	\$ 3,516
Telephone	2,000	2,000	1,276
Utilities	16,000	16,208	15,082
Burial	500	500	-
Rental	74,000	61,089	50,082
Travel	5,500	9,389	8,890
Food	15,500	21,317	20,817
Clothing and personnel	3,000	5,997	5,996
Health insurance	4,500	4,500	2,500
Transient	1,000	1,000	-
<u>Total Contractual Services</u>	<u>\$ 138,500</u>	<u>\$ 138,500</u>	<u>\$ 108,159</u>
<u>Total Home Relief</u>	<u>\$ 138,500</u>	<u>\$ 138,500</u>	<u>\$ 108,159</u>
<u>Institutional Care</u>			
Contractual Services:			
County Hospital - Medical	\$ 100	\$ 100	\$ -
Private Hospital - Medical	5,000	5,000	-
Convalescent Home - Medical	100	100	-
Ambulance Services - Medical	100	100	-
<u>Total Contractual Services</u>	<u>\$ 5,300</u>	<u>\$ 5,300</u>	<u>\$ -</u>
<u>Total Institutional Care</u>	<u>\$ 5,300</u>	<u>\$ 5,300</u>	<u>\$ -</u>
<u>Total Expenditures</u>	<u>\$ 416,850</u>	<u>\$ 416,850</u>	<u>\$ 357,296</u>
<u>Net Change in Fund Balance</u>	<u>\$ (34,620)</u>	<u>\$ (34,620)</u>	<u>\$ 16,621</u>

PALATINE TOWNSHIP  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2010

	2010		
	Budget		Actual
	Original	Final	
<u>Revenues</u>			
Property taxes	\$ 1,299,025	\$ 1,299,025	\$ 1,394,544
Corporate replacement taxes	65,000	65,000	56,946
Earnings on investments	45,000	45,000	27,202
Cook County fines	5,000	5,000	7,162
Charges for Services:			
Intergovernmental agreements	85,000	85,000	137,902
Yard bag stickers	750	750	662
Miscellaneous	75,000	75,000	21,242
<u>Total Revenue</u>	<u>\$ 1,574,775</u>	<u>\$ 1,574,775</u>	<u>\$ 1,645,660</u>
<u>Expenditures</u>			
<u>Administration</u>			
Personnel:			
Salaries	\$ 70,000	\$ 70,000	\$ 61,782
Social security/medicare expense	4,500	4,500	3,426
Illinois retirement contribution	6,000	6,660	6,660
Unemployment compensation	100	100	-
Workers compensation	2,500	1,313	111
Health insurance	14,000	14,527	12,693
<u>Total Personnel</u>	<u>\$ 97,100</u>	<u>\$ 97,100</u>	<u>\$ 84,672</u>
Contractual Services:			
General insurance	\$ 49,000	\$ 49,000	\$ 36,019
Accounting services	6,000	6,000	3,668
Telephone	11,000	11,000	7,733
Printing	6,000	6,000	4,923
Legal services	17,000	17,000	4,750
Dues and subscriptions	1,000	1,000	340
Training	5,200	5,200	1,915
Travel expenses	3,000	3,000	1,030
<u>Total Contractual Services</u>	<u>\$ 98,200</u>	<u>\$ 98,200</u>	<u>\$ 60,378</u>
Commodities:			
Office supplies	\$ 2,500	\$ 2,500	\$ 1,621
Postage	3,000	3,000	497
Operating supplies	2,000	2,000	962
Miscellaneous	2,000	2,000	1,421
<u>Total Commodities</u>	<u>\$ 9,500</u>	<u>\$ 9,500</u>	<u>\$ 4,501</u>

PALATINE TOWNSHIP  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2010

	2010		
	Budget		Actual
	Original	Final	
Capital Outlay:			
Computer software	\$ 1,200	\$ 1,000	\$ 85
Equipment	2,900	2,900	270
Office remodeling	4,000	4,000	-
Real estate	5,000	5,000	-
Miscellaneous	-	200	200
<u>Total Capital Outlay</u>	<u>\$ 13,100</u>	<u>\$ 13,100</u>	<u>\$ 555</u>
<u>Total Administration</u>	<u>\$ 217,900</u>	<u>\$ 217,900</u>	<u>\$ 150,106</u>
<u>Maintenance of Roads</u>			
Personnel:			
Salaries	\$ 491,000	\$ 470,525	\$ 430,392
Social security/medicare expense	37,000	37,000	30,358
Illinois retirement contribution	52,000	52,000	46,227
Unemployment compensation	400	400	-
Workers compensation	40,500	55,608	71,196
Health insurance	55,000	60,367	59,556
<u>Total Personnel</u>	<u>\$ 675,900</u>	<u>\$ 675,900</u>	<u>\$ 637,729</u>
Contractual Services:			
Engineering services	\$ 40,000	\$ 44,989	\$ 40,791
Building maintenance	20,000	20,000	7,176
Equipment maintenance	45,000	45,000	21,281
Drainage maintenance	50,000	50,000	1,000
Roadway maintenance	25,000	25,000	-
Contract work	650,000	650,000	350,505
Bridge maintenance	10,000	10,000	-
Utilities	14,000	14,000	9,438
Equipment rental	10,000	2,999	2,143
Street signs/lights	7,000	9,009	9,009
Right-of-way maintenance	50,000	50,000	20,219
Emergency roadway repairs	25,000	25,000	-
Testing services	1,500	1,500	674
<u>Total Contractual Services</u>	<u>\$ 947,500</u>	<u>\$ 947,497</u>	<u>\$ 462,236</u>

PALATINE TOWNSHIP  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2010

	2010		
	Budget		Actual
	Original	Final	
Commodities:			
Operating supplies	\$ 14,000	\$ 14,000	\$ 8,401
Automotive fuel/oil	42,000	42,000	17,405
Building supplies	6,000	6,000	3,922
Materials	30,000	30,000	17,008
Small tools	2,500	2,500	1,159
Road salt	150,000	150,000	58,453
<u>Total Commodities</u>	<u>\$ 244,500</u>	<u>\$ 244,500</u>	<u>\$ 106,348</u>
Capital Outlay:			
Equipment	\$ 25,000	\$ 25,000	\$ 57,008
Vehicle	45,000	45,000	-
Buildings	10,000	10,000	-
<u>Total Capital Outlay</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 57,008</u>
Provision for Contingencies	\$ 70,000	\$ 70,000	\$ -
<u>Total Maintenance of Roads</u>	<u>\$ 2,017,900</u>	<u>\$ 2,017,897</u>	<u>\$ 1,263,321</u>
<u>Total Expenditures</u>	<u>\$ 2,235,800</u>	<u>\$ 2,235,797</u>	<u>\$ 1,413,427</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over (Under) Expenditures</u>	<u>\$ (661,025)</u>	<u>\$ (661,022)</u>	<u>\$ 232,233</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfer out	\$ (200,000)	\$ (200,003)	\$ (202,984)
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (200,000)</u>	<u>\$ (200,003)</u>	<u>\$ (202,984)</u>
<u>Net Change in Fund Balance</u>	<u>\$ (861,025)</u>	<u>\$ (861,025)</u>	<u>\$ 29,249</u>

PALATINE TOWNSHIP  
NEEDY FAMILY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2010

	2010		
	Budget		Actual
	Original	Final	
<u>Revenues</u>			
Earnings on investments	\$ 2,000	\$ 2,000	\$ 277
Contributions	106,250	106,250	174,718
Other income	700	700	1,071
<u>Total Revenues</u>	<u>\$ 108,950</u>	<u>\$ 108,950</u>	<u>\$ 176,066</u>
<u>Expenditures</u>			
<u>Administration</u>			
Contractual Services:			
Printing	\$ 500	\$ 500	\$ -
Copier	-	-	87
Legal	500	500	152
Community development block grant match	42,500	42,500	1,500
Food pantry truck	-	-	6
Apple tree campaign	21,498	21,498	5,919
Spring & Thanksgiving baskets	3,665	3,665	1,344
Adopt-a-family	1,768	1,768	1,654
Summer camp	-	-	2,748
Miscellaneous	500	500	1,368
<u>Total Contractual Services</u>	<u>\$ 70,931</u>	<u>\$ 70,931</u>	<u>\$ 14,778</u>
Commodities:			
Office supplies	\$ 500	\$ 500	\$ 689
Postage	500	500	212
<u>Total Commodities</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 901</u>
<u>Total Administration</u>	<u>\$ 71,931</u>	<u>\$ 71,931</u>	<u>\$ 15,679</u>
<u>Home Relief</u>			
Contractual Services:			
Medical care	\$ 1,000	\$ 1,000	\$ 613
Utilities	5,000	5,000	4,081
Rental	20,000	20,000	12,414
Travel	1,000	1,000	613
Food	44,346	44,346	38,980
Clothing and personnel	500	500	30
Disaster relief	1,500	1,500	74
<u>Total Contractual Services</u>	<u>\$ 73,346</u>	<u>\$ 73,346</u>	<u>\$ 56,805</u>
<u>Total Home Relief</u>	<u>\$ 73,346</u>	<u>\$ 73,346</u>	<u>\$ 56,805</u>
<u>Total Expenditures</u>	<u>\$ 145,277</u>	<u>\$ 145,277</u>	<u>\$ 72,484</u>
<u>Net Change in Fund Balance</u>	<u>\$ (36,327)</u>	<u>\$ (36,327)</u>	<u>\$ 103,582</u>