

**TOWNSHIP OF BARRINGTON
BARRINGTON, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
FEBRUARY 28, 2013**

**TOWNSHIP OF BARRINGTON, ILLINOIS
TABLE OF CONTENTS
FEBRUARY 28, 2013**

	<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 Position – Modified Cash Basis	A	8
Statement of Activities – Modified Cash Basis	B	9
Fund Financial Statements		
Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis – Governmental Funds	C	10
Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances – Modified Cash Basis – Governmental Funds	D	12
Notes to the Basic Financial Statements		14
Supplementary Information:		
Illinois Municipal Retirement Fund		22
	<u>Schedule</u>	
Schedule of Revenues Received and Expenditures Disbursed – Budget and Actual – Town Fund	1	23
Schedule of Revenues Received and Expenditures Disbursed – Budget and Actual – General Assistance Fund	2	25





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 Barrington
Barrington, IL

We have audited the accompanying financial statements of the Township of Barrington (the "Township"), Barrington, IL, as of and for the year ended February 28, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The prior financial statements of the Township of Barrington for the year ended February 29, 2012, were examined by other auditors, whose report dated March 30, 2012, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

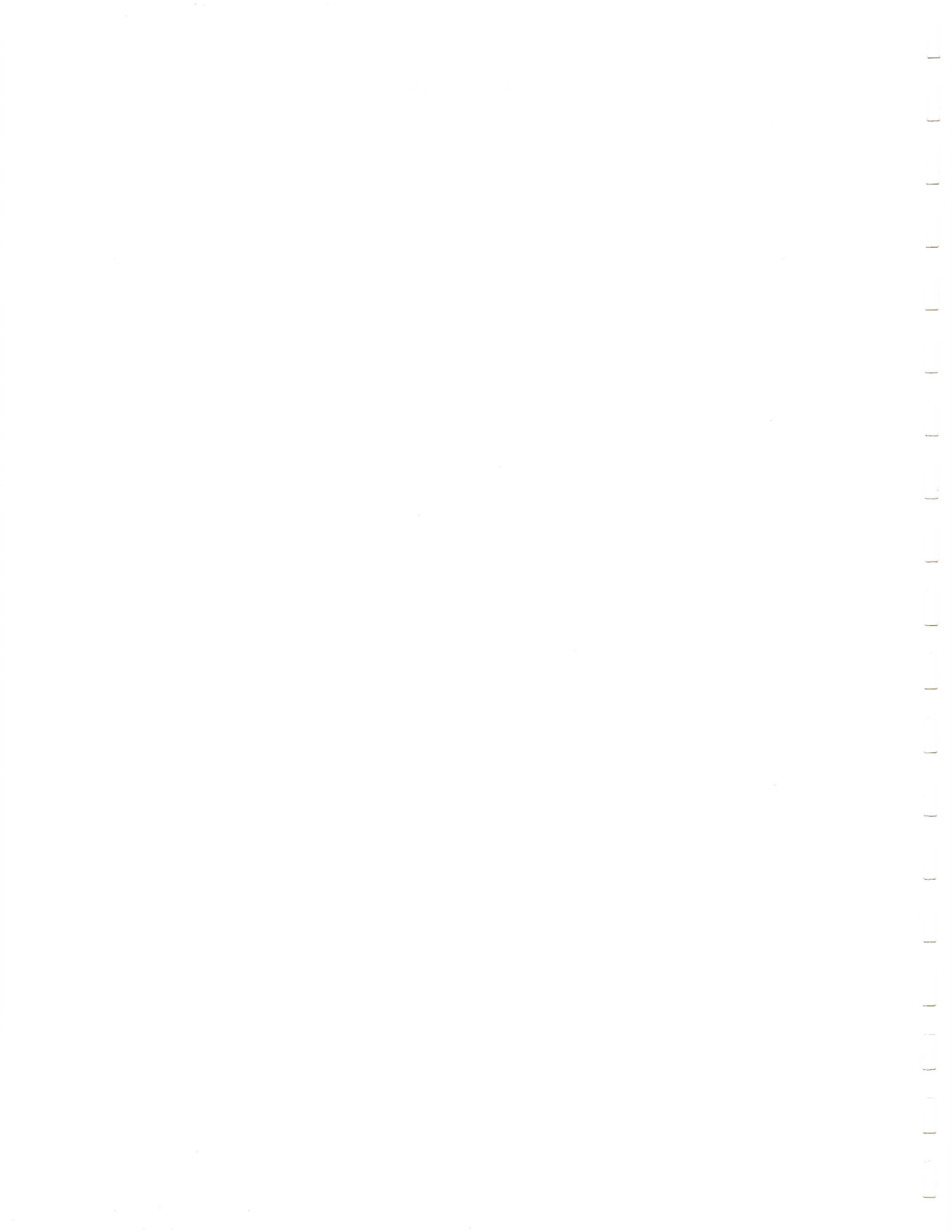
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Barrington, Barrington, IL, as of February 28, 2013, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as Described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Barrington, Barrington, IL's basic financial statements. The management's discussion and analysis, the Illinois Municipal Retirement Fund - schedule of funding progress and budgetary comparison information on pages 3-7, 22 and 23-26, which are the responsibility of management, and presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Evans, Marshall & Pease, P.C.

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

Rolling Meadows, IL
June 7, 2013
(15)



TOWNSHIP OF BARRINGTON, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Township of Barrington's annual financial report, the Management's Discussion and Analysis ("MD&A") is the discussion and analysis of the Township's financial performance and provides an overall review of the Township's financial activities for the fiscal year ended February 28, 2013.

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.

General Background

Barrington Township is a local unit of government established in 1850 to serve its residents. Today Barrington Township serves approximately 16,000 residents. The Township covers 36 square miles. Included in its borders are the villages of Barrington, South Barrington, Barrington Hills, Village of Inverness and the Village of Hoffman Estates.

The Town Fund supports, but is not limited to:

- The delivery of services to Township residents through contributions to Health and Human Services
- Assessor's assistance which includes multiple services to include taxpayer record information, assistance with appeals, property characteristics and classification, and tax identification numbers to name a few.
- Transportation assistance for senior citizens and the physically challenged.
- Voter registration service.
- Handicap parking tag service.
- Social Worker support.
- Maintenance of Township roads.

The General Assistance Fund supports, but is not limited to:

- Financial support for residents who have limited resources or none.
- Financial support for residents who are unemployed or disabled without any other forms of income.
- Emergency aid and assistance.

Financial Highlights

Barrington 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, combined with the recent low rate of return on investments has required the Township to use its fund balances to compensate any deficits between revenues received and expenditures disbursed in the operating funds. The Township Board routinely monitors the receipt of revenues and disbursements of expenditures in order to ensure the minimization of a deficit between revenue and expense levels.

Primary effects on fiscal 2013 operating results include the following:

- The Township's total net position was \$637,567 as of February 29, 2012. The net position was decreased to \$621,922 as of February 28, 2013, a decrease of \$15,645.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$567,273, a decrease of \$14,087 in comparison with the prior year.

Overview of the Financial Statements

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

TOWNSHIP OF BARRINGTON, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS

- *The statement of net position and statement of activities* are government-wide financial statements that provide both short-term and long-term information about the Township’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township. Fund statements generally report operation in more detail than the government-wide financial statements.

The financial statements also include many notes. These 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.

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, are shown in the following table.

Major Features of the Government-Wide and Fund Financial Statements

	Government-wide Statements	Fund Financial – Governmental Funds	Fund Financial – Proprietary Funds	Fund Financial – Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary such as educational and operations and maintenance	Activities the Township operates similar to private business	Assets held by the Township on behalf of someone else such as student activities monies
Required financial statements	Statement of net position (deficit) and statement of activities	Balance sheet, statement of revenues, expenditures and changes in fund balance (deficit)	Statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows	Statement of fiduciary net assets
Accounting basis and measurement focus	Modified cash basis accounting and economic resources focus	Cash basis accounting and current financial resources focus	Cash basis accounting and economic resources focus	Cash basis accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Revenues for which cash is received during the year; no capital assets or long-term liabilities included	All assets and liabilities; both financial and capital; short-term and long-term	All assets and liabilities, both short-term and long-term; funds may contain capital assets
Type of inflow/outflow information	All revenue received and expenses disbursed during the fiscal year	Revenues for which cash is received during the year. Expenditures when goods and services have been paid for.	All revenues and expenses during the year	All additions or deductions during the year

TOWNSHIP OF BARRINGTON, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Township's assets and liabilities. All the current year's revenues received and expenses disbursed are accounted for in the statement of activities.

Unlike a private sector company, the Township cannot readily convert fixed assets to liquid assets. Townships can, and sometimes do, convert fixed assets to cash through the sale of property; however this is a rare event and not easily accomplished.

The government-wide financial statements report the Township's net positions and how they have changed throughout the year. Net positions – the difference between the Township's assets and liabilities – are one way to measure the Township's financial health or position.

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Township's overall health, one needs to consider additional non-financial factors, such as changes in the Township's property tax base and the condition of facilities.

In the government-wide financial statements, the Township's activities are presented as follows:

- *Governmental activities* – Most of the Township's basic services are included here, such as support services, community programs and administration. Property taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's funds, focusing on its most significant or "major" funds – not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The Township has one kind of fund type:

Governmental funds – The Township's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, 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 one 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 focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or differences) between them.

TOWNSHIP OF BARRINGTON, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis of the Township as a Whole

Statement of Net Position:

	Governmental Activities	
	2013	2012
Assets:		
Current assets	\$ 567,273	\$ 581,360
Capital assets (less depreciation)	54,649	56,207
Total assets	621,922	637,567
Net Position:		
Net investment in capital assets	54,649	56,207
Restricted	292,237	326,658
Unrestricted	275,036	254,702
Total Net Position	\$ 621,922	\$ 637,567

Statement of Activities:

	Governmental Activities	
	2013	2012
Revenues Received		
General Revenues Received:		
Property taxes	\$ 376,053	\$ 413,632
Personal property replacement taxes	3,257	3,371
Interest	1,367	1,214
Other	14,682	19,702
Total General Revenues Received	395,359	437,919
Total Revenues Received	395,359	437,919
Expenses Disbursed:		
Administration	275,737	326,771
Health and Social Services	110,601	167,605
Home Relief	3,040	-
Cemetery	8,042	7,219
Contractual	13,584	-
Total Expenses Disbursed	411,004	501,595
Change in Net Position	\$ (15,645)	\$ (63,676)

TOWNSHIP OF BARRINGTON, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS

The Township anticipated a slight decrease in revenue from the tax-capped tax levy.

The Township's total revenues were \$395,359 from governmental activities. Local taxes (predominantly real estate taxes) were \$376,053 of the total. Investments earned \$1,367. Miscellaneous income (e.g. personal property replacement taxes, refund rebate and other) made up the balance.

Total costs for all governmental programs totaled \$411,004. Of this total, \$275,737 was for administration, \$110,601 was for health and social services, \$3,040 was for home relief, \$8,042 was for cemetery, and \$13,584 was for contractual services.

As noted earlier net position may serve as a useful indicator of a Township's financial position. The Township's overall financial position and results of operations has slightly declined during the fiscal year ended February 28, 2013 resulting in a net position balance of \$621,922. The balance of net position consists of net investment in capital assets (\$54,649), restricted (\$292,237) and unrestricted (\$275,036). See Note 1, letter H.

Town Fund Budgetary Highlights

The total actual expenditures disbursed of \$409,446 were slightly less than the budgeted expenditures disbursed of \$523,374 by a total of \$113,928.

Capital Assets and Debt Administration

Capital Assets (See Note 4)

As of February 28, 2013 the Township had \$54,649 net investment in capital assets (net of depreciation), including land, buildings and improvements, and furniture, equipment and vehicles. The current year additions included furniture, equipment and vehicles purchased in the amount of \$2,182.

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 regarding this report, or need additional financial information, contact the Township's Supervisor at (847) 381-5632.

(THIS PAGE INTENTIONALLY LEFT BLANK)

TOWNSHIP OF BARRINGTON, ILLINOIS
 STATEMENT OF NET POSITION
 MODIFIED CASH BASIS
 FEBRUARY 28, 2013

	Governmental Activities
ASSETS	
Current assets:	
Cash and Investments	\$ 567,273
Total Current Assets	567,273
Capital Assets:	
Land	29,000
Buildings and Improvements	139,803
Furniture, Equipment & Vehicles	2,182
	170,985
Less: Accumulated Depreciation	(116,336)
Total Capital Assets, Net of Depreciation	54,649
Total Assets	621,922
NET POSITION	
Net investment in capital assets	54,649
Restricted	292,237
Unrestricted	275,036
Total Net Position	\$ 621,922

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

TOWNSHIP OF BARRINGTON, ILLINOIS
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
YEAR ENDED FEBRUARY 28, 2013

Functions/ Programs	Expenses Disbursed	Program Revenues Received		Excess (Deficiency) of Revenues Received Over Expenses Disbursed and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
Administration	\$ 275,737	\$ -	\$ -	\$ (275,737)
Health and Social Services	110,601	-	-	(110,601)
Home Relief	3,040	-	-	(3,040)
Cemetery	8,042	-	-	(8,042)
Contractual	13,584	-	-	(13,584)
Total Governmental Activities	\$ 411,004	\$ -	\$ -	(411,004)
General Revenues Received:				
Taxes:				
Property taxes				376,053
Replacement taxes				3,257
Interest				1,367
Miscellaneous				14,682
Total General Revenues Collected				395,359
Change in Net Position				(15,645)
Net Position, Beginning				637,567
Net Position, Ending				\$ 621,922

* This amount excludes the depreciation that is included in the direct expenses disbursed of the various functions/programs.

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

TOWNSHIP OF BARRINGTON, ILLINOIS
 STATEMENT OF ASSETS, LIABILITIES AND
 FUND BALANCES - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FEBRUARY 28, 2013

	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 327,360	\$ 239,913	\$ 567,273
Due from Town Fund	<u>-</u>	<u>52,324</u>	<u>52,324</u>
Total Assets	<u>\$ 327,360</u>	<u>\$ 292,237</u>	<u>\$ 619,597</u>
LIABILITIES			
Due to General Assistance Fund	<u>\$ 52,324</u>	<u>\$ -</u>	<u>\$ 52,324</u>
Total Liabilities	<u>52,324</u>	<u>-</u>	<u>52,324</u>
FUND BALANCES			
Restricted	-	292,237	292,237
Unassigned	<u>275,036</u>	<u>-</u>	<u>275,036</u>
Total Fund Balances	<u>275,036</u>	<u>292,237</u>	<u>567,273</u>
Total Liabilities and Fund Balances	<u>\$ 327,360</u>	<u>\$ 292,237</u>	<u>\$ 619,597</u>

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

TOWNSHIP OF BARRINGTON, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND
 FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION (MODIFIED CASH BASIS)

Total fund balances-governmental funds (Exhibit C) \$ 567,273

Amounts reported for governmental activities in the statement of assets, liabilities and fund balances - modified cash basis 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 disbursed in governmental funds. However, the statement of net position includes those capital assets among the assets of the Township as a whole.

Cost of capital assets:

Land	\$ 29,000
Buildings and Improvements	139,803
Furniture, Equipment & Vehicles	<u>2,182</u>
	170,985

Accumulated Depreciation	<u>(116,336)</u>
--------------------------	------------------

54,649

Net position of governmental activities (Exhibit A)	<u><u>\$ 621,922</u></u>
---	--------------------------

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

TOWNSHIP OF BARRINGTON, ILLINOIS
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED FEBRUARY 28, 2013

	Town Fund	General Assistance Fund	Total Governmental Funds
<u>Revenues Received</u>			
Property Taxes	\$ 384,898	\$ (8,845)	\$ 376,053
Replacement Taxes	3,257	-	3,257
Interest	736	631	1,367
Miscellaneous	14,682	-	14,682
<u>Total Revenues Received</u>	<u>403,573</u>	<u>(8,214)</u>	<u>395,359</u>
<u>Expenditures Disbursed</u>			
Current			
Administration	248,830	23,167	271,997
Health and Social Services	110,601	-	110,601
Home Relief	-	3,040	3,040
Cemetery	8,042	-	8,042
Contractual	13,584	-	13,584
Capital outlay	2,182	-	2,182
<u>Total Expenditures Disbursed</u>	<u>383,239</u>	<u>26,207</u>	<u>409,446</u>
<u>Excess of Revenues Over Expenditures</u>	<u>20,334</u>	<u>(34,421)</u>	<u>(14,087)</u>
<u>Net Change in Fund Balances</u>	<u>20,334</u>	<u>(34,421)</u>	<u>(14,087)</u>
<u>Fund Balance, Beginning of Year</u>	<u>254,702</u>	<u>326,658</u>	<u>581,360</u>
<u>Fund Balance, End of Year</u>	<u>\$ 275,036</u>	<u>\$ 292,237</u>	<u>\$ 567,273</u>

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

TOWNSHIP OF BARRINGTON, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES (CASH BASIS)

Total net change in fund balances-governmental funds (Exhibit D) \$ (14,087)

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 District'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	\$ (3,740)	
Capital outlay over capitalization limits	<u>2,182</u>	
		<u>(1,558)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (15,645)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Barrington Township's (the Township) accounting policies conform to the prescribed basis of accounting that demonstrated compliance with the cash basis and budget laws for governments of this type within the State of Illinois. 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. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as component units. The financial data of the component units are included in the Township's reporting entity because of the significance of their operational or financial relationship with the Township. Financial accountability is defined as: (1) Appointment of voting majority of the component unit's board, and either a) the ability to impose its 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.

The Township has determined that no other outside agency meets the above criteria and therefore, no other agency has been included as a component unit in the Township's financial statements. In addition, the Township is not aware of any entity that would exercise such oversight that would result in the Township being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Township as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the Township.

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. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. 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. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Governmental Fund Types

Governmental fund types are used to account for the Township's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund consists solely of the legally mandated Town Fund and is the primary operating fund of the Township and is always classified as a major fund. It is used to account for the revenues collected and expenses paid which are used in providing services in the Township. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds, which consists solely of the General Assistance Fund is used to account for revenue collected and expenditures disbursed for general and emergency assistance needs of Township residents.

Proprietary Fund Types (not included in government-wide statements)

There are no Proprietary Fund Types.

Fiduciary Fund Types (not included in government-wide statements)

There are no Fiduciary Fund Types.

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 expenditures 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 expenditures 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 has classified all funds as major:

Major:

Town Fund	See above for description.
General Assistance Fund	A Special Revenue Fund to account for the financial assistance for needy citizens.

C. Measurement Focus/Basis of Accounting

Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus. The objective of which is the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The fund financial statements focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues received and other financing sources) and decreases (expenditures disbursed and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The Township maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the payment of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

D. Budgets and Budgetary Accounting

The budget for all fund types is prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on April 10, 2012.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

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

1. Prior to February 1, the Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year commencing on the following March 1. The operating budget includes proposed expenses paid and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Former budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
4. The Board of Trustees may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund.
5. The Board of Trustees may also amend the budget (in other ways) by the same procedures required of its original adoption.

E. Cash and Investments

Investments of the Township, which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the Township at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statement. The Township defines capital assets as assets with an initial, individual cost of more than \$1,000 for furniture, equipment, and buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. 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 the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings and improvements 39 years, furniture, equipment and vehicles 5 – 10 years.

In the fund financial statements, fixed assets are accounted for as capital outlay expenses upon acquisition. No depreciation is recorded in the fund financial statements.

G. 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 governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures disbursed. The Township has no debt at year-end.

H. Fund Balance Classification Policies

Equity is classified as net position and displayed in three components:

Net Invested in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted net positions – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net positions – All other net positions that do not meet the definition of "restricted" or net invested in capital assets.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental Fund Balance Reporting

In accordance with Government Accounting Standards the Township classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The General Assistance Fund is a restricted fund.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the highest level of decision making authority.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

NOTE 2 - CASH AND INVESTMENTS

At February 28, 2013, the carrying amount of the Township's deposits totaled \$567,273 and the bank balances totaled \$592,805. 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, 2013, 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. As of February 28, 2013 all of the Township's deposits are fully insured or collateralized.

NOTE 3 - PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the Township on or before the last Tuesday in December. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments on approximately March 1 and August 1. The Township receives significant distributions of tax receipts approximately one month after these due dates. The 2011 tax levy, payable in 2012, was passed December 13, 2011 (the 2012 tax levy, payable in 2013, was passed December 11, 2012). Property tax revenues are recognized on the modified cash basis of accounting.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PROPERTY TAXES (Cont'd)

	<u>Tax Year 2011</u>		<u>Tax Year 2010</u>	
Assessed Valuation	<u>\$1,460,541,274</u>		<u>\$1,655,549,558</u>	
	2011 Levy		2010 Levy	
	Rate	Extension	Rate	Extension
Town Fund	0.0251	\$379,741	0.0218	\$364,221
General Assistance	-	-	0.0004	16,556
Total	<u>0.0251</u>	<u>\$379,741</u>	<u>0.0222</u>	<u>\$380,777</u>

The Cook County Treasurer demanded a refund payment in the amount of \$32,536 relating to the final extension for Barrington Township Road and Bridge. The Township has ceased levying for the Road and Bridge several years prior. The Township has requested additional information from the County related to this claim. As of February 28, 2013, the County has not responded to this requests and no payment has been made.

NOTE 4 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Balance</u>			<u>Balance</u>
	<u>March 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>February 28, 2013</u>
Governmental Activities				
Non-Depreciated Capital Assets:				
Land	<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,000</u>
Depreciated Capital Assets:				
Buildings and Improvements	139,803	-	-	139,803
Furniture, equipment and vehicles	-	2,182	-	2,182
Subtotal	<u>139,803</u>	<u>2,182</u>	<u>-</u>	<u>141,985</u>
Accumulated Depreciation				
Buildings and Improvements	112,596	3,584	-	116,180
Furniture, equipment and vehicles	-	156	-	156
Subtotal	<u>112,596</u>	<u>3,740</u>	<u>-</u>	<u>116,336</u>
Net Depreciable Capital Assets	<u>27,207</u>	<u>(1,558)</u>	<u>-</u>	<u>25,649</u>
Net Total Capital Assets	<u>\$ 56,207</u>	<u>\$ (1,558)</u>	<u>\$ -</u>	<u>\$ 54,649</u>
Depreciation was charged to functions as follows:				
Governmental Activities				
Administration		<u>\$ 3,740</u>		
Total Governmental Activities Depreciation Expense		<u>\$ 3,740</u>		

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund:

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement benefit increases, and death benefits to plan members and beneficiaries. Your employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 5.94 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$7,072.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 7,072	100%	\$ -
12/31/2011	5,374	100%	-
12/31/2010	4,186	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct 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 your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Your employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 137.23 percent funded. The actuarial accrued liability for benefits was \$257,957 and the actuarial value of assets was \$353,988, resulting in an overfunded actuarial accrued liability (UAAL) of \$96,031. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$119,052. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. During the fiscal year ended February 28, 2013 there were no significant reductions in insurance coverage for any category. Settled claims from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 7 – 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, 2013, and the date of this audit report requiring disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

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]
12/31/2012	\$ 353,988	\$ 257,957	\$ (96,031)	137.23%	\$ 119,052	0.00%
12/31/2011	318,265	236,226	(82,039)	134.73%	114,581	0.00%
12/31/2010	300,336	226,341	(73,995)	132.69%	107,615	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$366,086. On a market basis, the funded ratio would be 141.92%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Barrington Township. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

(THIS PAGE INTENTIONALLY LEFT BLANK)

TOWNSHIP OF BARRINGTON, ILLINOIS
TOWN FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013

	2013		
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues Received</u>			
Property Taxes	\$ 350,000	\$ 384,898	\$ 34,898
Replacement Taxes	2,500	3,257	757
Interest	500	736	236
Miscellaneous	16,000	14,682	(1,318)
<u>Total Revenues Received</u>	<u>369,000</u>	<u>403,573</u>	<u>34,573</u>
<u>Expenditures Disbursed</u>			
Administration:			
Salaries:			
Supervisor	48,454	36,895	11,559
Clerk	10,094	9,848	246
Assessor	27,500	27,319	181
Board of Trustees	16,800	8,400	8,400
Employees	40,801	57,994	(17,193)
Social Security	11,000	10,387	613
Medicare	2,500	2,421	79
Municipal Retirement	5,800	7,027	(1,227)
Unemployment Insurance	250	149	101
Building Maintenance	15,000	9,228	5,772
Dues and Subscriptions	4,500	4,346	154
Equipment Maintenance	2,000	2,523	(523)
Legal	3,500	2,291	1,209
Office Supplies	5,000	2,756	2,244
Telephone	3,000	1,865	1,135
Travel and Convention	5,000	3,691	1,309
School	3,000	225	2,775
Meetings	500	406	94
Utilities	10,000	5,251	4,749
Plan Commission	500	-	500
Auditing and Accounting	16,700	14,830	1,870
Building Improvements	2,000	-	2,000
Furniture Purchases	500	-	500
Equipment Rental	1,500	1,756	(256)
General Insurance	8,000	4,885	3,115
Hospitalization	20,000	20,674	(674)
Miscellaneous	2,000	2,408	(408)
Official Bonding	1,000	1,030	(30)
Printing and Newsletter	6,000	10,225	(4,225)
Computer Maintenance	1,500	-	1,500
Election Expense	100	-	100
<u>Total Administration</u>	<u>274,499</u>	<u>248,830</u>	<u>25,669</u>

TOWNSHIP OF BARRINGTON, ILLINOIS
TOWN FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 28, 2013

	2013		
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Health and Social Services:			
Access to Care	\$ 1,500	\$ 1,500	\$ -
Taxi	300	616	(316)
Barrington Career Center	4,000	4,000	-
Barrington Area Council on Aging	20,000	21,249	(1,249)
B.A.C.O.G.	13,675	13,675	-
BADPC	500	500	-
Barrington Giving Day	500	500	-
Barrington Youth Service	15,000	18,750	(3,750)
Catholic Charities	1,000	1,000	-
Children's Advocacy Center	1,000	1,000	-
Community Social Service	100	-	100
Countryside Association	5,000	5,000	-
Hospice of Northeastern Illinois	6,000	6,000	-
Family Service of Lake County	3,000	3,000	-
Journey from PADS to Hope	2,000	2,000	-
Last Chance House	2,000	2,000	-
Northern Illinois Special Recreation	9,000	9,000	-
Smart Farm	200	200	-
Ecker Center	6,000	6,000	-
Intergovernmental Grant Fund	5,000	1,000	4,000
PACE Transportation	25,000	13,611	11,389
<u>Total Health and Social Services</u>	<u>120,775</u>	<u>110,601</u>	<u>10,174</u>
Cemetery:			
Cemetery Trustees	1,500	1,500	-
Cemetery Maintenance	12,000	6,542	5,458
<u>Total Cemetery</u>	<u>13,500</u>	<u>8,042</u>	<u>5,458</u>
Contractual:			
Contractual	40,000	11,933	28,067
Street Lighting	3,000	1,651	1,349
<u>Total Contractual</u>	<u>43,000</u>	<u>13,584</u>	<u>29,416</u>
Capital Outlay:			
Furniture, Equipment & Vehicles	2,000	2,182	(182)
<u>Total Capital Outlay</u>	<u>2,000</u>	<u>2,182</u>	<u>(182)</u>
<u>Provision for Contingencies</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<u>Total Expenditures Disbursed</u>	<u>456,774</u>	<u>383,239</u>	<u>73,535</u>
<u>Net Change in Fund Balance</u>	<u>\$ (87,774)</u>	<u>\$ 20,334</u>	<u>\$ 108,108</u>

TOWNSHIP OF BARRINGTON, ILLINOIS
 GENERAL ASSISTANCE FUND
 SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED FEBRUARY 28, 2013

	2013		
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues Received</u>			
Property Taxes	\$ 5,000	(8,845)	\$ (13,845)
Interest	500	631	131
<u>Total Revenues Received</u>	<u>5,500</u>	<u>(8,214)</u>	<u>(13,714)</u>
<u>Expenditures Disbursed</u>			
Administration:			
Social Worker	32,000	23,000	9,000
Building Maintenance	3,000	-	3,000
Dues	300	-	300
Legal	1,500	-	1,500
Office Supplies	500	-	500
Telephone	500	-	500
Travel and Convention	500	-	500
School	300	104	196
Equipment Purchases	500	-	500
Miscellaneous	500	-	500
Hearing Officer	-	63	(63)
<u>Total Administration</u>	<u>39,600</u>	<u>23,167</u>	<u>16,433</u>
Home Relief:			
Burial Expense	2,000	-	2,000
Personal Incidentals	500	-	500
Food	500	-	500
Medical Care	5,000	-	5,000
Shelter	3,000	3,040	(40)
Telephone	250	-	250
Transient	250	-	250
Travel	1,000	-	1,000
Utilities	2,000	-	2,000
Emergency Assistance	2,500	-	2,500
<u>Total Home Relief</u>	<u>17,000</u>	<u>3,040</u>	<u>13,960</u>

TOWNSHIP OF BARRINGTON, ILLINOIS
 GENERAL ASSISTANCE FUND
 SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED FEBRUARY 28, 2013

	2013		
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Institutional Care:			
Cook County Hospital	\$ 1,000	\$ -	\$ 1,000
Convalescent Home	1,000	-	1,000
Private Hospital	5,000	-	5,000
Ambulance Service	1,000	-	1,000
<u>Total Institutional Care</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<u>Provision for Contingencies</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
<u>Total Expenditures Disbursed</u>	<u>66,600</u>	<u>26,207</u>	<u>40,393</u>
<u>Net Change in Fund Balance</u>	<u>\$ (61,100)</u>	<u>\$ (34,421)</u>	<u>\$ 26,679</u>