

Barrington Township
Barrington, Illinois

Audited Financial Statements

For the year ended
February 29, 2012



BARRINGTON TOWNSHIP
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March 30, 2012

Independent Auditors' Report

Board of Trustees
Barrington Township
Barrington, Illinois

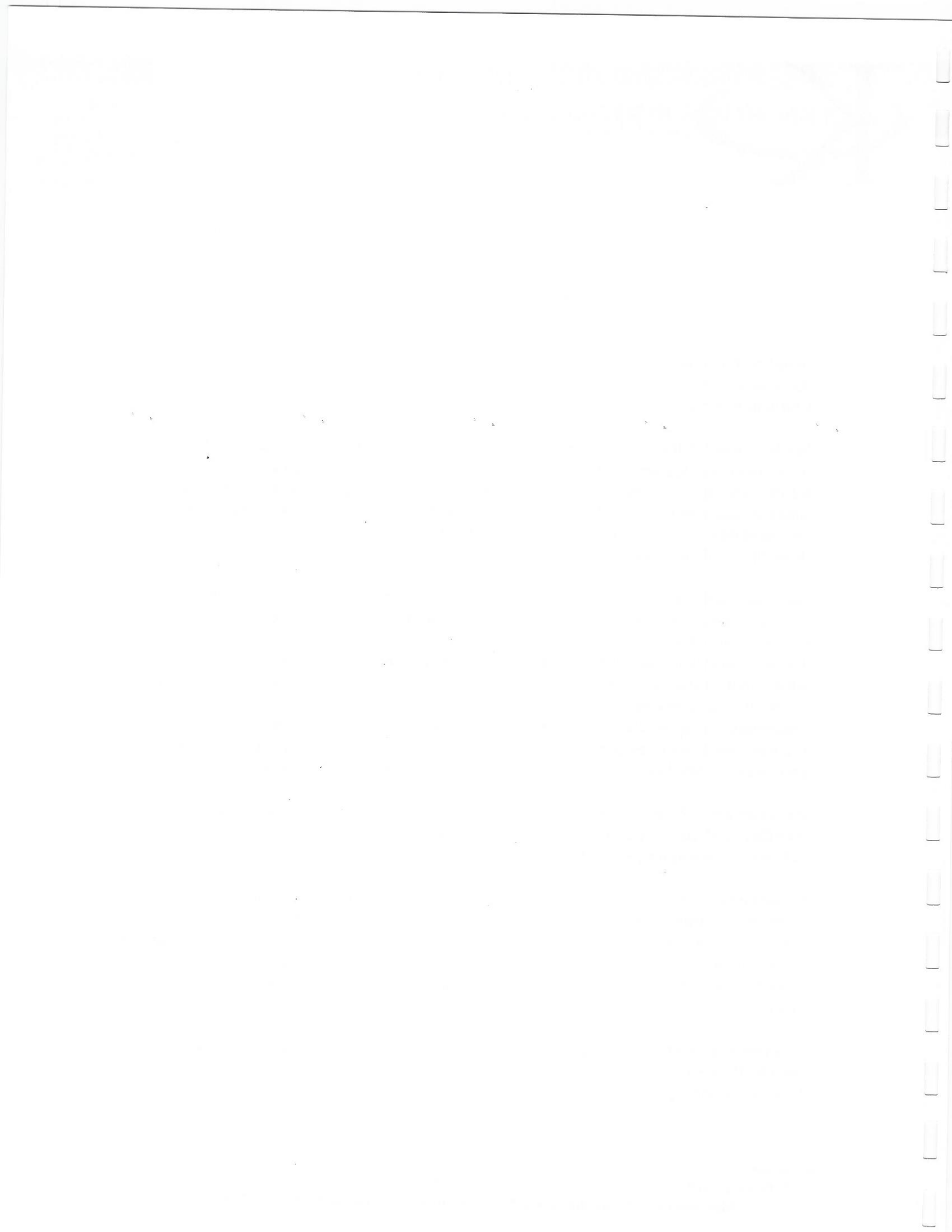
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barrington Township as of and for the year ended February 29, 2012, which collectively comprise the Township's basic financial statements as listed in the 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. 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.

As discussed in Note 1, Barrington Township, prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 Barrington Township, as of February 29, 2012, and the respective changes in financial position – modified cash basis thereof, for the year ended in conformity with the basis of accounting as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2012, on our consideration of the Barrington Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws,



regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and budgetary comparison information on pages 3 through 10 and 27 through 28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrington Township's financial statements as a whole. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedule of insurance 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.



Klein, Hall & Associates, LLC
Aurora, Illinois

Barrington Township

Management's Discussion and Analysis

For the Year Ended February 29, 2012

The Management's Discussion and Analysis ("MD&A") is an element of the new financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. In this area Barrington Township (the 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 29, 2012. The management of the Township encourages readers to consider the information presented herein in conjunction with the basis 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.

Two taxing bodies collectively comprise the Township's levies, budgets and services: Town Fund and General Assistance Fund. These two funds provide distinct and separate services to Township's residents.

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, 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 disable 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

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

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 the revenue and expense levels.

Primary effects on fiscal 2012 operating results include the following:

- The Township's total net assets as of fiscal year end February 29, 2012 for the Town Fund and General Assistance Fund were \$637,567
- The fund balances at the end of the fiscal year were \$581,360, which was comprised of \$254,702 Town Fund and \$326,658 General Assistance Fund.

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

Overview of the Financial Statements

This annual report consists of three parts: MD&A (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 reporting concept that provides 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.

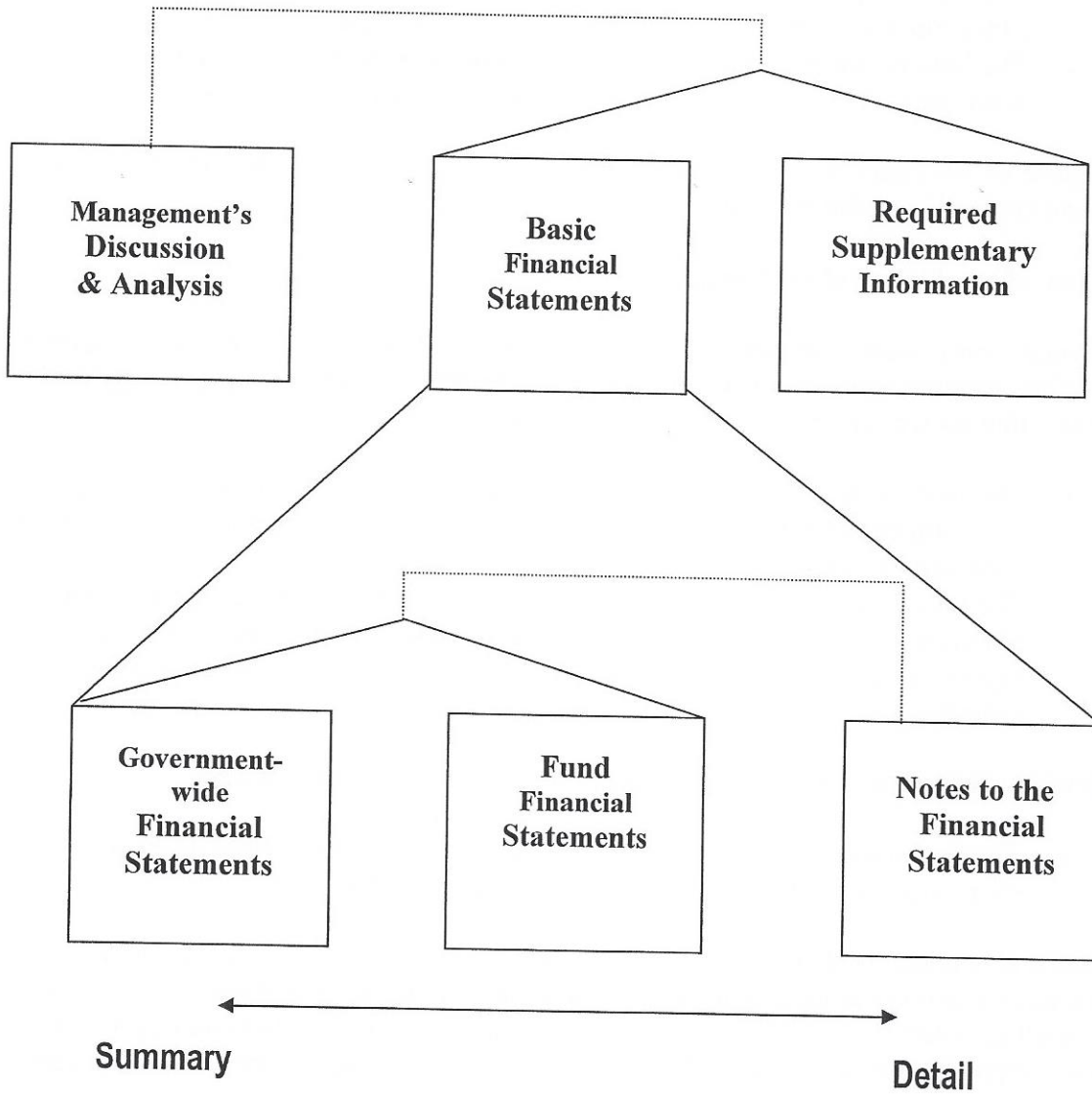
- The governmental funds statements tell how basic services were financed in the short term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The reader should refer to these notes for a better understanding of the overall financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

Figure A-1 summarizes the organization of the Township's financial statements, including the portion of the township's activities they cover and the types of information contained.

*Figure A-1
Organization of Barrington Township Annual Financial Report*



**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

Figure A-2 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 the MD&A and analysis highlights the structure and contents of each of the statements.

**Figure A-2
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 Town and General Assistance	Instances in which the Township administers resources on behalf of someone else
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Statement of assets, liabilities and fund balances arising from cash transactions • Statement of revenues received, expenditures disbursed, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Cash basis of accounting	Cash basis of accounting	Cash basis of accounting
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 for which cash is received or paid	All revenues and expenses for which cash is received or paid	All revenues and expenses for which 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.

The statement of net assets presents information on all of the 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 utilizing the cash basis of accounting.

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

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.

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

- *Governmental Activities* – Most of the Township's basic services such as transportation and administration are included. Property taxes finance most of these activities. Some support is received from local fees.

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.

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 statement, 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 financial statement, 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:

- 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.

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

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 and General Assistance.
- The Township does not report any non-major 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 the 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.

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 condensed summary of Net Asset financial information as of February 29, 2012 and 2011.

Table 1		
Condensed Statements of Net Assets – Modified Cash Basis		
	2012	2011
Current assets	\$ 581,360	\$ 641,450
Capital assets	56,207	59,793
	<u>\$ 637,567</u>	<u>\$ 701,243</u>
Net assets:		
Invested in Capital assets	\$ 56,207	\$ 59,793
Restricted	326,658	340,029
Unrestricted	254,702	301,421
Total net assets	<u>\$ 637,567</u>	<u>\$ 701,243</u>

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

Net Assets – The overall net asset position of the Township as of February 29, 2012 is \$637,567, with \$254,702 being unrestricted. The Township's current assets of \$581,360 consist of liquid investments or cash.

Changes in net Assets – The following table provides a condensed government-wide summary of the changes in the net assets of the Township for the 2012 and 2011 fiscal years. The fiscal year financial information is provided for total governmental activities.

**Table 2
Changes in Net Assets – Modified Cash Basis**

	Governmental Activities 2012	Percentage of Total	Governmental Activities 2011	Percentage of Total
Revenues:				
Program revenues:				
Charges for services	\$ -	0.0%	\$ 1,350	0.4%
Operating grants & contributions	-	0.0	-	0.0
Capital Grants	-	0.0	-	0.0
General revenues:				
Property taxes	413,632	94.4	326,902	93.2
Replacement taxes	3,371	0.8	3,599	1.0
Interest	1,214	0.3	2,568	0.7
Other	19,702	4.5	16,503	4.7
Total Revenues	<u>\$ 437,919</u>	<u>100.0%</u>	<u>\$ 350,922</u>	<u>100.0%</u>
Expenses:				
Administration	\$ 326,771	65.2%	\$ 308,071	62.5%
Health/Social Services	167,605	33.4	138,654	28.2
Cemetery	7,219	1.4	7,047	1.4
Road Maintenance	-	0.0	38,932	7.9
Total expenses	<u>501,595</u>	<u>100.0%</u>	<u>492,704</u>	<u>100.0%</u>
Increase (decrease) in net assets	<u>\$ (63,637)</u>		<u>\$(141,782)</u>	

Revenues- The most substantial portion of Township revenues is derived from property taxes. This revenue source is limited by the State's "tax cap" methodology. In essence, the annual growth in Township property tax revenues is limited to the lower of 5% or the consumer price index, plus a factor as defined for new property, added to the total value of the property in the Township. The resulting total property tax receipts received in fiscal 2012 were \$413,632, or approximately \$86,732 more than the previous year. Due to the use of the modified cash basis of accounting property taxes are only recognized when received by the Township. Delays in collecting and remitting property taxes by the County can cause fluctuations in amounts received in fiscal years.

Total operating revenues for the 2012 fiscal year were \$437,919 or \$86,997 more than the prior year due to the increase in property taxes actually received during the year.

**Barrington Township
Management's Discussion and Analysis
For the Year Ended February 29, 2012**

Expenses- Total operating expenditures for the 2012 fiscal year were \$501,595, an increase of 1.8% over the previous year. This increase was primarily due to scheduled salary increases. Overall the Township maintained delivery of its desired and consistent level of quality programs in fiscal 2012 through deficit spending and use of fund balances. This is shown by the \$60,090 decrease in operating fund balances for the 2012 fiscal year.

General Fund Budgetary Highlights

The deficit spending and related decrease in the Town Fund fund balance for fiscal year was \$46,719.

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:

- Increased population growth in the Township service area creates higher demand for services, placing even greater pressure on the limited revenue sources available to the Township.
- Continued deficit spending will require the Township to utilize any potential revenue increase from property taxes by maximizing the new property growth for future levies. Additional exploration of new supplemental revenues from grants and other funding sources will continue to be evaluated.
- As a result of historic and continued sound fiscal management, the Township Board will continue to closely monitor and address budgetary expenditures in an attempt to minimize deficit spending and preserve the appropriate fund balance levels.

Request for Information

This financial report is designed to provide the Township's citizens, taxpayers, 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.

BARRINGTON TOWNSHIP
Statement of Net Assets - Modified Cash Basis
February 29, 2012

Assets	
Cash and cash equivalents	\$ 581,360
Capital Assets:	
Land	29,000
Other Capital Assets, Net of Accumulated Depreciation	27,207
Total Assets	\$ 637,567
Net Assets	
Invested in Capital Assets	
Restricted	\$ 56,207
Unrestricted	326,658
	254,702
Total Net Assets	\$ 637,567

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP
Statement of Activities - Modified Cash Basis
Year Ended February 29, 2012

Function/Program	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants	Capital Grants	
Governmental Activities					
Administration	\$ 326,771	\$ -	\$ -	\$ -	\$ (326,771)
Health/Social Services	167,605	-	-	-	(167,605)
Cemetery	7,219	-	-	-	(7,219)
Road Maintenance	-	-	-	-	-
Total Governmental Activities	\$ 501,595	\$ -	\$ -	\$ -	(501,595)

General Revenues	
Property Taxes	413,632
Replacement Taxes	3,371
Investment Earnings	1,214
Miscellaneous	19,702
Total General Revenues	437,919
Change in Net Assets	(63,676)
Net Assets, Beginning of Year	701,243
Net Assets, End of Year	\$ 637,567

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP
Statement of Assets, Liabilities and Fund Balances Arising from
Cash Transactions - Governmental Funds
February 29, 2012

	General Town Fund	General Assistance Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 254,702	\$ 326,658	\$ 581,360
Total Assets	\$ 254,702	\$ 326,658	\$ 581,360
<u>Liabilities and Fund Equity</u>			
Fund Equity			
Fund Balances			
Restricted	\$ -	\$ 326,658	\$ 326,658
Unassigned	254,702	-	254,702
Total Liabilities and Fund Equity	\$ 254,702	\$ 326,658	\$ 581,360

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP
Reconciliation of the Statement of Assets, Liabilities and Fund
Balances Arising from Cash Transactions of Governmental
Funds to the Statement of Net Assets
February 29, 2012

Total Fund Balance - Governmental Funds \$ 581,360

Amounts reported for governmental
activities are different because:

Capital assets used in governmental activities are not financial resources, and
therefore, are not reported in the funds. The cost of the assets is \$168,803 and
the accumulated depreciation is \$112,596.

56,207

Net Assets of Governmental Activities

\$ 637,567

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP
Statement of Revenues Received, Expenditures Disbursed and Changes in
Fund Balances - Governmental Funds
Year Ended February 29, 2012

	General Town Fund	General Assistance Fund	Total Governmental Funds
Revenues Received			
Property Taxes	\$ 396,094	\$ 17,538	\$ 413,632
Replacement Taxes	3,371	-	3,371
Interest	574	640	1,214
Miscellaneous	19,602	100	19,702
Total Revenues Received	419,641	18,278	437,919
Expenditures Disbursed			
Current Operating			
Administration	291,536	31,649	323,185
Health/Social Services	167,605	-	167,605
Cemetery	7,219	-	7,219
Total Expenditures Disbursed	466,360	31,649	498,009
Net Change in Fund Balance	(46,719)	(13,371)	(60,090)
Fund Balance, Beginning of Year	301,421	340,029	641,450
Fund Balance, End of Year	\$ 254,702	\$ 326,658	\$ 581,360

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP

Reconciliation of the Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended February 29, 2012

Total Net Change in Fund Balance \$ (60,090)

Amounts reported for governmental
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, assets with an initial cost of more \$1,000 are capitalized
and the cost is allocated over their estimated lives and reported as depreciation
expense. This is the amount by which capital outlays exceeded
depreciation in the current period.

Capital Outlays	\$ -	
Depreciation Expense	<u>(3,586)</u>	<u>(3,586)</u>

Change in Net Assets of Governmental Activities \$ (63,676)

See Accompanying Notes to Financial Statements

BARRINGTON TOWNSHIP
Notes to Financial Statements
February 29, 2012

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.

Principles Used to Determine the Scope of the Reporting Entity

The Township includes all funds of its governmental operations that are controlled by or dependent upon the Township as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Township as there are no other organizations for which it has financial accountability.

Fund Accounting

The accounts of the Township are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following category: Governmental Funds

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The following are the Township's governmental funds:

General Town Fund – The General Town Fund is 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 – The General Assistance Fund is used to account for revenues received and expenditures disbursed for general and emergency assistance needs of Township residents.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. The effect of material 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 on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting. Revenues and additions are recognized and recorded when cash is received and expenditures and deductions are recorded upon disbursement of cash.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting.

The modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with the modified cash basis of accounting. Annual appropriated budgets are adopted at the fund level for all Governmental Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. The budget, which was not amended, was passed on April 12, 2011.

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

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

budget for the fiscal year commencing on the following March 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayers comments.
3. Formal 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 total by the same procedures of its original adoption.

Deposits and Investments

The Township's cash and cash equivalent balances are considered to be cash and certificate of deposits deposited at various local banks. State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool known as the Illinois Funds. As of February 29, 2012 the Township has no investments.

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 two years. 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Land is not depreciated. Buildings and improvements and furniture and equipment of the Township are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings and building improvements	39 years
Land improvements	20 years
Furniture, equipment and vehicles	3-10 years

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

Property Taxes

The Township must file its tax levy ordinance by the last Tuesday in December of each year. The Township's property tax is levied each year on all taxable real property located in the Township. The levy becomes an enforceable lien against the property as of January 1 in the year in which the levy is adopted. The property tax levies for all governmental Funds were adopted on December 13, 2011.

Property taxes are collected by the Cook County Collector/Treasurer who remits to the Township its share of collections. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is one-half the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill.

Following are the tax rates applicable per \$100 of equalized assessed valuation as it pertains to the 2010 and 2009 tax levy:

	Maximum Percent	Actual Percent	
	<u>Percent</u>	<u>2010</u>	<u>2009</u>
Town Fund	.2500	.0218	.0200
General Assistance	none	<u>.0004</u>	<u>.0011</u>
		<u>.0222</u>	<u>.0211</u>

Personal Property Replacement Tax

During the year ended February 29, 2012 seven installments of the 2011 and one installment of 2012 Personal Property Replacement Taxes were received in the Town Fund totaling \$3,371.

NOTE 2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits

At February 29, 2012 the carrying amount of the Township's deposits which included cash and certificates of deposit, totaled \$581,360 and the bank balances totaled \$596,412.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does have a deposit policy for custodial credit risk. As of February 29, 2012 all of the Townships deposits were fully insured or collateralized.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended February 29, 2012 was as follows:

	Balance March 1, 2011	Additions	Deletions	Balance February 29, 2012
Capital assets, not being depreciated:				
Land	\$ 29,000	\$ -	\$ -	\$ 29,000
Total capital assets not being depreciated	29,000	-	-	29,000
Capital assets, being depreciated:				
Buildings and Equipment	139,803	-	-	139,803
Total capital assets being depreciated	139,803	-	-	139,803
Accumulated depreciation for:				
Buildings and Equipment	109,010	3,586	-	112,596
Total accumulated depreciation	109,010	3,586	-	112,596
Total capital assets being depreciated, net	30,793	(3,586)	-	27,207
Total	\$ 59,793	\$ (3,586)	\$ -	\$ 56,207

Depreciation expense of \$3,586 was charged to the Administration function for the year ended February 29, 2012.

NOTE 4. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

Plan Description. The Township's defined benefit pension plan for Regular employees provides retirements and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), and 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 online at www.imrf.org.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

Funding Policy. As set by statute, the Township 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 Township annual required contribution rate for calendar year 2011 was 4.69 percent. The Township 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 2011 was \$5,374.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 5,374	100%	\$0
12/31/2010	4,186	100%	0
12/31/2009	1,547	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment 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 the 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. The Regular plan's overfunded actuarial accrued liability at December 31, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 134.73 percent funded. The actuarial accrued liability for benefits was \$236,226 and the actuarial value of assets was \$318,265, resulting in an overfunded actuarial accrued liability (UAAL) of \$82,039. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$114,581. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as required supplementary information 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.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

Social Security/Medicare

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The Township paid \$12,572, the total required contribution for the current fiscal year.

NOTE 5. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified in to five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the Township all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Trustees). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

No committed balances existed as of February 29, 2012.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

No assigned balances existed as of February 29, 2012.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the general operating funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

F. Reconciliation of Fund Balance Reporting

Fund	Non-spendable	Restricted	Committed	Assigned	Unassigned
General Town Fund	0	0	0	0	\$254,702
General Assistance Fund	0	\$326,658	0	0	0

G. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances,

Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

BARRINGTON TOWNSHIP
Notes to Financial Statements (continued)
February 29, 2012

NOTE 6. COMMITMENTS AND SUBSEQUENT EVENTS

During fiscal year 2010 the Cook County Treasurer demanded a refund payment in the amount of \$32,536 relating to the final tax extension for Barrington Township Road and Bridge. (Agency Number 02-0010-03). The Township had 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 29, 2012, the County has not responded to the Township's requests and no payment has been made.

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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

BARRINGTON TOWNSHIP
Schedule of Funding Progress
Illinois Municipal Retirement Fund
February 29, 2012

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 as a Percentage of Covered Payroll [(b-a)/c]
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%
12/31/2009	277,148	189,961	(87,187)	145.90%	105,265	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$301,048. On a market basis, the funded ratio would be 127.44%.

BARRINGTON TOWNSHIP

Schedule of Revenues Received, Expenditures Disbursed and Changes in
Fund Balances - Budget and Actual - General and Major Special Revenue Funds
Year Ended February 29, 2012

	General Fund		
	Original and Final Budget	Actual	Variance Over/Under
Revenues Received			
Property Taxes	\$ 350,000	\$ 396,094	\$ 46,094
Replacement Taxes	3,000	3,371	371
Interest	500	574	74
Miscellaneous	-	19,602	19,602
Total Revenues Received	353,500	419,641	66,141
Expenditures Disbursed			
Current Operating			
Administration	410,991	291,536	119,455
Health/Social Services	205,482	167,605	37,877
Cemetery	9,500	7,219	2,281
Home Relief	-	-	-
Institutional Care	-	-	-
Provision for Contingencies	3,000	-	3,000
Total Expenditures Disbursed	628,973	466,360	162,613
Net Change in Fund Balance	(275,473)	(46,719)	228,754
Fund Balance, Beginning of Year	301,421	301,421	-
Fund Balance, End of Year	\$ 25,948	\$ 254,702	\$ 228,754

General Assistance Fund

Original and Final Budget	Actual	Variance Over/Under
\$ 7,000	\$ 17,538	\$ 10,538
-	-	-
1,000	640	(360)
-	100	100
<u>8,000</u>	<u>18,278</u>	<u>10,278</u>
12,900	31,649	(18,749)
-	-	-
-	-	-
17,000	-	17,000
8,000	-	8,000
2,000	-	2,000
<u>39,900</u>	<u>31,649</u>	<u>8,251</u>
(31,900)	(13,371)	18,529
<u>340,029</u>	<u>340,029</u>	<u>-</u>
<u>\$ 308,129</u>	<u>\$ 326,658</u>	<u>\$ 18,529</u>

BARRINGTON TOWNSHIP
Detailed Schedule of Expenditures Disbursed - Budget and Actual
General (Town) Fund
Year Ended February 29, 2012

	Budget	Actual	Variance Over/Under
Town Division			
Administration			
Salaries			
Supervisor	\$ 47,242	\$ 31,672	\$ 15,570
Clerk	9,848	9,848	-
Assessor	27,500	27,319	181
Board of trustees	16,800	21,000	(4,200)
Employees	87,000	52,672	34,328
Collector	1	-	1
Social security	11,400	10,863	537
Medicare	2,700	2,541	159
Municipal retirement	5,000	5,660	(660)
Unemployment insurance	300	178	122
Building maintenance	15,000	9,886	5,114
Dues and subscriptions	5,500	4,404	1,096
Equipment maintenance	2,500	2,127	373
Legal	20,000	2,308	17,692
Office supplies	8,000	2,880	5,120
Telephone	3,500	1,897	1,603
Travel and convention	6,000	4,653	1,347
School	4,000	913	3,087
Meetings	1,500	81	1,419
Utilities	10,000	6,016	3,984
Plan commission	500	-	500
Auditing/accounting	16,400	15,500	900
Building improvements	6,000	2,300	3,700
Equipment purchases	4,000	83	3,917
Furniture purchases	1,000	-	1,000
Equipment rental	2,000	1,756	244
General insurance	10,000	6,842	3,158
Hospitalization	60,000	60,898	(898)
Miscellaneous	8,000	1,492	6,508
Official bonding	2,000	-	2,000
Printing/newsletter	15,000	5,747	9,253
Computer maintenance	2,000	-	2,000
Election expense	300	-	300
Total administration	\$ 410,991	\$ 291,536	\$ 119,455

(Continued)

BARRINGTON TOWNSHIP
Detailed Schedule of Expenditures Disbursed - Budget and Actual
General (Town) Fund
Year Ended February 29, 2012

	Budget	Actual	Variance Over/Under
Town Division (continued)			
Health/Social Services			
Access to Care	\$ 2,000	\$ 2,000	\$ -
Taxi	450	176	274
Barrington Area Drug Prevention Coalition	950	950	-
Barrington Career Center	4,000	4,000	-
Barrington Area Council on Aging	25,000	18,747	6,253
Barrington Giving Day	1,350	1,350	-
Barrington Youth Service	25,000	16,667	8,333
Catholic Charities	1,750	1,750	-
Children's Advocacy Center	1,250	1,250	-
Community Social Services	200	-	200
Countryside Association	8,000	8,000	-
Hospice of Northeastern Illinois	8,000	8,000	-
Family Service of Lake County	4,500	4,500	-
Journey from PADS to Hope	2,500	2,500	-
Last Chance House	5,000	5,000	-
Barrington High Pre-Vocational	250	250	-
Northern Illinois Special Recreation	11,400	11,400	-
Smart Farm	250	250	-
Ecker Center	7,800	7,800	-
Intergovernmental Grant Fund	70,832	51,472	19,360
Village of Barrington/PACE Transportation	25,000	21,543	3,457
Total Health/Social Services	205,482	167,605	37,877
Cemetery			
Cemetery trustees	1,500	1,500	-
Cemetery maintenance	8,000	5,719	2,281
Total Cemetery	9,500	7,219	2,281
Total Town Division	625,973	466,360	159,613
Provision for Contingencies	3,000	-	3,000
Total General Fund	\$ 628,973	\$ 466,360	\$ 162,613

(Concluded)

BARRINGTON TOWNSHIP
Detailed Schedule of Expenditures Disbursed - Budget and Actual
General Assistance Fund
Year Ended February 29, 2012

	Budget	Actual	Variance Over/Under
Administration			
Social Worker	\$ 5,300	\$ 31,200	\$ (25,900)
Building maintenance	3,000	-	3,000
Dues	300	100	200
Legal	1,500	-	1,500
Office supplies	500	-	500
Telephone	500	-	500
Travel and convention	500	314	186
School	300	35	265
Equipment purchases	500	-	500
Miscellaneous	500	-	500
Hearing officer	-	-	-
Total Administration	12,900	31,649	(18,749)
Home Relief			
Burial expense	2,000	-	2,000
Personal incidentals	500	-	500
Food	500	-	500
Medical care	5,000	-	5,000
Shelter	3,000	-	3,000
Telephone	250	-	250
Transient	250	-	250
Travel	1,000	-	1,000
Utilities	2,000	-	2,000
Emergency Assistance	2,500	-	2,500
Total Home Relief	17,000	-	17,000
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
Total Institutional Care	8,000	-	8,000
Provision for Contingencies	2,000	-	2,000
Total General Assistance Fund	\$ 39,900	\$ 31,649	\$ 8,251

BARRINGTON TOWNSHIP
Schedule of Insurance Coverage (unaudited)
February 29, 2012

	<u>Coverage</u>
Multi-Class General Liability Policy	
General Liability	\$ 5,000,000
Employment Practices Liability	1,000,000
Employee Benefits Errors or Omissions Liability	1,000,000
Auto Liability	5,000,000
 Property and Inland Marine Policy	 606,461
 Computer Policy	
Hardware	10,000
Software	1,500
Extra Expense	2,000
 Worker's Compensation Policy	 1,000,000
 Supervisors Bond	 1,175,000

