

**TOWNSHIP OF BARRINGTON  
BARRINGTON, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
FEBRUARY 28, 2015**

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FEBRUARY 28, 2015**

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

CERTIFIED PUBLIC ACCOUNTANTS  
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Independent Auditor's Report

Telephone (847) 221-5700

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Board of Trustees  
Township of Barrington  
Barrington, IL

We have audited the accompanying financial statements of the Township of Barrington (the "Township"), Barrington, Illinois, as of and for the year ended February 28, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **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, Illinois, as of February 28, 2015, 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.

## **Other Matters**

### *Other 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, which are the responsibility of management, and presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures to the other information 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.

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

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

Rolling Meadows, IL  
July 14, 2015  
(15)

**OTHER INFORMATION –  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**



**TOWNSHIP OF BARRINGTON  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015**

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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, 2015.

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 2015 operating results include the following:

- The Township's total net position was \$615,311 as of February 28, 2014. The net position decreased \$2,522 to \$612,789 as of February 28, 2015.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$563,769, a decrease of \$789 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 other information. The basic financial statements include two kinds of statements that present different views of the Township.

- *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.



**TOWNSHIP OF BARRINGTON  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015**

- 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 other 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 position
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  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015**

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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 position 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  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015**

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***Financial Analysis of the Township as a Whole***

Statement of Net Position: The following summary data is compared with data from the preceding year. The following provides a summary of the Township's Statement of Net Position as of February 28, 2015 and February 28, 2014:

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Assets:		
Current assets	\$ 563,769	\$ 564,558
Capital assets (less depreciation)	49,020	50,753
Total assets	<u>612,789</u>	<u>615,311</u>
Net Position:		
Net investment in capital assets	49,020	50,753
Restricted	279,513	285,102
Unrestricted	<u>284,256</u>	<u>279,456</u>
Total Net Position	<u>\$ 612,789</u>	<u>\$ 615,311</u>

Statement of Activities: The following is a summary of the Township's change in net position for the year ending February 28, 2015 and February 28, 2014:

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Revenues Received		
General Revenues Received:		
Property taxes	\$ 350,619	\$ 370,206
Personal property replacement taxes	3,619	3,726
Interest	813	1,223
Other	<u>33,432</u>	<u>18,235</u>
Total General Revenues Received	<u>388,483</u>	<u>393,390</u>
Total Revenues Received	<u>388,483</u>	<u>393,390</u>
Expenses Disbursed:		
Administration	279,144	279,811
Health and Social Services	73,954	90,919
Cemetery	6,928	6,122
Contractual	<u>30,979</u>	<u>23,149</u>
Total Expenses Disbursed	<u>391,005</u>	<u>400,001</u>
Change in Net Position	(2,522)	(6,611)
Net Position - Beginning	<u>615,311</u>	<u>621,922</u>
Net Position - Ending	<u>\$ 612,789</u>	<u>\$ 615,311</u>

**TOWNSHIP OF BARRINGTON  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015**

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

The Township's total revenues were \$388,483 from governmental activities. Local taxes (predominantly real estate taxes) were \$350,619 of the total. Interest earned \$813. Miscellaneous income (e.g. personal property replacement taxes, refund rebate and other) made up the balance.

Total costs for all governmental programs totaled \$391,005. Of this total, \$279,144 was for administration, \$73,954 was for health and social services, \$6,928 was for cemetery, and \$30,979 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, 2015 resulting in a net position balance of \$612,789. The balance of net position consists of net investment in capital assets (\$49,020), restricted (\$279,513) and unrestricted (\$284,256). See Note 1, letter G.

***Capital Assets and Debt Administration***

*Capital Assets (See Note 4)*

As of February 28, 2015 the Township had \$49,020 net investment in capital assets, including land, buildings and improvements, and furniture, equipment and vehicles. The current year had one addition to buildings and improvements.

***Financial Analysis of the Township's Funds***

The fiscal year ended February 28, 2015 was an average year for the Township. The overall Fund balances decreased \$789 to \$563,769. The Town Fund balance was responsible for an increase of \$4,800 to \$284,256. The General Assistance Fund balance was down \$5,589 to \$279,513. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

***Fund Budgetary Highlights***

The Town Fund's total actual expenditures disbursed of \$379,108 were less than the budgeted expenditures disbursed of \$435,775 by a total of \$56,667. The General Assistance Fund's total actual expenditures disbursed of \$10,164 were less than the budgeted expenditures disbursed of \$54,650 by a total of \$44,486.

***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.



**BASIC FINANCIAL STATEMENTS**

TOWNSHIP OF BARRINGTON  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
FEBRUARY 28, 2015

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 563,769
Total Current Assets	563,769
Non-Current Assets:	
Capital assets, Not Being Depreciated	
Land	29,000
Capital Assets, Net of Accumulated Depreciation	
Buildings and Improvements	18,617
Furniture, Equipment & Vehicles	1,403
Total Capital Assets, Net of Accumulated Depreciation	20,020
Total Non-Current Assets	49,020
Total Assets	612,789
<b>NET POSITION</b>	
Net investment in capital assets	49,020
Restricted	279,513
Unrestricted	284,256
Total Net Position	\$ 612,789

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



TOWNSHIP OF BARRINGTON  
STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED FEBRUARY 28, 2015

Functions/ Programs	Expenses Disbursed	Program Revenues Received			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Administration	\$ 279,144	\$ -	\$ -	\$ -	\$ (279,144)
Health and Social Services	73,954	-	-	-	(73,954)
Cemetery	6,928	-	-	-	(6,928)
Contractual	30,979	-	-	-	(30,979)
<b>Total Governmental Activities</b>	<b>\$ 391,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(391,005)</b>
General Revenues Received:					
Taxes:					
Property taxes 350,619					
Replacement taxes 3,619					
Interest 813					
Miscellaneous 33,432					
<b>Total General Revenues Collected 388,483</b>					
Change in Net Position (2,522)					
Net Position, Beginning 615,311					
<b>Net Position, Ending \$ 612,789</b>					

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

TOWNSHIP OF BARRINGTON  
STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FEBRUARY 28, 2015

	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 284,256	\$ 279,513	\$ 563,769
Total Assets	<u>\$ 284,256</u>	<u>\$ 279,513</u>	<u>\$ 563,769</u>
FUND BALANCES			
Restricted	\$ -	\$ 279,513	\$ 279,513
Unassigned	284,256	-	284,256
Total Fund Balances	<u>284,256</u>	<u>279,513</u>	<u>563,769</u>
Total Liabilities and Fund Balances	<u>\$ 284,256</u>	<u>\$ 279,513</u>	<u>\$ 563,769</u>

(Continued)

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



TOWNSHIP OF BARRINGTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND  
FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION (MODIFIED CASH BASIS)  
FEBRUARY 28, 2015

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Total fund balances-governmental funds (Exhibit C) \$ 563,769

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		142,003
Furniture, Equipment & Vehicles		<u>2,182</u>

Total Cost of Capital Assets		173,185
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Accumulated Depreciation		<u>(124,165)</u>
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Net investment in capital assets		<u>49,020</u>
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Net position of governmental activities (Exhibit A)		<u><u>\$ 612,789</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF BARRINGTON  
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED FEBRUARY 28, 2015

	Town Fund	General Assistance Fund	Total Governmental Funds
<u>Revenues Received</u>			
Property Taxes	\$ 346,419	\$ 4,200	\$ 350,619
Replacement Taxes	3,619	-	3,619
Interest	438	375	813
Miscellaneous	33,432	-	33,432
<u>Total Revenues Received</u>	<u>383,908</u>	<u>4,575</u>	<u>388,483</u>
<u>Expenditures Disbursed</u>			
Current			
Administration	263,732	10,164	273,896
Health and Social Services	73,954	-	73,954
Cemetery	6,928	-	6,928
Contractual	30,979	-	30,979
Capital Outlay	3,515	-	3,515
<u>Total Expenditures Disbursed</u>	<u>379,108</u>	<u>10,164</u>	<u>389,272</u>
<u>Excess of Revenues Over Expenditures</u>	<u>4,800</u>	<u>(5,589)</u>	<u>(789)</u>
<u>Net Change in Fund Balances</u>	<u>4,800</u>	<u>(5,589)</u>	<u>(789)</u>
<u>Fund Balance, Beginning of Year</u>	<u>279,456</u>	<u>285,102</u>	<u>564,558</u>
<u>Fund Balance, End of Year</u>	<u>\$ 284,256</u>	<u>\$ 279,513</u>	<u>\$ 563,769</u>

(Continued)

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



TOWNSHIP OF BARRINGTON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES  
RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)  
FOR THE YEAR ENDED FEBRUARY 28, 2015

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Total net change in fund balances-governmental funds (Exhibit D)	\$	(789)
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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 position decreases 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.

Depreciation expense	(3,933)	
Capital outlay over capitalization limits	<u>2,200</u>	
Capital outlay in excess of depreciation expense		<u>(1,733)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u>(2,522)</u>

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

**TOWNSHIP OF BARRINGTON, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2015**

**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 established governmental accounting and financial reporting principles. The more significant accounting policies are described below.

**A. Financial Reporting Entity**

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. The criteria provided by the governmental accounting standards have been considered and there are no agencies or entities which should be presented with the Township. 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:



**TOWNSHIP OF BARRINGTON, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2015**

**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.



**TOWNSHIP OF BARRINGTON, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2015**

**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 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. Cash and Cash Equivalents**

The Township maintains cash and deposit accounts for each fund. The Township funds are deposited in checking accounts, money market accounts and certificates of deposit.

**E. 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.

**F. 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.



**TOWNSHIP OF BARRINGTON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 28, 2015**

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

**G. Fund Balance Classification Policies**

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

*Net Investment 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. The General Assistance Fund is restricted.

*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.

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 restricted with a balance of \$279,513.

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.

**TOWNSHIP OF BARRINGTON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 28, 2015**

**NOTE 2 – CASH AND CASH EQUIVALENTS**

At February 28, 2015, the carrying amount of the Township's deposits totaled \$563,769 and the bank balances totaled \$575,146. Certificates of deposits are considered cash 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, 2015, 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, 2015 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 2013 tax levy, payable in 2014, was passed December 10, 2013 (the 2014 tax levy, payable in 2015, was passed December 9, 2014). Property tax revenues are recognized on the modified cash basis of accounting.

	Tax Year 2012		Tax Year 2013	
Assessed Valuation	\$1,348,756,849		\$1,226,350,482	
	2012 Levy		2013 Levy	
	Rate	Extension	Rate	Extension
Town Fund	0.0278	\$ 377,652	0.0311	\$ 392,432
General Assistance	0.0001	13,488	0.0001	12,264
Total	0.0279    \$ 391,140		0.0312    \$ 404,696	



**TOWNSHIP OF BARRINGTON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 28, 2015**

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>Balance</u> <u>March 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>February 28, 2015</u>
Governmental Activities				
Non-Depreciated Capital Assets:				
Land	\$ 29,000	\$ -	\$ -	\$ 29,000
Depreciated Capital Assets:				
Buildings and Improvements	139,803	2,200	-	142,003
Furniture, equipment and vehicles	2,182	-	-	2,182
Subtotal	<u>141,985</u>	<u>2,200</u>	<u>-</u>	<u>144,185</u>
Accumulated Depreciation				
Buildings and Improvements	119,764	3,622	-	123,386
Furniture, equipment and vehicles	468	311	-	779
Subtotal	<u>120,232</u>	<u>3,933</u>	<u>-</u>	<u>124,165</u>
Net Depreciable Capital Assets	<u>21,753</u>	<u>(1,733)</u>	<u>-</u>	<u>20,020</u>
Net Total Capital Assets	<u>\$ 50,753</u>	<u>\$ (1,733)</u>	<u>\$ -</u>	<u>\$ 49,020</u>
Depreciation was charged to functions as follows:				
Governmental Activities:				
Administration		<u>\$ 3,933</u>		
Total Governmental Activities Depreciation Expense		<u>\$ 3,933</u>		

**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. The 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](http://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 2014 was 4.93 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.



**TOWNSHIP OF BARRINGTON, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 28, 2015**

**NOTE 5 – RETIREMENT FUND COMMITMENTS (Cont'd)**

*Annual Pension Cost.* The required contribution for calendar year 2014 was \$5,860.

TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 5,860	100%	\$ -
12/31/2013	6,632	100%	-
12/31/2012	7,072	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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% 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. The employer Regular plan's overfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 144.60 percent funded. The actuarial accrued liability for benefits was \$316,623 and the actuarial value of assets was \$457,837, resulting in an overfunded actuarial accrued liability (UAAL) of \$141,214. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$118,855. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as Other 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.

**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, 2015 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 five 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, 2015, and the date of this audit report requiring disclosure in the financial statements.



OTHER INFORMATION

**TOWNSHIP OF BARRINGTON, ILLINOIS  
OTHER INFORMATION  
FEBRUARY 28, 2015**

**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]
12/31/2014	\$ 457,837	\$ 316,623	\$ (141,214)	144.60%	\$ 118,855	0.00%
12/31/2013	411,890	276,325	(135,565)	149.06%	121,250	0.00%
12/31/2012	353,988	257,957	(96,031)	137.23%	119,052	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$517,980. On a market basis, the funded ratio would be 163.60%.

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.



TOWNSHIP OF BARRINGTON  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2015

	2015		Variance Over (Under) Budget
	Original & Final Budget	Actual	
<u>Revenues Received</u>			
Property Taxes	\$ 358,000	\$ 346,419	\$ (11,581)
Replacement Taxes	3,500	3,619	119
Interest	500	438	(62)
Miscellaneous	20,000	33,432	13,432
<u>Total Revenues Received</u>	<u>382,000</u>	<u>383,908</u>	<u>1,908</u>
<u>Expenditures Disbursed</u>			
Administration:			
Salaries:			
Supervisor	48,000	38,000	(10,000)
Clerk	10,000	10,000	-
Assessor	28,000	28,000	-
Board of Trustees	16,800	16,800	-
Employees	73,500	70,479	(3,021)
Social Security	11,500	10,836	(664)
Medicare	2,600	2,534	(66)
Municipal Retirement	8,200	5,841	(2,359)
Unemployment Insurance	250	243	(7)
Building Maintenance	16,000	15,640	(360)
Dues and Subscriptions	5,500	4,609	(891)
Equipment Maintenance	3,000	4,032	1,032
Legal	3,000	1,050	(1,950)
Office Supplies	5,000	3,356	(1,644)
Telephone	3,000	2,331	(669)
Travel and Convention	6,000	4,007	(1,993)
School	1,500	324	(1,176)
Meetings	1,000	627	(373)
Utilities	10,000	5,283	(4,717)
Plan Commission	3,000	1,256	(1,744)
Auditing and Accounting	11,200	11,200	-
Building Improvements	1,500	-	(1,500)
Furniture Purchases	500	-	(500)
Equipment Rental	2,000	1,786	(214)
General Insurance	8,000	6,492	(1,508)
Hospitalization	8,500	5,750	(2,750)
Miscellaneous	2,500	2,139	(361)
Official Bonding	1,200	1,180	(20)
Printing and Newsletter	8,000	9,937	1,937
Computer Maintenance	1,500	-	(1,500)
<u>Total Administration</u>	<u>300,750</u>	<u>263,732</u>	<u>(37,018)</u>

(Continued)

TOWNSHIP OF BARRINGTON  
TOWN FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2015

	2015		Variance Over (Under) Budget
	Original & Final Budget	Actual	
Health and Social Services:			
Access to Care	\$ 1,000	\$ 1,000	\$ -
Taxi	300	498	198
Barrington Career Center	2,000	2,000	-
Barrington Area Council on Aging	36,175	36,175	-
Barrington Giving Day	200	200	-
Barrington Youth Service	7,000	7,000	-
Catholic Charities	500	500	-
Children's Advocacy Center	500	500	-
Community Social Service	100	-	(100)
Countryside Association	2,000	2,000	-
Journey Care	3,000	3,000	-
Family Service of Lake County	1,500	1,500	-
Journeys The Road Home	500	500	-
Last Chance House	500	500	-
Northern Illinois Special Recreation	4,000	4,000	-
Smart Farm	250	250	-
Ecker Center	3,000	3,000	-
PACE Transportation	10,000	11,331	1,331
<u>Total Health and Social Services</u>	<u>72,525</u>	<u>73,954</u>	<u>1,429</u>
Cemetery:			
Cemetery Trustees	1,500	1,500	-
Cemetery Maintenance	12,000	5,428	(6,572)
<u>Total Cemetery</u>	<u>13,500</u>	<u>6,928</u>	<u>(6,572)</u>
Contractual:			
Contractual	40,000	29,430	(10,570)
Street Lighting	3,000	1,549	(1,451)
<u>Total Contractual</u>	<u>43,000</u>	<u>30,979</u>	<u>(12,021)</u>
Capital Outlay:			
Furniture, Equipment & Vehicles	3,000	3,515	515
<u>Total Capital Outlay</u>	<u>3,000</u>	<u>3,515</u>	<u>515</u>
<u>Provision for Contingencies</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<u>Total Expenditures Disbursed</u>	<u>435,775</u>	<u>379,108</u>	<u>(56,667)</u>
<u>Net Change in Fund Balance</u>	<u>\$ (53,775)</u>	<u>4,800</u>	<u>\$ 58,575</u>
<u>Fund Balance - Beginning</u>		<u>279,456</u>	
<u>Fund Balance - Ending</u>		<u>\$ 284,256</u>	



TOWNSHIP OF BARRINGTON  
 GENERAL ASSISTANCE FUND  
 SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED FEBRUARY 28, 2015

	2015		Variance Over (Under) Budget
	Original & Final Budget	Actual	
<u>Revenues Received</u>			
Property Taxes	\$ 1,500	\$ 4,200	\$ 2,700
Interest	300	375	75
<u>Total Revenues Received</u>	<u>1,800</u>	<u>4,575</u>	<u>2,775</u>
<u>Expenditures Disbursed</u>			
Administration:			
Social Worker	20,000	10,000	(10,000)
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	164	(336)
School	300	-	(300)
Equipment Purchases	500	-	(500)
Miscellaneous	500	-	(500)
Hearing Officer	50	-	(50)
<u>Total Administration</u>	<u>27,650</u>	<u>10,164</u>	<u>(17,486)</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	-	(3,000)
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>-</u>	<u>(17,000)</u>

(Continued)

TOWNSHIP OF BARRINGTON  
GENERAL ASSISTANCE FUND  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED FEBRUARY 28, 2015

	2015		Variance Over (Under) Budget
	Original & Final Budget	Actual	
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>54,650</u>	<u>10,164</u>	<u>(44,486)</u>
<u>Net Change in Fund Balance</u>	<u>\$ (52,850)</u>	<u>(5,589)</u>	<u>\$ 47,261</u>
<u>Fund Balance - Beginning</u>		<u>285,102</u>	
<u>Fund Balance - Ending</u>		<u>\$ 279,513</u>	



**TOWNSHIP OF BARRINGTON, ILLINOIS**  
**NOTES TO OTHER INFORMATION**  
**FEBRUARY 28, 2015**

**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 8, 2014.

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.

**Expenditures in Excess of Budget**

The Township operated within their budget during the fiscal year ended February 28, 2015.