

VILLAGE OF BARRINGTON HILLS
Barrington Hills, Illinois

FINANCIAL STATEMENTS

For the Year Ended
December 31, 2007

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VILLAGE OF BARRINGTON HILLS

TABLE OF CONTENTS December 31, 2007

Independent Auditors' Report	i – ii
Management's Discussion and Analysis	iii – xi
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Reconciliation of the Total Governmental Fund Balances to the Statement of Net Assets of Governmental Activities	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Assets – Fiduciary Funds	7
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	8
Notes to Financial Statements	9 – 33
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – General Fund	34
Detailed Schedule of Revenues – Forecast and Actual – General Fund	35
Schedule of Expenditures – Appropriation and Actual – General Fund	36
Detailed Schedule of Expenditures – Appropriation and Actual – General Fund	37 – 40
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Public Safety – Special Revenue Fund	41
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Roads and Bridges – Special Revenue Fund	42
Notes to Required Supplementary Information	43
Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Debt Service Fund	44
Property Tax, Assessed Valuations, Rate, Tax Extensions and Collections	45

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Barrington Hills
Barrington Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Barrington Hills, Illinois, as of and for the year ended December 31, 2007, which collectively comprise the Village of Barrington Hills' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Barrington Hills' management. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Barrington Hills, Illinois, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages iii through xi and pages 34 through 43 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

To the Village Board
Village of Barrington Hills

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Barrington Hills' basic financial statements. The debt service fund financial statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. The debt service financial statement has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Schedule of Property Tax information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Barrington Hills, Illinois. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Virchow, Krause & Company, LLP

Oak Brook, Illinois
June 20, 2008

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

The management of the Village of Barrington Hills offers all persons interested in the financial position of the village this narrative overview and analysis of the village's financial performance during the year ending December 31, 2007. You are invited to read this narrative in conjunction with the village's financial statements. The village presents several tables and graphs in the management's discussion and analysis that display comparative information. Readers should note that the village's year ended December 31, 2006 consists of eight months of activity because the fiscal year was changed during 2006.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Barrington Hills exceeded its liabilities by \$1,304,230 (net assets). Of this amount, \$(1,221,623) is considered to be an unrestricted deficit, \$562,637 is restricted for specific purposes (restricted net assets), and \$1,963,216 is invested in capital assets. There is no capital asset-related debt outstanding as of December 31, 2007.
 - Total and governmental net assets increased by \$259,867 due largely to the altered relationship between revenues and expenses in transitioning from an eight to twelve month fiscal year.
 - On December 31, 2007, the village's governmental funds reported combined fund balances of \$2,020,731, a decrease of \$171,433 from December 31, 2006.
 - During the year, revenues totaled \$8,449,974, while expenses totaled \$8,190,107 on the Statement of Activities.
 - The General Fund reported total ending fund balance of \$1,157,473, a decrease of \$649,911 from the prior year due to an excess of expenditures over revenues.
-

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the village's overall financial status.
- The fund financial statements focus on individual parts of the village government and report the village's operations in more detail than the government-wide statements.
- The remaining statements provide financial information about activities for which the village acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

GOVERNMENT-WIDE STATEMENTS

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

The two government-wide statements report the village's net assets and how they have changed. Net Assets – the difference between the village's assets and liabilities – is one way to measure the village's financial health, or position. Over time, increases or decreases in the village's net assets are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the village you need to consider additional non-financial factors such as changes in the village's property tax base and the condition of the village's roads.

The statement of activities presents information showing how the government's net assets changed during the most recent stub year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

FUND 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 village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The village maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Safety Fund, Roads and Bridges Fund, and Debt Service Fund, each of which are considered to be major funds. There are no non-major funds.

The village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents certain budgetary comparisons. The debt service fund budget comparison and property tax information schedules are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position begins with a review of the Statement of Net Assets and the Statement of Activities. These two statements report the village's net assets and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

A summary of the village's Statement of Net Assets is presented below in Table 1.

Table 1
Condensed Statements of Net Assets

	Governmental Activities	
	December 31, 2007	December 31, 2006
Current and other assets	\$ 8,596,403	\$ 8,418,949
Capital assets	1,963,216	1,794,037
Total Assets	<u>10,559,619</u>	<u>10,212,986</u>
Current liabilities	6,663,132	6,569,309
Noncurrent liabilities	2,592,257	2,599,314
Total Liabilities	<u>9,255,389</u>	<u>9,168,623</u>
Invested in capital assets	1,963,216	1,794,037
Restricted	562,637	439,049
Unrestricted	<u>(1,221,623)</u>	<u>(1,188,723)</u>
Total Net Assets	<u>\$ 1,304,230</u>	<u>\$ 1,044,363</u>

One portion of the village's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. All such debt was retired in 2006 and there was none outstanding as of December 31, 2006 or December 31, 2007. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the village's net assets represents sources that are subject to external restrictions on how they may be used. The remaining negative balance of unrestricted net assets would normally be used to meet the government's ongoing obligations to citizens and creditors. However, since this balance is negative, it reflects amounts that will need to be provided in the future from other sources, such as village taxes and other revenues.

At the end of the current fiscal year, the village reported positive balances in two of the three categories of net assets for the village as a whole.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

**Table 2
Condensed Statement of Activities**

	Governmental Activities	
	December 31, 2007	December 31, 2006
	Revenues:	
Program revenues		
Charges for services	\$ 575,188	\$ 524,506
Operating grants and contributions	139,976	129,669
General revenues		
Property taxes	6,138,769	3,361,246
Utility taxes	683,283	365,458
Income taxes	350,834	167,053
Sales taxes	105,881	67,459
Other taxes	43,207	21,499
Investment income	130,505	100,734
Miscellaneous revenues	282,331	106,680
Total Revenues	8,449,974	4,844,304
Expenses:		
General government	3,415,489	2,361,575
Public safety	3,448,784	1,929,221
Roads and bridges	1,235,627	1,001,575
Health	8,238	5,698
Interest on long-term debt	81,969	63,210
Total Expenses	8,190,107	5,361,278
Changes in Net Assets	259,867	(516,974)
Beginning Net Assets (deficit)		
As previously stated	1,044,363	1,174,722
Restatement	-	386,615
As restated	1,044,363	1,561,337
Ending Net Assets	\$ 1,304,230	\$ 1,044,363

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

As previously noted, the Statement of Net Assets shows the change in financial position of net assets. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown above in Table 2. All prior year balances are for the eight month fiscal year ended December 31, 2006.

Chart 1:

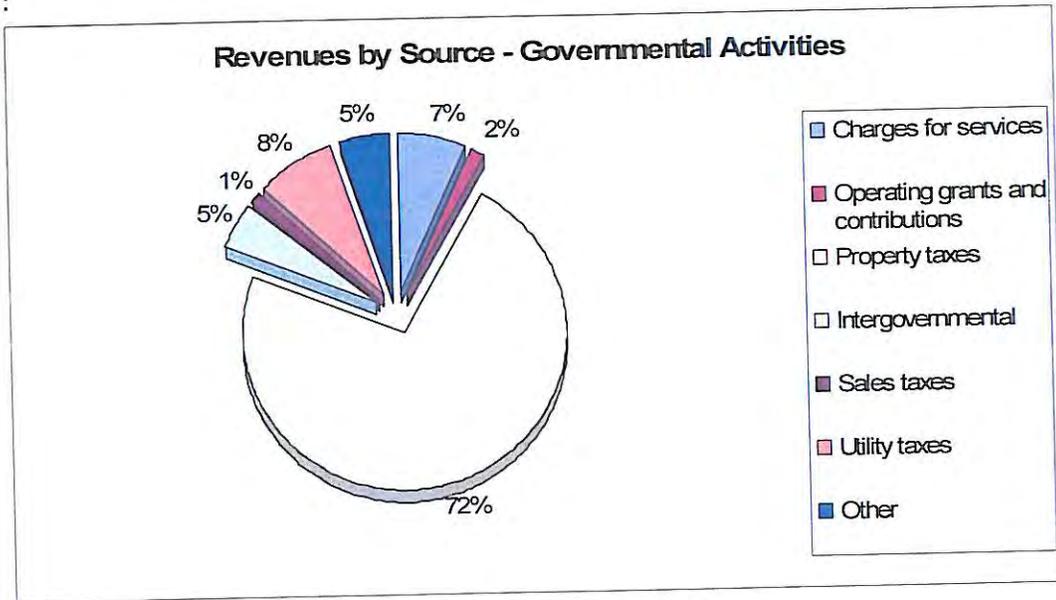
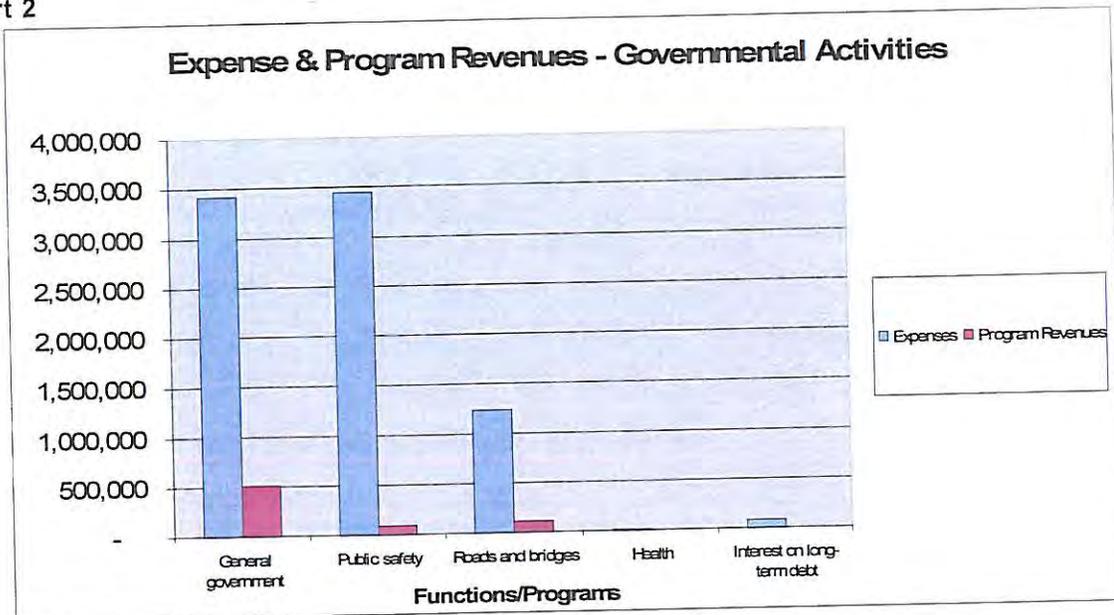


Chart 2



VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES

Governmental activities increased the village's net assets by \$259,867. This increase is primarily a result of the altered relationship between revenues and expenses in transitioning from an eight to twelve month fiscal year.

The preceding revenues graph (Chart 1) depicts the major revenue sources of the village. It depicts very clearly the village's reliance on property taxes to fund governmental activities. It also clearly identifies the minor percentage the village receives from sales taxes.

The preceding expense and program revenues graph (Chart 2) identifies those governmental functions where program expenses greatly exceed program revenues.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

GOVERNMENTAL FUNDS

The focus of the Village of Barrington Hills' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2007, the village's governmental funds reported combined fund balances of \$2,020,731. Of this amount, \$1,158,453 constitutes unreserved and undesignated fund balance, which is available to meet the village's current and future needs. The remaining \$862,278 is reserved for special revenues (\$524,249), debt service (\$38,388), encumbrances (\$267,182), and prepaid items (\$32,459). The combined fund balance decreased slightly from last year's total of \$2,192,164.

General Fund

The village's General Fund is the chief operating fund of the village. Total fund balance in the General Fund decreased \$649,911 or 36%. The undesignated fund balance increased \$497,864 primarily due to fewer reservations on the current year's fund balance than in the prior year.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2007

GENERAL FUND APPROPRIATION HIGHLIGHTS

The original General Fund appropriation for the year ended December 31, 2007 had total expenditures of approximately \$6,630,500 and was not amended during the year.

The General Fund actual revenues for the current year were \$4,350,140, compared to the revenue forecast of \$4,354,928. This variance is primarily due to property tax revenues which came in \$165,000 higher than anticipated.

The General Fund actual expenditures were lower than expenditure appropriation. Actual expenditures totaled \$4,901,551, while appropriated expenditures totaled \$6,630,500. The variance reflects the village's longstanding practice (and the statutory requirement pursuant to 65 ILCS 64 5/8-2-9) of appropriating more than it plans to expend, thereby ensuring the availability of adequate revenues to support essential village functions.

CAPITAL ASSETS

At the end of 2007, the village had invested a total of \$1,963,216 in capital assets. This investment in capital assets includes land, buildings and improvements, equipment, furniture, and vehicles. This investment does not include infrastructure acquired prior to 2004, which the village is not required to record.

The total increase in the village's investment in capital assets for the current fiscal year was \$169,179, or a 9% increase over the prior year. This overall increase is due to the current year additions of \$301,217 coupled with current year depreciation of \$131,132. This year's major additions included four police vehicles, equipment for the vehicles, and the construction of a village hall building canopy.

**Table 3
Capital Assets**

	Governmental Activities	
	December 31, 2007	December 31, 2006
Capital assets not being depreciated		
Land	\$ 340,459	\$ 340,459
Capital assets being depreciated		
Buildings and improvements	1,869,205	1,767,622
Equipment, furniture and vehicles	819,155	666,688
Total Capital Assets	2,688,360	2,434,310
Less: Accumulated Depreciation	(1,065,603)	(980,732)
Capital Assets, Net of Depreciation	\$ 1,963,216	\$ 1,794,037

Additional information on the village's capital assets can be found in Note IV. C.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

LONG-TERM DEBT

At December 31, 2007, the village had \$2,592,257 of governmental debt outstanding as compared to \$2,769,314 the previous year.

In accordance with Illinois Statutes, total general obligation indebtedness of the village is not limited. Total general obligation debt outstanding at year end was \$2,495,000.

Table 4
Long-term Debt

	<u>Governmental Activities</u>	
	<u>Dec 2007</u>	<u>Dec 2006</u>
General obligation debt	\$ 2,495,000	\$ 2,665,000
Compensated absences	<u>97,257</u>	<u>104,314</u>
Total	<u>\$ 2,592,257</u>	<u>\$ 2,769,314</u>

Additional information on the village's long-term debt can be found in Note IV. E.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

The village's elected and appointed officials considered many factors when setting the fiscal year 2008 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The village is faced with a similar economic environment as many of the other local municipalities, including inflation rates and economic trends, particularly as they pertain to building activity. None of these conditions are anticipated to change the overall financial position of the village.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the village's finances. If you have questions about this report, or need additional financial information, contact Rosemary Ryba, Village Treasurer.

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VILLAGE OF BARRINGTON HILLS

STATEMENT OF NET ASSETS

December 31, 2007

	Governmental Activities
ASSETS	
Current Assets	
Cash and investments	\$ 1,900,917
Taxes receivable	6,400,272
Other receivables	69,235
Due from other governments	193,520
Prepaid items	32,459
Total Current Assets	<u>8,596,403</u>
Noncurrent Assets	
Capital assets	
Land	340,459
Other capital assets, net of depreciation	1,622,757
Total Noncurrent Assets	<u>1,963,216</u>
Total Assets	<u>10,559,619</u>
LIABILITIES	
Current Liabilities	
Accounts payable	463,308
Accrued liabilities	596
Net pension obligation	138,012
Deposit payable	11,678
Due to component unit	73,363
Unearned revenues	5,976,175
Total Current Liabilities	<u>6,663,132</u>
Noncurrent Liabilities	
Due within one year	260,854
Due in more than one year	2,331,403
Total Noncurrent Liabilities	<u>2,592,257</u>
Total Liabilities	<u>9,255,389</u>
NET ASSETS	
Invested in capital assets	1,963,216
Restricted for:	
Special revenues	524,249
Debt service	38,388
Unrestricted (deficit)	<u>(1,221,623)</u>
TOTAL NET ASSETS	<u>\$ 1,304,230</u>

See accompanying notes to financial statements.

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VILLAGE OF BARRINGTON HILLS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

Functions/Programs	Program Revenues			Net Expenses (Revenues) and Changes in Net Assets	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
General government	\$ 3,415,489	\$ 502,372	\$ 5,000	\$ -	\$ (2,908,117)
Public safety	3,448,784	72,816	22,713	-	(3,353,255)
Roads and bridges	1,235,627	-	112,263	-	(1,123,364)
Health	8,238	-	-	-	(8,238)
Interest on long-term debt	81,969	-	-	-	(81,969)
Total Governmental Activities	8,190,107	575,188	139,976	-	(7,474,943)
		General Revenues			
		Taxes			
		Property			6,138,769
		Utility			683,283
		Income			350,834
		Sales			105,881
		Other taxes			43,207
		Investment income			130,505
		Miscellaneous			282,331
		Total General Revenues			7,734,810
		Change in Net Assets			259,867
		NET ASSETS - Beginning of Year			1,044,363
		NET ASSETS - END OF YEAR			\$ 1,304,230

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	General Fund	Public Safety	Roads and Bridges	Debt Service	Totals
ASSETS					
Cash and investments	\$ 1,648,085	\$ 1,905	\$ 250,927 ✓	\$ -	\$ 1,900,917
Receivables - net of allowances					
Taxes	2,663,105	2,432,791	1,029,524 ✓	274,852	6,400,272
Other	55,708	9,868	-	-	65,576
Accrued interest	3,659	-	-	-	3,659
Due from other funds	122,700	684,998	-	55,746	863,444
Due from other governments	176,269	8,113	9,138 ✓	-	193,520
Prepaid items	32,459	-	-	-	32,459
TOTAL ASSETS	\$ 4,701,985	\$ 3,137,675	\$ 1,289,589	\$ 330,598	\$ 9,459,847
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 184,057	\$ -	\$ 242,716	\$ 36,535	\$ 463,308
Accrued liabilities	596	-	-	-	596
Deposits payable	11,678	-	-	-	11,678
Due to other funds	740,744	23,890	98,810 ✓	-	863,444
Due to component unit	73,363	-	-	-	73,363
Deferred revenues	2,534,074	2,276,978	960,000 ✓	255,675	6,026,727
Total Liabilities	3,544,512	2,300,868	1,301,526	292,210	7,439,116
Fund Balances					
Reserved - prepaid items	32,459	-	-	-	32,459
Reserved - encumbrances	-	-	267,182	-	267,182
Reserved - special revenues	250,346	7,086	266,817	-	524,249
Reserved - debt service	-	-	-	38,388	38,388
Unreserved, reported in:					
General fund undesignated	874,668	-	-	-	874,668
Special revenue funds undesignated (deficit)	-	829,721	(545,936)	-	283,785
Total Fund Balances	1,157,473	836,807	(11,937)	38,388	2,020,731
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,701,985	\$ 3,137,675	\$ 1,289,589	\$ 330,598	\$ 9,459,847

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET ASSETS OF GOVERNMENTAL ACTIVITIES December 31, 2007

Total governmental fund balances	\$ 2,020,731
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (See Note II.A.)	1,963,216
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Compensated absences payable	(97,257)
Net pension obligation	(138,012)
General obligation bonds payable	(2,495,000)
Deferred revenue recognized in the current period	<u>50,552</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,304,230</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

	General Fund	Public Safety	Roads and Bridges	Debt Service	Total Governmental Funds
REVENUES					
Taxes	\$ 3,479,637	\$ 2,371,040	\$ 1,137,017	\$ 306,268	\$ 7,293,962
Intergovernmental	-	-	112,263	-	112,263
Fees, licenses and permits	301,595	-	-	-	301,595
Charges for services	2,776	61,797	-	-	64,573
Fines and forfeitures	186,654	2,906	-	-	189,560
Investment income	124,528	211	10,090	-	134,829
Miscellaneous	254,950	52,014	-	-	306,964
Total Revenues	<u>4,350,140</u>	<u>2,487,968</u>	<u>1,259,370</u>	<u>306,268</u>	<u>8,403,746</u>
EXPENDITURES					
Current					
General government	3,336,702	-	-	-	3,336,702
Public safety	1,161,537	2,167,236	-	-	3,328,773
Roads and bridges	-	-	1,234,560	-	1,234,560
Health services	8,238	-	-	-	8,238
Capital Outlay	395,074	12,722	-	-	407,796
Debt Service					
Principal retirement	-	-	-	170,000	170,000
Interest and fiscal charges	-	3,435	-	85,675	89,110
Total Expenditures	<u>4,901,551</u>	<u>2,183,393</u>	<u>1,234,560</u>	<u>255,675</u>	<u>8,575,179</u>
Excess (deficiency) of revenues over expenditures	(551,411)	304,575	24,810	50,593	(171,433)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	38,000	60,500	-	98,500
Transfers (out)	(98,500)	-	-	-	(98,500)
Total Other Financing Sources (Uses)	<u>(98,500)</u>	<u>38,000</u>	<u>60,500</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(649,911)	342,575	85,310	50,593	(171,433)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>1,807,384</u>	<u>494,232</u>	<u>(97,247)</u>	<u>(12,205)</u>	<u>2,192,164</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,157,473</u>	<u>\$ 836,807</u>	<u>\$ (11,937)</u>	<u>\$ 38,388</u>	<u>\$ 2,020,731</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds	\$ (171,433)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	301,217
Depreciation is reported in the government-wide statements	(131,432)
The net effect of various miscellaneous transactions involving capital assets (ie., sales, trade-ins, and donations) is to decrease net assets	(606)

The issuance of long-term debt provides current financial resources, while the repayment of the principal on long-term debt consumes the current financial resources.

Principal paid - bonds	170,000
------------------------	---------

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Deferred interest income	(4,324)
Deferred due from other governments	47,472
Deferred miscellaneous revenue	3,080

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

Change in compensated absences	7,057
Change in net pension obligation	31,695
Change in accrued interest	<u>7,141</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>259,867</u>
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VILLAGE OF BARRINGTON HILLS

STATEMENT OF NET ASSETS FIDUCIARY FUNDS December 31, 2007

	<u>Police Pension</u>
ASSETS	
Cash and investments	\$ 1,953,789
Due from primary government	<u>73,363</u>
 Total Assets	 <u>\$ 2,027,152</u>
LIABILITIES	
Liabilities	
Accounts payable	<u>\$ 1,719</u>
 Total Liabilities	 <u>1,719</u>
NET ASSETS	
Net Plan Assets Held In Trust For Pension Benefits	<u>\$ 2,025,433</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS For the Year Ended December 31, 2007

	<u>Police Pension</u>
<i>ADDITIONS</i>	
Contributions - Employer	
Property taxes	\$ 753,829
Contributions - Plan Members	<u>144,996</u>
Total Contributions	<u>898,825</u>
Investment Income	
Interest earned and change in fair value	<u>77,363</u>
Total Investment Income	77,363
Less investment expenses	<u>(3,238)</u>
Net Investment Income	<u>74,125</u>
Total Additions	<u>972,950</u>
<i>DEDUCTIONS</i>	
Administration	12,709
Payments to beneficiaries	204,604
Refunds and transfers of contributions	<u>60,149</u>
Total Deductions	<u>277,462</u>
Change in Net Assets	695,488
NET ASSETS - Beginning of Year	<u>1,329,945</u>
NET ASSETS - END OF YEAR	<u>\$ 2,025,433</u>

See accompanying notes to financial statements.

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VILLAGE OF BARRINGTON HILLS

INDEX TO NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE	Page
I. Summary of Significant Accounting Policies	10
A. Reporting Entity	11
B. Government-Wide and Fund Financial Statements	11
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	13
D. Assets, Liabilities, and Net Assets or Equity	14
1. Deposits and Investments	14
2. Receivables	16
3. Prepaid Items	16
4. Capital Assets	16
5. Compensated Absences	17
6. Long-Term Obligations	17
7. Equity Classifications	18
II. Reconciliation of Government-Wide and Fund Financial Statements	19
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Assets	19
III. Stewardship, Compliance, and Accountability	19
A. Budgetary Information	19
B. Deficit Fund Balance	19
IV. Detailed Notes on All Funds	20
A. Deposits and Investments	20
B. Receivables	22
C. Capital Assets	23
D. Interfund Receivables, Payables and Transfers	24
E. Long-Term Debt	25
F. Net Assets/Fund Balances	26
V. Other Information	27
A. Risk Management	27
B. Post-employment Benefits	28
C. Commitments and Contingencies	28
D. Employees' Retirement System	28

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Barrington Hills, Illinois (the "village") is a home-rule municipality, under the 1970 Illinois Constitution. The village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety, highways and streets, health services, planning and zoning, and general administrative services.

The accounting policies of the Village of Barrington Hills, Illinois conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Barrington Hills. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government.

The village's financial reporting entity comprises the following: Primary government – Village of Barrington Hills, Blended Component Unit – Police Pension Employees Retirement Systems.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Unit

Police Pension Employees Retirement System (Police Pension or Police Pension Fund)

The village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected Pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the village's police employees. The PPERS is reported as a pension trust fund and elsewhere referred to as the Police Pension or the Police Pension Fund.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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

Fund Financial Statements

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, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. Long-term Obligations (cont.)

Long term obligations for governmental funds are not reported as liabilities in the fund financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets 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.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated." The balance of unreserved fund balance is labeled "undesignated," which indicates it is available for appropriation.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental funds balance sheet includes a reconciliation between total fund balance and net assets of governmental activities as reported in the government-wide statement of net assets. The reconciliation explains that "capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds." The details of this difference are as follows:

Land	\$ 340,459
Buildings	1,869,205
Machinery, equipment and vehicles	819,155
Less: Accumulated depreciation	<u>(1,065,603)</u>
Adjustment for Capital Assets	<u>\$ 1,963,216</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. APPROPRIATION INFORMATION

Appropriation information is derived from the annual operating appropriation and is presented using the same basis of accounting for each fund as described in Note I. C. Annual appropriations are adopted for the general, special revenue, and debt service funds. All annual appropriations lapse at year end.

All departments of the village submit requests for appropriation to the Chairman of the Finance Committee so that an appropriation may be prepared. The appropriation is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The proposed appropriation is presented to the governing body for review. The governing body holds a meeting and may add to, or change appropriations, but may not change the form of the appropriation. The administrator is not authorized to transfer appropriated amounts between departments within any fund. The governing body must approve any revisions that alter the total expenditures of the village. Expenditures may not legally exceed appropriations at the fund level.

B. DEFICIT FUND BALANCE

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. As of December 31, 2007, the Roads and Bridges Fund had a deficit fund balance of \$11,937. The deficit is expected to be funded through future tax revenue and allotments.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

All receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current period, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes	\$ -	\$ 5,976,175	\$ 5,976,175
Due from other governments	47,472	-	47,472
Other revenue	3,080	-	3,080
Total	<u>\$ 50,552</u>	<u>\$ 5,976,175</u>	<u>\$ 6,026,727</u>

Under the accrual method deferred revenue is recognized as revenue in the period earned. An exception in Illinois is real estate taxes, whereby the intent of the village is to finance the following year's operations with these monies. Therefore, these amounts will remain deferred revenue or unearned for the government-wide statements.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 340,459	\$ -	\$ -	\$ 340,459
Total Capital Assets Not Being Depreciated	<u>340,459</u>	<u>-</u>	<u>-</u>	<u>340,459</u>
Capital assets being depreciated				
Buildings and Improvements	1,767,622	101,583	-	1,869,205
Equipment, Furniture, Vehicles	<u>666,688</u>	<u>199,634</u>	<u>47,167</u>	<u>819,155</u>
Total Capital Assets Being Depreciated	<u>2,434,310</u>	<u>301,217</u>	<u>47,167</u>	<u>2,688,360</u>
Less: Accumulated depreciation for				
Buildings and Improvements	(534,417)	(41,538)	-	(575,955)
Equipment, Furniture, Vehicles	<u>(446,315)</u>	<u>(89,894)</u>	<u>(46,561)</u>	<u>(489,648)</u>
Total Accumulated Depreciation	<u>(980,732)</u>	<u>(131,432)</u>	<u>(46,561)</u>	<u>(1,065,603)</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 1,794,037</u>	<u>\$ 169,785</u>	<u>\$ 606</u>	<u>\$ 1,963,216</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 40,338
Public Safety	90,027
Roads and Bridges	<u>1,067</u>
Total Governmental Activities Depreciation Expense	<u>\$ 131,432</u>

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances as December 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Safety	General	\$ 684,998
Debt Service	General	55,746
General	Roads and Bridges	98,810
General	Public Safety	<u>23,890</u>
Total – fund financial statements		<u>\$ 863,444</u>

All amounts are due within one year.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of due to component unit as of December 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Police Pension	General	<u>\$ 73,363</u>

The amounts due to the police pension fund are tax receipts not yet paid to the police pension fund.

Transfers

During the year, the village transferred \$60,500 in road deposit funds from the General Fund to the Roads and Bridges Fund to fund road project expenditures.

Also during the year, the village transferred \$38,000 from the General Fund to the Public Safety Fund to fund 911 emergency expenditures.

State law allows for both of the above transfers. For the statement of activities, interfund transfers within the governmental activities are netted and eliminated.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM DEBT

General Obligation Bonds

General Obligation bonds currently outstanding are as follows:

Issue	Beginning Balance	Increases	Decreases	Ending Balance
General Obligation Bond Series of 2003 due in annual installments of \$165,000 to \$250,000 plus interest of 2.7% to 3.8% through January 1, 2020.	\$ 2,665,000	-	\$ 170,000	\$ 2,495,000

Long-term Liability Activity

Changes in long-term liabilities during the year ended December 31, 2007, were as follows:

Type of Debt	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due within One Year
Compensated absences	\$ 104,314	\$ 129,978	\$ 137,035	\$ 97,257	\$ 85,854
General obligation bonds	2,665,000	-	170,000	2,495,000	175,000
	<u>\$ 2,769,314</u>	<u>\$ 129,978</u>	<u>\$ 307,035</u>	<u>\$ 2,592,257</u>	<u>\$ 260,854</u>

Payments on the general obligation bonds are made by the Debt Service Fund. Compensated absences for the governmental activities are generally liquidated by the General Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Year Ending 12/31	General Obligation Bonds	
	Principal	Interest
2009	\$ 175,000	\$ 81,085
2010	180,000	76,360
2011	185,000	71,500
2012	190,000	66,505
2013	195,000	61,185
2014-2018	1,080,000	208,837
2019-2020	490,000	28,000
	<u>\$ 2,495,000</u>	<u>\$ 593,472</u>

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM DEBT (cont.)

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin states: "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly sets no limits for home rule municipalities. The village is a home rule municipality.

There are a number of limitations and restrictions contained in the bond indenture. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

F. NET ASSETS/FUND BALANCES

Fund Balance - Reserved for Special Revenues

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund				
FICA/Unemployment	\$ 50,158	\$ 180,504	\$ 182,389	\$ 48,273
Illinois Municipal Retirement	11,102	8,983	8,646	11,439
Audit	(41,583)	44,374	29,334	(26,543)
Liability Insurance	169,320	125,257	52,695	190,634
	\$ 188,997	\$ 359,118	\$ 273,064	\$ 223,803
Negative Reserves allocated to unreserved fund balance				26,543
Total Amount of Reserves				\$ 250,346
Public Safety Fund				
Crossing Guard	\$ 1,154	\$ 2,970	\$ 2,400	\$ 1,724
Emergency 911	(59,139)	105,315	63,300	(17,124)
Drug/DUI/Gang	2,456	2,906	-	5,362
	\$ (55,529)	\$ 111,191	\$ 65,700	(10,038)
Negative reserves allocated to unreserved fund balance				17,124
Total Amount of Reserves				\$ 7,086
Roads and Bridges				
Motor Fuel Tax	\$ 204,859	\$ 264,471	\$ 178,011	\$ 266,817
Total Restricted for Special Revenues				\$ 524,249

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. NET ASSETS/FUND BALANCES (cont.)

Net assets reported on the government-wide statement of net assets at December 31, 2007 includes the following:

Net Assets

Invested in capital assets	
Land	\$ 340,459
Other capital assets, net of accumulated depreciation	1,622,757
Total Invested in Capital Assets	1,963,216
Restricted	
Special revenues	524,249
Debt service	38,388
Unrestricted (Deficit)	(1,209,334)
Total Governmental Activities Net Assets	\$ 1,316,519

NOTE V – OTHER INFORMATION

A. RISK MANAGEMENT

The village is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the village's employees. The village maintained a self-insured medical benefit program which covered eligible employees up to a maximum of \$30,000 per year or 10% of annual aggregate claims. As of July 1, 2007, the village terminated its self-insurance plan and became commercially insured for medical, dental, life, and disability insurance. The village has private insurance for all other risks or losses. Settled claims did not exceed insurance coverage in 2007, but did exceed coverage in the two prior years, with excess payments exceeding 10% of coverage in 2005.

All health insurance activity is reported in the General Fund. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors.

	Beginning Balance	Increases	Decreases	Ending Balance
Claims Payable – 12/31/2007	\$ 60,157	\$ 127,696	\$ 187,853	\$ -
Claims Payable – 12/31/2006	\$ 78,212	\$ 262,501	\$ (280,556)	\$ 60,157

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

B. POST-EMPLOYMENT BENEFITS

The village provides COBRA health benefits to all prior employees as required by federal law. All prior employees pay 100 percent of the premiums.

C. COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. For all claims and legal proceedings that the village is involved with, the outcome of such matters cannot be forecasted with certainty, but it is the opinion of the management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the village expects such amounts, if any to be immaterial.

Construction Commitments

As of December 31, 2007, the village is committed to approximately \$267,182 in expenditures in the upcoming year for its road program and drainage program.

D. EMPLOYEES' RETIREMENT SYSTEMS

The village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan.

Illinois Municipal Retirement Fund

IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund (cont.)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 1.03% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 26 years.

For December 31, 2006, the employer's annual pension cost of \$7,091 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year attributable to inflation, (c) additional projected salary increased ranging from 0.4% to 11.6% per year attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

TREND INFORMATION

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 7,091	100%	\$ -
12/31/05	67,895	100%	-
12/31/04	94,320	100%	-

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The village accounts for the plan as a pension trust fund.

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	4
Current employees	
Vested and nonvested	<u>18</u>
Total	<u><u>22</u></u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension Plan (cont).

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2045 the village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

Annual Pension Cost and Net Pension Obligation

The pension liability for the Police Pension Plan is as follows:

	April 30, 2006	April 30, 2005
Annual Required Contribution	\$ 365,544	\$ 365,544
Interest on the NPO	15,426	-
Adjustment to annual required contribution	(7,400)	-
Annual Pension Cost	373,570	365,544
Actual Contribution	(455,935)	(145,167)
Increase (decrease) in the NPO	(82,365)	220,377
NPO-Beginning of Year	220,377	-
NPO-End of Year	\$ 138,012	\$ 220,377

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Annual Pension Cost and Net Pension Obligation (cont.)

The village's annual required contribution for the current period and related information for the plans are as follows:

	Illinois Municipal Retirement	Police Pension
Contribution rates – employer	1.03%	38.81%
Contribution rates – employee	4.50%	9.91%
Annual required contribution	\$7,091	\$365,544
Contributions made	\$7,091	\$455,935
Actuarial valuation date	12/31/2006	4/30/06
Actuarial cost method	Entry age normal	Entry age
Amortization method	Level % of projected payroll closed basis	Level % of pay, closed
Remaining amortization period	26 years	38 years
Asset valuation method	5 year smoothed market	Market
Actuarial assumptions		
Investment rate	7.5% compounded annually	7.0%
Projected salary increases	0.4 to 11.6%	5.5%
Inflated rate included	4.0%	3.0%
Cost-of-living adjustments	3.0%	3.0% per year

REQUIRED SUPPLEMENTARY INFORMATION Schedule of Funding Progress - IMRF

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/06	\$ 3,212,878	\$ 1,728,102	\$ (1,484,776)	185.92%	\$ 688,439	-
12/31/05	3,168,471	1,770,600	(1,397,871)	178.95%	682,359	-
12/31/04	3,070,723	1,752,810	(1,317,913)	175.19%	633,535	-

Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE V – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Digest of Changes (cont.)

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and early retirements are expected to occur.

Schedule of Funding Progress – Police Pension

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) --Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/06	\$ 986,565	\$ 6,941,537	\$ 5,954,972	14.2%	\$ 1,174,694	506.9%
4/30/05	587,520	5,984,918	5,397,398	9.8%	1,136,254	475.0%
4/30/04	427,839	5,092,432	4,664,593	8.4%	1,134,566	411.1%

The Police Pension Fund was established on May 1, 2005. Actuarial information for 2004 is estimated as of the establishment date.

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REQUIRED SUPPLEMENTARY INFORMATION

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VILLAGE OF BARRINGTON HILLS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FORECAST, APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
<i>REVENUES</i>			
Taxes	\$ 3,473,064	\$ 3,479,637	\$ 6,573
Fees, permits and licenses	515,075	301,595	(213,480)
Charges for services	2,329	2,776	447
Fines and forfeitures	151,000	186,654	35,654
Investment income	129,530	124,528	(5,002)
Miscellaneous	83,930	254,950	171,020
Total Revenues	<u>4,354,928</u>	<u>4,350,140</u>	<u>(4,788)</u>
<i>EXPENDITURES</i>			
General government	4,648,500	3,505,309	1,143,191
Public safety	1,962,000	1,388,004	573,996
Health services	20,000	8,238	11,762
Total Expenditures	<u>6,630,500</u>	<u>4,901,551</u>	<u>1,728,949</u>
Excess (deficiency) of revenues over expenditures	<u>(2,275,572)</u>	<u>(551,411)</u>	<u>1,724,161</u>
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers (out)	<u>(75,000)</u>	<u>(98,500)</u>	<u>(23,500)</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(98,500)</u>	<u>(23,500)</u>
Net Change in Fund Balance	<u>\$ (2,350,572)</u>	<u>(649,911)</u>	<u>\$ 1,700,661</u>
FUND BALANCE - Beginning of Year		<u>1,807,384</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,157,473</u>	

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF REVENUES - FORECAST AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final Forecast	Actual	Variance with Forecast
TAXES			
Property taxes	\$ 2,285,646	\$ 2,324,444	\$ 38,798
Sales taxes	89,084	97,470	8,386
Income taxes	336,517	350,834	14,317
Replacement taxes	22,817	43,207	20,390
Utility taxes	739,000	663,682	(75,318)
TOTAL TAXES	<u>3,473,064</u>	<u>3,479,637</u>	<u>6,573</u>
FEES, PERMITS AND LICENSES			
Building permits	338,587	189,849	(148,738)
Liquor and scavenger licenses	1,591	1,245	(346)
Vehicle stickers	44,343	35,026	(9,317)
Overweight permit fees	130,554	75,475	(55,079)
TOTAL FEES, PERMITS AND LICENSES	<u>515,075</u>	<u>301,595</u>	<u>(213,480)</u>
CHARGES FOR SERVICES			
Police accident reports	1,000	1,605	605
Copy fees	1,329	1,171	(158)
TOTAL CHARGES FOR SERVICES	<u>2,329</u>	<u>2,776</u>	<u>447</u>
FINES AND FORFEITURES			
Traffic fines - Cook County	120,000	136,456	16,456
Police "C" tickets	31,000	50,198	19,198
TOTAL FINES AND FORFEITURES	<u>151,000</u>	<u>186,654</u>	<u>35,654</u>
INVESTMENT INCOME			
Investment income	129,530	124,528	(5,002)
MISCELLANEOUS REVENUES			
Franchise fees	28,835	41,243	12,408
Seized drug income	1,000	14,552	13,552
Rental income	1,178	1,198	20
Security link system fees	10,875	11,487	612
Zoning and petition fees	2,122	3,600	1,478
Animal services reimbursements	2,698	2,447	(251)
Subdivision reimbursements	9,200	7,926	(1,274)
Surplus property	20,000	18,763	(1,237)
50th anniversary income	-	50,029	50,029
Other	8,022	103,705	95,683
TOTAL MISCELLANEOUS REVENUES	<u>83,930</u>	<u>254,950</u>	<u>171,020</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 4,354,928</u>	<u>\$ 4,350,140</u>	<u>\$ (4,788)</u>

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final Appropriation	Actual	Variance with Appropriation
<i>GENERAL GOVERNMENT</i>			
Administration	\$ 816,500	\$ 588,184	\$ 228,316
Building department	353,500	365,893	(12,393)
Insurance and risk	1,242,500	734,134	508,366
Legal	1,351,000	1,283,912	67,088
Municipal building and grounds	506,000	286,554	219,446
Zoning and planning department	<u>379,000</u>	<u>246,632</u>	<u>132,368</u>
	<u>4,648,500</u>	<u>3,505,309</u>	<u>1,143,191</u>
<i>PUBLIC SAFETY</i>			
Police department	<u>1,962,000</u>	<u>1,388,004</u>	<u>573,996</u>
<i>HEALTH SERVICES</i>			
	<u>20,000</u>	<u>8,238</u>	<u>11,762</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 6,630,500</u>	<u>\$ 4,901,551</u>	<u>\$ 1,728,949</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance with <u>Appropriation</u>
GENERAL GOVERNMENT			
Administration			
Regular salaries	\$ 246,500	\$ 105,190	\$ 141,310
Social security	200,000	178,043	21,957
IMRF	50,000	8,646	41,354
Unemployment taxes	10,000	4,346	5,654
Office/computer supplies	35,000	15,797	19,203
Purchase of office equipment	25,000	14,625	10,375
Rental of office equipment	7,000	817	6,183
Telephones and fees	45,000	35,614	9,386
Vehicle stickers	10,000	8,257	1,743
Barrington Area Council of Governments	30,000	27,007	2,993
Audit	35,000	2,077	32,923
Finance consulting	23,000	27,257	(4,257)
Dues and contributions	7,000	5,095	1,905
Tuition and travel	4,000	6,369	(2,369)
Newsletter and website	25,000	26,638	(1,638)
Computer supplies	5,000	131	4,869
Vehicle	2,000	3,328	(1,328)
Postage	6,000	2,411	3,589
Clerical services	15,000	12,794	2,206
Communications committee	3,000	896	2,104
Messenger service	5,000	3,124	1,876
Payroll	7,000	9,353	(2,353)
50th Anniversary	-	65,759	(65,759)
Merchant fees	-	1,003	(1,003)
Office expenditures	<u>21,000</u>	<u>23,607</u>	<u>(2,607)</u>
Total Administration	<u>816,500</u>	<u>588,184</u>	<u>228,316</u>
Building Department			
Regular salaries	85,000	116,250	(31,250)
Outside services	200,000	219,358	(19,358)
Printing and offices supplies	2,500	629	1,871
Field/office equipment	1,000	2,460	(1,460)
Automobile expenditures	2,000	-	2,000
Plumbing inspections	25,000	11,631	13,369
Drainage	20,000	420	19,580
Surveying services	15,000	13,563	1,437
Office expenditures	<u>3,000</u>	<u>1,582</u>	<u>1,418</u>
Total Building Department	<u>353,500</u>	<u>365,893</u>	<u>(12,393)</u>

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance with <u>Appropriation</u>
<i>GENERAL GOVERNMENT (cont.)</i>			
Insurance and Risk			
Worker's compensation insurance	\$ 100,000	\$ 49,741	\$ 50,259
Employee medical and life	880,000	562,001	317,999
Employee dental plan	-	30,055	(30,055)
Vehicle/physical damage	21,000	7,155	13,845
Surety bonds	10,000	4,628	5,372
Long-term disability	30,000	20,864	9,136
Property/inland marine	15,000	2,751	12,249
Asset inventory	18,000	4,244	13,756
General liability insurance	20,000	6,178	13,822
Vehicle liability insurance	27,000	11,620	15,380
Employment practice liability	8,000	1,414	6,586
Law enforcement insurance	24,000	7,515	16,485
Public officials insurance	5,500	958	4,542
Excess liability insurance	80,000	25,010	54,990
Crime insurance	2,000	-	2,000
Employee benefits liability	2,000	-	2,000
Total Insurance and Risk	<u>1,242,500</u>	<u>734,134</u>	<u>508,366</u>
Legal			
Village attorney	750,000	750,860	(860)
Court attorney	80,000	70,417	9,583
Police attorney	25,000	180	24,820
Other legal fees	300,000	354,676	(54,676)
Publications	3,000	4,847	(1,847)
Expert witnesses	105,000	56,106	48,894
Court reporters	18,000	9,784	8,216
Planning/zoning	70,000	37,042	32,958
Total Legal	<u>1,351,000</u>	<u>1,283,912</u>	<u>67,088</u>
Municipal Building and Grounds			
Building improvements	200,000	134,574	65,426
Furniture and equipment	20,000	3,831	16,169
Interior building maintenance	50,000	26,576	23,424
Exterior building maintenance	50,000	11,853	38,147
Landscaping/lawn services	20,000	23,360	(3,360)
Contractual services	60,000	33,126	26,874
Parking lot maintenance	5,000	2,095	2,905
Taxes	9,000	2,975	6,025
Landscape restoration work	60,000	26,720	33,280

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final Appropriation	Actual	Variance with Appropriation
GENERAL GOVERNMENT (cont.)			
Landscape irrigation	\$ 10,000	\$ 2,575	\$ 7,425
Safety/security equipment	15,000	15,577	(577)
Fire station maintenance	4,000	0	4,000
Street lighting	3,000	3,292	(292)
Total Muncpal Building and Grounds	<u>506,000</u>	<u>286,554</u>	<u>219,446</u>
Zoning and Planning Department			
Regular salaries	40,000	34,988	5,012
Overtime	25,000	9,713	15,287
Minutes and transcripts	20,000	24,977	(4,977)
Supplies/maps/printing	100,000	93,323	6,677
Engineering services	25,000	23,613	1,387
Subdivision review costs	90,000	60,018	29,982
Equestrian Commission	2,000	-	2,000
Development Commission	2,000	-	2,000
Professional services	75,000	-	75,000
Total Zoning and Planning Department	<u>379,000</u>	<u>246,632</u>	<u>132,368</u>
Total General Government	<u>4,648,500</u>	<u>3,505,309</u>	<u>1,143,191</u>
PUBLIC SAFETY			
Police Department			
Purchase/lease of police cars	100,000	91,029	8,971
Gasoline	99,000	57,229	41,771
Squad car repairs	50,000	19,369	30,631
Tires	10,000	3,154	6,846
Telephone	43,000	24,622	18,378
UHF network	15,000	12,550	2,450
Radio maintenance	50,000	34,541	15,459
Re-install radios	40,000	28,679	11,321
Pager contract	25,000	18,375	6,625
Radar repairs	7,000	2,751	4,249
Security maintenance	7,500	2,777	4,723
Jail service contract	4,000	850	3,150
Memberships and dues	20,000	14,417	5,583
Uniforms	50,000	25,957	24,043
I.T. Consultant	60,000	12,238	47,762
Marking vehicles	8,000	2,590	5,410
Training and travel	50,000	29,330	20,670
Shooting program and armory	30,000	12,788	17,212
Purchase of vehicular accessories	13,000	6,938	6,062

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance with <u>Appropriation</u>
<i>PUBLIC SAFETY (cont.)</i>			
Employee recognition awards	\$ 4,000	\$ 2,187	\$ 1,813
Equipment replacement	75,000	62,636	12,364
Office expenditures	20,000	11,053	8,947
Office supplies	25,000	9,014	15,986
Illinois criminal justice	30,000	13,544	16,456
Towing	2,000	625	1,375
Recruitment	15,000	10,025	4,975
Professional service/consulting	7,500	6,065	1,435
Drug education	20,000	11,800	8,200
Computer system	100,000	64,987	35,013
Disaster and emergency services	100,000	10,019	89,981
Furniture and equipment	25,000	3,815	21,185
Calea expenditures	20,000	11,744	8,256
Live-scan monthly fees	10,000	-	10,000
Other	27,000	16,477	10,523
Pension contribution	<u>800,000</u>	<u>753,829</u>	<u>46,171</u>
Total Public Safety	<u>1,962,000</u>	<u>1,388,004</u>	<u>573,996</u>
<i>HEALTH SERVICES</i>	<u>\$ 20,000</u>	<u>\$ 8,238</u>	<u>\$ 11,762</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 6,630,500</u>	<u>\$ 4,901,551</u>	<u>\$ 1,728,949</u>

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 FORECAST, APPROPRIATION AND ACTUAL - PUBLIC SAFETY - SPECIAL REVENUE FUND
 For the Year Ended December 31, 2007

	Original and Final Appropriation	Actual	Variance with Appropriation
PUBLIC SAFETY			
REVENUE			
Property taxes	\$ 2,267,203	\$ 2,371,040	\$ 103,837
Grant revenues	5,000	18,713	13,713
Special detail	3,000	15,549	12,549
Interest income	75	211	136
Wireless surcharges	45,000	46,248	1,248
Other surcharges	22,500	6,360	(16,140)
Insurance reimbursements	-	12,445	12,445
Drug/DUI/Gang Fund	2,962	2,906	(56)
Other	-	14,496	14,496
Total Revenues	<u>2,345,740</u>	<u>2,487,968</u>	<u>142,228</u>
EXPENDITURES			
Crossing guard			
Regular salaries	<u>3,000</u>	<u>2,400</u>	<u>600</u>
Police Protection			
Regular salaries	2,525,000	1,963,307	561,693
Overtime	200,000	137,201	62,799
Longevity awards	33,000	10,000	23,000
Educational benefits	<u>25,000</u>	<u>3,750</u>	<u>21,250</u>
Total Police Protection	<u>2,783,000</u>	<u>2,114,258</u>	<u>668,742</u>
Emergency 911			
Communications center rental	-	24,146	(24,146)
Equipment	-	12,722	(12,722)
Ameritech line charges	-	14,064	(14,064)
Equipment maintenance	-	11,825	(11,825)
Miscellaneous	<u>-</u>	<u>543</u>	<u>(543)</u>
Total Emergency 911	<u>-</u>	<u>63,300</u>	<u>(63,300)</u>
Total Public Safety	<u>2,786,000</u>	<u>2,179,958</u>	<u>606,042</u>
Debt Service - 911 Installment Contract			
Interest and fiscal charges	<u>-</u>	<u>3,435</u>	<u>(3,435)</u>
Total Debt Service	<u>-</u>	<u>3,435</u>	<u>(3,435)</u>
Total Expenditures	<u>2,786,000</u>	<u>2,183,393</u>	<u>602,607</u>
Excess (deficiency) of revenues over expenditures	<u>(440,260)</u>	<u>304,575</u>	<u>744,835</u>
OTHER FINANCING SOURCE			
Transfers in	<u>70,000</u>	<u>38,000</u>	<u>(32,000)</u>
Net Change in Fund Balance	<u>\$ (370,260)</u>	<u>342,575</u>	<u>\$ 712,835</u>
FUND BALANCE - Beginning of Year		<u>494,232</u>	
FUND BALANCE - END OF YEAR		<u>\$ 836,807</u>	

See accompanying notes to required supplementary information.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FORECAST, APPROPRIATION AND ACTUAL - ROADS AND BRIDGES - SPECIAL REVENUE FUND
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
ROADS AND BRIDGES			
REVENUE			
Property taxes	\$ 952,250	\$ 1,069,934	\$ 117,684
Property taxes-Town	84,694	67,083	(17,611)
Motor Fuel Tax interest	1,500	10,090	8,590
Motor Fuel Tax allotments	<u>113,500</u>	<u>112,263</u>	<u>(1,237)</u>
 Total Revenues	 <u>1,151,944</u>	 <u>1,259,370</u>	 <u>107,426</u>
 EXPENDITURES			
Road maintenance	1,100,000	820,938	279,062
Snow plowing	300,000	120,347	179,653
Mowing	85,000	67,045	17,955
Sign purchase and installation	30,000	7,822	22,178
Engineering fees	280,000	150,941	129,059
Road striping	60,000	28,511	31,489
Equipment maintenance	10,000	25,435	(15,435)
Road patching	45,000	13,521	31,479
Equipment purchases	10,000	-	10,000
Bridge inspections	<u>12,000</u>	<u>-</u>	<u>12,000</u>
 Total Expenditures	 <u>1,932,000</u>	 <u>1,234,560</u>	 <u>697,440</u>
 Excess of revenues over expenditures	 (780,056)	 24,810	 804,866
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>60,500</u>	<u>(60,500)</u>
 Total Other Financing Sources (Uses)	 <u>-</u>	 <u>60,500</u>	 <u>(60,500)</u>
 Net change in fund balance	 <u>\$ (780,056)</u>	 85,310	 <u>\$ 744,366</u>
 FUND BALANCE (DEFICIT) - Beginning of Year		 <u>(97,247)</u>	
 FUND BALANCE (DEFICIT) - END OF YEAR		 <u>\$ (11,937)</u>	

See accompanying notes to required supplementary information.

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VILLAGE OF BARRINGTON HILLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2007

APPROPRIATION INFORMATION

Appropriation information is derived from the annual operating appropriation and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

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S U P P L E M E N T A R Y I N F O R M A T I O N

VILLAGE OF BARRINGTON HILLS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FORECAST, APPORATION AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
<i>REVENUES</i>			
Taxes			
Property taxes	\$ 255,130	\$ 306,268	\$ 51,138
Total Revenues	<u>255,130</u>	<u>306,268</u>	<u>51,138</u>
<i>EXPENDITURES</i>			
Debt service			
Principal	200,000	170,000	(30,000)
Interest and fiscal charges	<u>160,000</u>	<u>85,675</u>	<u>(74,325)</u>
Total Expenditures	<u>360,000</u>	<u>255,675</u>	<u>104,325</u>
Excess of revenues over expenditures	<u>\$ (104,870)</u>	50,593	<u>\$ 155,463</u>
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(12,205)</u>	
FIND BALANCE - End of Year		<u>\$ 38,388</u>	

VILLAGE OF BARRINGTON HILLS

PROPERTY TAX, ASSESSED VALUATIONS, RATE, TAX EXTENSIONS AND COLLECTIONS

December 31, 2007

County	Tax Levy Year 2006									
	Cook		McHenry		Lake		Kane		Total	
Assessed Valuations	\$ 230,700,116		\$ 130,249,375		\$ 89,638,633		\$ 11,886,564		\$462,474,688	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
FUNDS										
General	0.3063	\$ 706,720	0.2283	\$ 297,350	0.2310	\$ 207,065	0.1942	\$ 23,086	0.9598	\$ 1,234,221
Police Protection	0.5710	1,317,302	0.4256	554,269	0.4280	383,653	0.3620	43,031	1.7866	2,298,256
Police Pension	0.1891	436,231	0.1410	183,562	0.1410	126,390	0.1199	14,250	0.5910	760,433
Social Security	0.0429	98,879	0.0320	41,663	0.0340	30,477	0.0272	3,230	0.1361	174,249
Audit	0.0106	24,429	0.0080	10,304	0.0100	8,964	0.0067	798	0.0353	44,494
Streets and Bridge	0.2401	553,868	0.1473	191,737	0.1820	163,142	0.1276	15,163	0.6970	923,911
Street Lighting	0.0006	1,280	0.0005	560	0.0010	896	0.0004	42	0.0025	2,778
Crossing Guard	0.0006	1,396	0.0006	672	0.0010	896	0.0004	46	0.0026	3,010
Unemployment Insurance	0.0013	2,908	0.0010	1,232	0.0020	1,793	0.0008	95	0.0051	6,028
Liability Insurance	0.0234	54,093	0.0176	22,847	0.0200	17,928	0.0149	1,767	0.0759	96,635
IMRF	0.0021	4,886	0.0017	2,128	0.0020	1,793	0.0013	160	0.0071	8,966
Prior Year Adjustment	0.0000	-	0.2032	264,667	-	-	0.0000	-	0.2032	264,667
Bond and Interest	0.0657	151,599	0.0481	62,606	0.0490	43,923	0.0413	4,906	0.2041	263,034
	1.4537	\$ 3,353,591	1.2549	\$ 1,633,596	1.1010	\$ 986,921	0.8966	\$ 106,574	4.7062	\$ 6,080,682
Total Collections										\$ 5,580,404
Percentage Collected										91.8%

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