

VILLAGE OF BARRINGTON HILLS
Barrington Hills, Illinois

FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2011

VILLAGE OF BARRINGTON HILLS

TABLE OF CONTENTS As of and for the Year Ended December 31, 2011

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 Fund	7
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	8
Index to Notes to Financial Statements	9
Notes to Financial Statements	10 – 33
Required Supplementary Information	
Schedule of Employer's Contributions and Funding Progress – IMRF	34
Schedule of Employer's Contributions and Funding Progress – Police Pension Fund	35
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – General Fund	36
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Public Safety – Special Revenue Fund	37
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Roads and Bridges – Special Revenue Fund	38
Notes to Required Supplementary Information	39

VILLAGE OF BARRINGTON HILLS

TABLE OF CONTENTS (cont) As of and for the Year Ended December 31, 2011

Supplementary Information

Detailed Schedule of Revenues – Forecast and Actual – General Fund	40
Schedule of Expenditures – Appropriation and Actual – General Fund	41
Detailed Schedule of Expenditures – Appropriation and Actual – General Fund	42 – 46
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Forecast, Appropriation and Actual – Debt Service Fund	47

Other Information

Property Tax, Assessed Valuations, Rate, Tax Extensions and Collections	48
---	----

INDEPENDENT AUDITORS' REPORT

To the Village Board of Trustees
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, 2011, 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 previously 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, 2011, 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.

As described in Note I, the Village adopted the provision of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer's contributions and funding progress, and schedule of revenues, expenditures, and changes in fund balance – forecast, appropriation, and actual – General Fund, and detailed schedules of revenues, expenditures, and changes in fund balance – forecast, appropriation, and actual – Special Revenue Funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Village Board of Trustees
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 detailed schedule of revenues – forecast and actual – General Fund, the schedule of expenditures – appropriation and actual – General Fund, the detailed schedule of expenditures – appropriation and actual – General Fund, and schedule of revenues, expenditures, and changes in fund balance – forecast, appropriation, and actual – Debt Service Fund, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
May 9, 2012

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2011

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, 2011. 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.

FINANCIAL HIGHLIGHTS

- > The assets of the Village of Barrington Hills exceeded its liabilities by \$3,834,061 (net assets). Of this amount, \$2,031,384 is restricted for specific purposes (restricted net assets), and \$2,035,141 is invested in capital assets, which leaves an unrestricted net asset deficit of \$232,464. There is no capital asset-related debt outstanding as of December 31, 2011.
 - > Total governmental net assets increased by \$860,745 due to the village effectively controlling expenses during the year.
 - > On December 31, 2011, the village's governmental funds reported combined fund balances of \$2,462,926, an increase of \$341,478 from December 31, 2010.
 - > During the year, revenues totaled \$8,499,507, while expenses totaled \$7,638,762 on the Statement of Activities.
 - > The General Fund reported total ending fund balance of \$1,224,490, a decrease of \$146,393 from the prior year due primarily to transfers made to the Road and Bridges Fund.
 - > The village's governmental funds reported total revenues of \$8,499,635, compared to \$7,696,742, which was forecasted.
 - > The village's governmental funds reported total expenditures of \$8,158,157, compared to \$11,766,000, which was appropriated, and \$8,350,483, which was budgeted.
-

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 As of and for the Year Ended December 31, 2011

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

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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.

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, 2010	December 31, 2011
Current and other assets	\$ 9,803,436	\$ 10,392,046
Capital assets	2,109,772	2,035,141
Total Assets	<u>11,913,208</u>	<u>12,427,187</u>
Current liabilities	6,949,778	6,793,012
Noncurrent liabilities	1,990,114	1,800,114
Total Liabilities	<u>8,939,892</u>	<u>8,593,126</u>
Invested in capital assets, net of related debt	2,109,772	2,035,141
Restricted	552,391	1,724,580
Unrestricted	<u>311,153</u>	<u>74,340</u>
Total Net Assets	<u>\$ 2,973,316</u>	<u>\$ 3,834,061</u>

See independent auditors' report.

Page v

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2011

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

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, 2011. 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 balance of unrestricted net assets can be used to meet the government's ongoing obligations to citizens and creditors.

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

**Table 2
Condensed Statement of Activities**

	Governmental Activities	
	December 31, 2010	December 31, 2011
Revenues:		
Program revenues		
Charges for services	\$ 298,713	\$ 278,227
Operating grants and contributions	136,790	122,812
Capital grants and contributions	75,000	-
General revenues		
Property taxes	6,800,010	6,897,822
Utility taxes	574,688	564,928
Income taxes	314,272	334,382
Sales taxes	98,658	99,775
Other taxes	36,830	33,648
Investment income	4,047	3,958
Miscellaneous revenues	113,098	163,955
Total Revenues	8,452,106	8,499,507
Expenses:		
General government	2,825,799	3,069,930
Public safety	3,266,282	3,251,476
Roads and bridges	1,198,551	1,245,530
Health	6,237	5,321
Interest on long-term debt	71,500	66,505
Total Expenses	7,368,369	7,638,762
Changes in Net Assets	1,083,737	860,745
Beginning Net Assets	1,889,579	2,973,316
Ending Net Assets	\$ 2,973,316	\$ 3,834,061

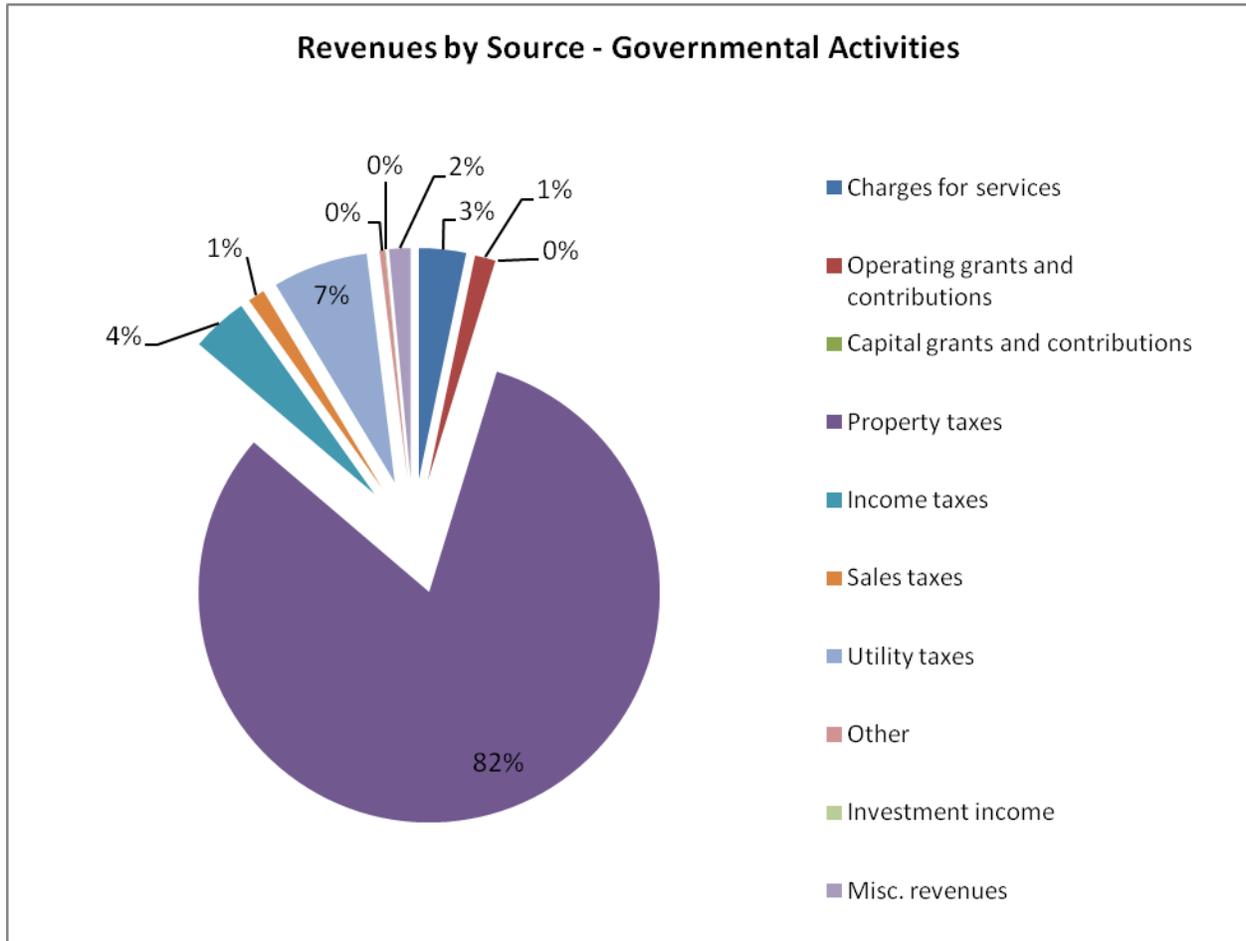
VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2011

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.

Chart 1

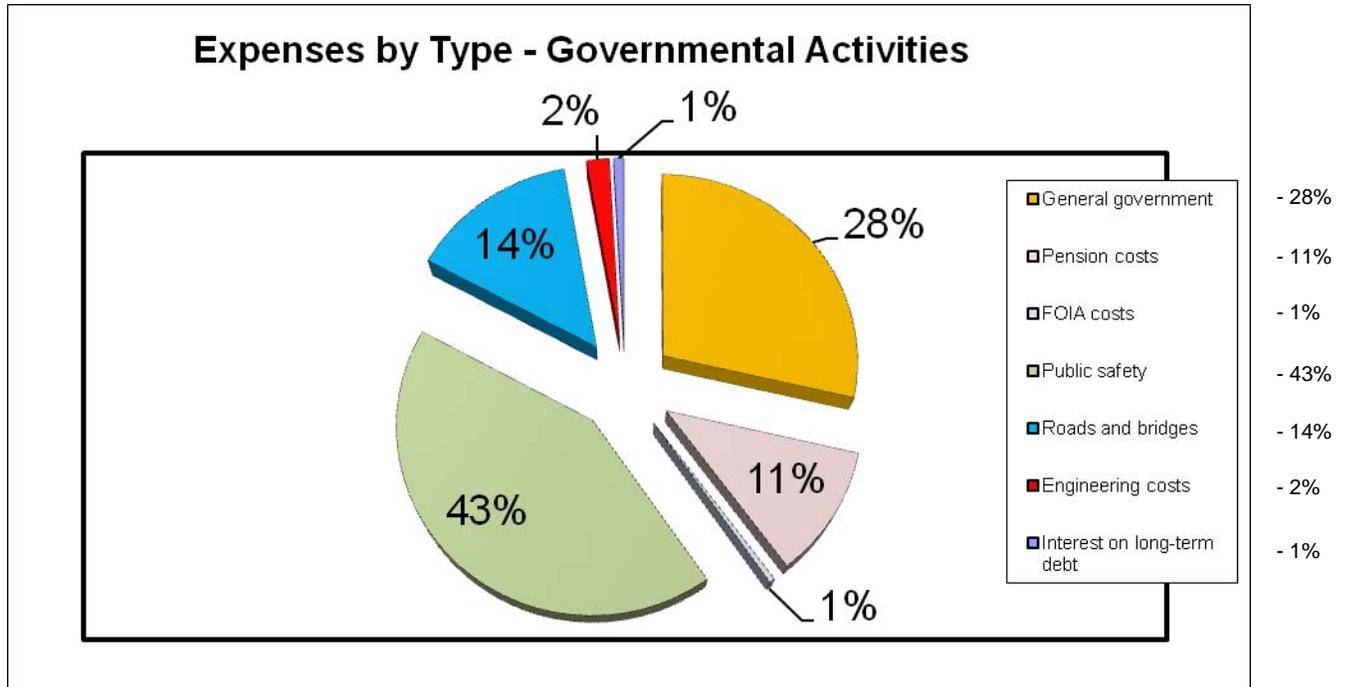


VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2011

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

Chart 2



GOVERNMENTAL ACTIVITIES

Governmental activities increased the village's net assets by \$860,745. This increase is primarily a result of the increased revenue from electricity utility taxes, prior year property tax adjustments, and also from franchise fees.

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.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2011

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, 2011, the village's governmental funds reported combined fund balances of \$2,462,926. Of this amount, \$236,835 constitutes unassigned fund balance, which is available to meet the village's current and future needs. The remaining \$2,226,091 is nonspendable, restricted or assigned. The combined fund balance increased from last year's total of \$2,121,448.

General Fund

The village's General Fund is the chief operating fund of the village. Total fund balance in the General Fund decreased \$146,393 or 11%. This was due primarily to the transfer made to the Roads and Bridges Fund.

GENERAL FUND APPROPRIATION HIGHLIGHTS

The General Fund actual revenues for the current year were \$4,339,780, compared to the revenue forecast of \$3,896,821. This variance is primarily due to an increase in property tax revenues as a result of prior year adjustments.

The General Fund appropriation for the year ended December 31, 2011 had total expenditures of approximately \$6,655,000. The General Fund actual expenditures were lower than the expenditure appropriation. Actual expenditures and transfers totaled \$4,486,173. 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.

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2011

CAPITAL ASSETS

At the end of 2011, the village had invested a total of \$2,035,141 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.

Capital assets remained comparable to the prior year. The total decrease in the village's investment in capital assets for the current fiscal year was \$74,631.

Table 3
Capital Assets

	Governmental Activities	
	December 31, 2010	December 31, 2011
Capital assets not being depreciated		
Land	\$ 350,349	\$ 350,349
Capital assets being depreciated		
Buildings and improvements	2,131,642	2,131,642
Equipment, furniture and vehicles	<u>918,359</u>	<u>951,769</u>
 Total Capital Assets	 3,400,350	 3,433,760
 Less: Accumulated Depreciation	 <u>(1,290,578)</u>	 <u>(1,398,619)</u>
 Capital Assets, Net of Depreciation	 \$ <u>2,109,772</u>	 \$ <u>2,035,141</u>

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

VILLAGE OF BARRINGTON HILLS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2011

LONG-TERM LIABILITIES

At December 31, 2011, the village had \$1,800,114 of governmental debt and compensated absences outstanding as compared to \$1,990,114 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 \$1,765,000.

Table 4
Long-term Liabilities

	Governmental Activities	
	December 31, 2010	December 31, 2011
General obligation debt	\$ 1,955,000	\$ 1,765,000
Compensated absences	<u>35,114</u>	<u>35,114</u>
Total	\$ <u>1,990,114</u>	\$ <u>1,800,114</u>

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

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

The village's elected and appointed officials considered many factors when setting the fiscal year 2012 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 significantly 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.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF NET ASSETS As of December 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and investments	\$ 2,111,035
Taxes receivable	6,709,796
Other receivables	68,176
Due from other governments	236,211
Due from component unit	57,718
Net pension asset	1,064,660
Prepaid items	144,450
Total Current Assets	<u>10,392,046</u>
Noncurrent Assets	
Capital Assets	
Land	350,349
Other capital assets, net of depreciation	1,684,792
Total Noncurrent Assets	<u>2,035,141</u>
Total Assets	<u>12,427,187</u>
LIABILITIES	
Current Liabilities	
Accounts payable	205,420
Accrued liabilities	10,641
Deposit payable	11,678
Unearned revenues	6,565,273
Total Current Liabilities	<u>6,793,012</u>
Noncurrent Liabilities	
Due within one year	205,598
Due in more than one year	1,594,516
Total Noncurrent Liabilities	<u>1,800,114</u>
Total Liabilities	<u>8,593,126</u>
NET ASSETS	
Invested in capital assets	2,035,141
Restricted for:	
Special revenues	1,628,834
Debt service	95,746
Unrestricted	74,340
TOTAL NET ASSETS	<u>\$ 3,834,061</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

Functions/Programs	Program Revenues			Net (Expenses)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Governmental Activities
Governmental Activities					
General government	\$ 3,069,930	\$ 236,388	\$ -	\$ -	\$ (2,833,542)
Public safety	3,251,476	41,839	4,100	-	(3,205,537)
Roads and bridges	1,245,530	-	118,712	-	(1,126,818)
Health	5,321	-	-	-	(5,321)
Interest on long-term debt	66,505	-	-	-	(66,505)
Total Governmental Activities	7,638,762	278,227	122,812	-	(7,237,723)
General Revenues					
Taxes					
Property					6,897,822
Utility					564,928
Income					334,382
Sales					99,775
Other taxes					33,648
Investment income					3,958
Miscellaneous					163,955
Total General Revenues					8,098,468
Change in Net Assets					860,745
NET ASSETS - Beginning of Year					2,973,316
NET ASSETS - END OF YEAR					\$ 3,834,061

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2011

	General Fund	Public Safety	Roads and Bridges	Debt Service	Totals
ASSETS					
Cash and investments	\$ 1,869,474	\$ 49,475	\$ 192,086	\$ -	\$ 2,111,035
Receivables					
Taxes	2,691,424	2,480,443	1,275,996	261,933	6,709,796
Other	60,677	7,299	-	-	67,976
Accrued interest	200	-	-	-	200
Due from other funds	374,565	1,286,009	-	89,998	1,750,572
Due from component unit	57,718	-	-	-	57,718
Due from other governments	227,747	-	8,464	-	236,211
Prepaid items	144,450	-	-	-	144,450
TOTAL ASSETS	<u>\$ 5,426,255</u>	<u>\$ 3,823,226</u>	<u>\$ 1,476,546</u>	<u>\$ 351,931</u>	<u>\$ 11,077,958</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 108,362	\$ -	\$ 97,058	\$ -	\$ 205,420
Accrued liabilities	10,641	-	-	-	10,641
Deposits payable	11,678	-	-	-	11,678
Compensated absences	5,280	5,318	-	-	10,598
Due to other funds	1,376,007	-	374,565	-	1,750,572
Deferred revenues	2,689,797	2,426,141	1,254,000	256,185	6,626,123
Total Liabilities	<u>4,201,765</u>	<u>2,431,459</u>	<u>1,725,623</u>	<u>256,185</u>	<u>8,615,032</u>
Fund Balances					
Nonspendable	144,450	-	-	-	144,450
Restricted	287,324	1,266,974	-	95,746	1,650,044
Assigned	-	124,793	-	-	124,793
Unassigned	792,716	-	(249,077)	-	543,639
Total Fund Balances (Deficit)	<u>1,224,490</u>	<u>1,391,767</u>	<u>(249,077)</u>	<u>95,746</u>	<u>2,462,926</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,426,255</u>	<u>\$ 3,823,226</u>	<u>\$ 1,476,546</u>	<u>\$ 351,931</u>	<u>\$ 11,077,958</u>

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 As of December 31, 2011

Total fund balances - governmental funds	\$ 2,462,926
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.	2,035,141
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	60,850
Non-current assets are not receivable in the current period and therefore, are not reported in the funds.	
Net pension asset	1,064,660
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	
Compensated absences payable	(24,516)
General obligation bonds payable	<u>(1,765,000)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,834,061</u>

VILLAGE OF BARRINGTON HILLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2011

	General Fund	Public Safety	Roads and Bridges	Debt Service	Total Governmental Funds
REVENUES					
Taxes	\$ 3,995,261	\$ 2,569,465	\$ 1,099,569	\$ 266,388	\$ 7,930,683
Intergovernmental	-	-	118,712	-	118,712
Fees, licenses and permits	121,392	-	-	-	121,392
Charges for services	2,736	37,631	-	-	40,367
Fines and forfeitures	112,260	4,208	-	-	116,468
Investment income	3,838	45	75	-	3,958
Miscellaneous	104,293	27,227	-	36,535	168,055
Total Revenues	<u>4,339,780</u>	<u>2,638,576</u>	<u>1,218,356</u>	<u>302,923</u>	<u>8,499,635</u>
EXPENDITURES					
Current					
General government	2,863,050	-	-	-	2,863,050
Public safety	1,226,410	2,383,949	-	-	3,610,359
Roads and bridges	-	-	1,245,530	-	1,245,530
Health services	5,321	-	-	-	5,321
Capital Outlay	141,392	36,000	-	-	177,392
Debt Service					
Principal retirement	-	-	-	190,000	190,000
Interest and fiscal charges	-	-	-	66,505	66,505
Total Expenditures	<u>4,236,173</u>	<u>2,419,949</u>	<u>1,245,530</u>	<u>256,505</u>	<u>8,158,157</u>
Excess (deficiency) of revenues over expenditures	<u>103,607</u>	<u>218,627</u>	<u>(27,174)</u>	<u>46,418</u>	<u>341,478</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	250,000	-	250,000
Transfers (out)	(250,000)	-	-	-	(250,000)
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(146,393)	218,627	222,826	46,418	341,478
FUND BALANCES (DEFICIT) - Beginning of Year	<u>1,370,883</u>	<u>1,173,140</u>	<u>(471,903)</u>	<u>49,328</u>	<u>2,121,448</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,224,490</u>	<u>\$ 1,391,767</u>	<u>\$ (249,077)</u>	<u>\$ 95,746</u>	<u>\$ 2,462,926</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, 2011

Net change in fund balances - total governmental funds	\$ 341,478
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.	94,056
Depreciation is reported in the government-wide statements	(155,720)
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets	(12,967)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities.	
Principal repaid	190,000
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 miscellaneous revenue	(128)
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 net pension asset	<u>404,026</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 860,745</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF NET ASSETS FIDUCIARY FUND As of December 31, 2011

	<u>Police Pension</u>
ASSETS	
Cash	\$ 10,330
Accrued interest receivable	10,864
Prepaid items	2,154
Investments, at fair value:	
Illinois Funds	284,684
Money market funds	460,838
Mutual funds	1,571,792
U.S. agencies	<u>2,647,600</u>
 Total Assets	 <u>4,988,262</u>
LIABILITIES	
Accounts payable	8,187
Due from primary government	<u>57,718</u>
Total Liabilities	<u>65,905</u>
NET ASSETS	
Net Plan Assets Held In Trust For Pension Benefits	<u>\$ 4,922,357</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUND

For the Year Ended December 31, 2011

	<u>Police Pension</u>
ADDITIONS	
Contributions - employer	
Property taxes	\$ 856,690
Contributions - plan members	<u>164,185</u>
Total Contributions	<u>1,020,875</u>
Investment Income (Loss)	
Interest earned and change in fair value	<u>(49,963)</u>
Total Investment Loss	(49,963)
Less investment expenses	<u>(13,314)</u>
Net Investment Loss	<u>(63,277)</u>
Total Additions	<u>957,598</u>
DEDUCTIONS	
Administration	19,986
Payments to beneficiaries	<u>225,161</u>
Total Deductions	<u>245,147</u>
Change in Net Assets	712,451
NET ASSETS - Beginning of Year	<u>4,209,906</u>
NET ASSETS - END OF YEAR	<u>\$ 4,922,357</u>

See accompanying notes to financial statements.

VILLAGE OF BARRINGTON HILLS

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE	Page
I. Summary of Significant Accounting Policies	10
A. Reporting Entity	10
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. Stewardship, Compliance, and Accountability	20
A. Appropriation Information	20
B. Deficit Fund Balance	20
III. 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
IV. Other Information	28
A. Risk Management	28
B. Post-employment Benefits	28
C. Commitments and Contingencies	28
D. Employees' Retirement Systems	29
E. Effect of New Accounting Standards on Current-Period Financial Statements	33

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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 System.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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. The PPERS does not issue a separate report.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2009, the GASB issued statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The village made the decision to implement this standard effective January 1, 2011.

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.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

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.

Funds are organized as major funds or non-major funds within the governmental financial statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. In addition, any other governmental fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village of Barrington Hills reports the following major governmental funds:

General Fund – accounts for the village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Public Safety Special revenue fund – used to account for and report resources that are restricted, committed, or assigned to supporting expenditures for the village's public safety operations, including police protection, the school crossing guard program, expenditures related to the installation and maintenance of the emergency 911 telephone system, and expenditures related to drug, DUI, and gang awareness and prevention programs.

Roads and Bridges Special revenue fund – used to account for and report resources that are restricted, committed, or assigned to supporting expenditures for the repair and maintenance of the village's roads and bridges.

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds, which operate under accounting principles similar to a business in the private sector.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The village's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the village, these funds are not incorporated into the government-wide statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Under the accrual method deferred revenue is recognized as revenue in the period earned. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for state income taxes which have a 180 day availability period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Revenues susceptible to accrual include property taxes, sales and income taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for the subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

1. Deposits and Investments (cont.)

The village has adopted an investment policy. The police pension has not adopted an investment policy. The village's policy contains the following guidelines for investments:

Interest Rate Risk

The village will minimize interest rate risk by structuring the investment portfolio for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The village will also invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk

The village will minimize credit risk by limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the village will do business, and diversifying the investment portfolio.

Custodial Credit Risk

The village will not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC insurable limits. Pledged collateral will be held in safekeeping by a third party depository.

Concentration of credit risk is not addressed by the village's investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investments could be sold.

See Note III. A. for further information.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

2. Receivables

Property taxes for levy year 2011 attach as an enforceable lien on January 1, 2011, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). Tax bills are prepared by the counties and are payable in installments throughout 2012. The counties collect such taxes and remit them periodically. The 2011 property tax levy is recognized as a receivable and deferral in fiscal 2011, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2011, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2011 levy.

An allowance for uncollectible amounts is not considered necessary for any of the village's receivables as it is believed to be immaterial.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$2,500 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

4. Capital Assets (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense 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	10-45 Years
Equipment and furniture	3-20 Years
Land improvements	15-20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

5. Compensated Absences

The village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statements, no liability is recorded for non-vesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick and vacation leave that is estimated to be taken as "terminal leave" prior to retirement.

The liability for these compensated absences is recorded as an obligation in the government-wide statements. The current portion of this debt is based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability which has matured and is payable from expendable available financial resources. A portion to be paid with current financial resources has been accrued within the General Fund and Public Safety Fund.

6. Long-term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide financial statements. The long-term obligations consist primarily of bonds payable, and accrued compensated absences.

For the government-wide statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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 debt 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. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the village classifies governmental fund balance as follows:

- a) Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b) Restricted - Consists of fund balances with constraints place 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.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

7. Equity Classifications (cont.)

Fund Statements (cont.)

- c) 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. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d) Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) – The village adopts a financial policy through board action to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e) Unassigned- Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. F for further information.

Under the Village's "Reserve Fund" policy, the Reserve Fund shall be a designated portion of the General Fund's fund balance and contain no less than \$1,200,000 or such other amount as may be found necessary from time to time by the Board of Trustees to adequately provide for the financial security of the Village.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE II – 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, 2011, the Roads and Bridges Fund had a deficit fund balance of \$249,077. The deficit is expected to be funded through future transfers from the General Fund.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's deposits and investments at December 31, 2011, were comprised of the following:

	Primary Government		Fiduciary Fund		Associated Risks
	Carrying Value	Statement Balance	Carrying Value	Statement Balance	
Deposits	\$ 1,179,807	\$ 1,286,369	\$ 10,330	\$ 12,479	Custodial credit
Certificate of deposit	475,093	474,995	-	-	Custodial credit
Mutual funds	-	-	1,571,792	1,571,792	Credit, interest rate
IL funds money market funds	455,685	455,685	284,684	277,896	Credit, interest rate
Schwab money market	-	-	460,838	460,838	Credit, interest rate
U.S. agencies	-	-	2,647,600	2,647,600	Credit, custodial credit, concentration of credit, interest rate
Petty cash	450	-	-	-	Not applicable
Total Cash and Investments	\$ 2,111,035	\$ 2,217,049	\$ 4,975,244	\$ 4,970,605	

	Cash and Investments
Reconciliation to financial statements	
Per statement of net assets	
Unrestricted cash and investments	\$ 2,111,035
Per statement of net assets – Fiduciary Funds	
Pension trust funds	4,975,244
Total Cash and Investments	\$ 7,086,279

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area banks are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited for noninterest bearing transaction accounts. At December 31, 2011 the village's deposits with financial institutions were fully collateralized or insured.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2011, the village had no investments that were exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2011, the village's investments were rated as follows:

Investment Type	Composite Ratings
Mutual funds	Not rated
Illinois funds money market funds	AAAm
U.S. Agencies	Aaa
Charles Schwab money markets	Not rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the government's investments in a single issuer. The Fiduciary Police Pension Fund is invested in the following U.S. Agencies which exceed 5% of the plan's net assets:

Type	Carrying Value	Percent of Portfolio
FHLB	\$ 2,266,841	85.62%
GNMA	<u>380,759</u>	14.38%
Total	<u>\$ 2,647,600</u>	

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2011, the village and pension investments were as follows:

Investment Type	Primary Government	
	Fair Value	< 1 year
Illinois funds money market funds	\$ 455,685	\$ 455,685
Totals	<u>\$ 455,685</u>	<u>\$ 455,685</u>

Investment Type	Fiduciary Fund			
	Fair Value	< 1 year	1-5 years	> 10 years
Illinois funds money market funds	\$ 284,684	\$ 284,684	\$ -	\$ -
Charles Schwab money markets	460,838	460,838	-	-
U.S. Agencies	2,647,600	-	2,266,841	380,759
Mutual funds	<u>1,571,792</u>	<u>1,571,792</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 4,964,914</u>	<u>\$ 2,317,314</u>	<u>\$ 2,266,841</u>	<u>\$ 380,759</u>

See Note I.D.1 for further information on deposit and investment policies.

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:

	Unavailable	Unearned	Totals
Property taxes	\$ -	\$ 6,565,273	\$ 6,565,273
Due from other governments	30,606	-	30,606
Interest	200	-	200
Other revenue	<u>30,044</u>	<u>-</u>	<u>30,044</u>
Total	<u>\$ 60,850</u>	<u>\$ 6,565,273</u>	<u>\$ 6,626,123</u>

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

B. RECEIVABLES (cont.)

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.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 350,349	\$ -	\$ -	\$ -	\$ 350,349
Total Capital Assets Not Being Depreciated	350,349	-	-	-	350,349
Capital assets being depreciated					
Buildings and Improvements	2,131,642	-	-	-	2,131,642
Equipment, Furniture, Vehicles	918,359	94,056	60,646	-	951,769
Total Capital Assets Being Depreciated	3,050,001	94,056	60,646	-	3,083,411
Less: Accumulated depreciation for					
Buildings and Improvements	(871,164)	(47,862)	-	-	(919,026)
Equipment, Furniture, Vehicles	(419,414)	(107,858)	(48,079)	(400)	(479,593)
Total Accumulated Depreciation	(1,290,578)	(155,720)	(48,079)	(400)	(1,398,619)
Governmental Activities Capital Assets, Net of Depreciation	\$ 2,109,772	\$ (61,664)	\$ 12,567	\$ (400)	\$ 2,035,141

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 76,303
Public Safety	79,417
Total Governmental Activities Depreciation Expense	\$ 155,720

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

The composition of interfund balances as December 31, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
Public Safety	General	\$ 1,286,009
Debt Service	General	89,998
General	Roads and Bridges	374,565
Total – Fund Financial Statements		\$ 1,750,572

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 the due to component unit as of December 31, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General	Police Pension	\$ 57,718

The amounts due to the General Fund are tax receipts paid in advance to the police pension fund.

Transfers

During the year, the village transferred \$250,000 from the General Fund to the Road and Bridges Fund to fund the portion of the deficit in the Road and Bridges Fund.

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

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

NOTE III – 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 issued for \$3,155,000 due in annual installments of \$165,000 to \$250,000 plus interest of 2.7% to 3.8% through January 1, 2020	\$ 1,955,000	\$ -	\$ 190,000	\$ 1,765,000

Long-term Liability Activity

Changes in long-term liabilities during the year ended December 31, 2011, were as follows:

Type of Debt	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due within One Year
Compensated absences	\$ 35,114	\$ 209,656	\$ 209,656	\$ 35,114	\$ 10,598
General obligation bonds	1,955,000	-	190,000	1,765,000	195,000
	<u>\$ 1,990,114</u>	<u>\$ 209,656</u>	<u>\$ 399,656</u>	<u>\$ 1,800,114</u>	<u>\$ 205,598</u>

Payments on the general obligation bonds are made by the Debt Service Fund. Compensated absences for the governmental activities are liquidated by the General Fund and Public Safety 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
2013	\$ 195,000	\$ 61,185
2014	200,000	55,530
2015	210,000	49,230
2016	215,000	42,300
2017	225,000	34,882
2018 - 2020	720,000	54,895
	<u>\$ 1,765,000</u>	<u>\$ 298,022</u>

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE III – 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 is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

F. NET ASSETS/FUND BALANCES

Net assets reported on the government-wide statement of net assets at December 31, 2011, include the following:

Net Assets

Invested in capital assets	
Land	\$ 350,349
Other capital assets, net of accumulated depreciation	1,684,792
Total Invested in Capital Assets	<u>2,035,141</u>
Restricted	
Special revenues	1,628,834
Debt service	95,746
Unrestricted	<u>74,340</u>
Total Governmental Activities Net Assets	<u>\$ 3,834,061</u>

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

F. NET ASSETS/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2011, include the following:

Nonspendable

General Fund	
Prepaid items	<u>\$ 144,450</u>

Restricted

Restricted – General Fund

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund				
FICA/Unemployment	\$ 22,853	\$ 224,907	\$ 205,492	\$ 42,268
Illinois Municipal Retirement	34,013	64,322	54,399	43,936
Audit	(13,383)	31,143	24,754	(6,994)
Liability Insurance	195,328	82,703	76,911	201,120
	<u>\$ 238,811</u>	<u>\$ 403,075</u>	<u>\$ 361,556</u>	280,330

Negative Reserves allocated to unassigned fund balance	<u>6,994</u>
--	--------------

Subtotal – General Fund	<u>287,324</u>
-------------------------	----------------

Public Safety Fund	1,266,974
Debt Service Fund	<u>95,746</u>

Total Restricted Fund Balance	<u>\$ 1,650,044</u>
-------------------------------	---------------------

Assigned

Public Safety Fund	<u>124,793</u>
--------------------	----------------

Total Assigned Fund Balance	<u>\$ 124,793</u>
-----------------------------	-------------------

Unassigned

General Fund	\$ 792,716
Roads and Bridges	<u>(249,077)</u>

Total Unassigned Fund Balance	<u>\$ 543,639</u>
-------------------------------	-------------------

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – 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 is commercially insured for medical, dental, life, and disability insurance.

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.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

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

Plan Description. IMRF provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Funding Policy. As set by statute, employees participating in IMRF 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 contribution rate for calendar year 2010 was 6.50% of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For the fiscal years ending December 31, 2010, 2009, and 2008, the employer's annual pension cost of \$58,872, \$7,236, and \$7,190, respectively, was equal to the employer's required and actual contributions. The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% per 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 IMRF 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's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 120.71 percent funded. The actuarial liability for benefits was \$2,527,100 and the actuarial value of assets was \$3,050,544, resulting in an overfunded actuarial accrued liability (UAAL) of \$523,444. The covered payroll (annual payroll of active employees covered by the plan) was \$905,722 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll. In conjunction with the December 2010 actuarial valuation the market value of investments was determined using techniques that spread the effect 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. In 2010, the overfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (CONT.)

D. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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>19</u>
Total	<u>23</u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - 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 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 retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

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 plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended, the village's contribution was % of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

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.

Net Pension Asset

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

	December 31, 2011	December 31, 2010
Annual Required Contribution	\$ 467,496	\$ 435,946
Interest on the Net Pension Asset	(30,961)	(14,393)
Adjustment to annual required contribution	<u>16,129</u>	<u>7,337</u>
Annual Pension Cost	452,664	428,890
Actual Contribution	<u>(856,690)</u>	<u>(647,219)</u>
Increase in the Net Pension Asset	(404,026)	(218,329)
Net Pension Asset-Beginning of Year	<u>(660,634)</u>	<u>(442,305)</u>
Net Pension Asset-End of Year	<u>\$ (1,064,660)</u>	<u>\$ (660,634)</u>

As of December 31, 2010, the most recent actuarial valuation date, the Police Pension plan was 40.0 percent funded. The actuarial liability for benefits was \$10,518,825 and the actuarial value of assets was \$4,209,906 resulting in an underfunded actuarial accrued liability (UAAL) of \$6,308,919. The covered payroll (annual payroll of active employees covered by the plan) was \$1,631,516 and the ratio of the UAAL to the covered payroll is 386.7%.

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

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

Annual Pension Cost

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

	Illinois Municipal Retirement	Police Pension
Contribution rates – employer	6.50%	44.59%
Contribution rates – employee	4.50%	9.91%
Annual pension cost	\$58,872	\$452,664
Contributions made	\$58,872	\$856,690
Actuarial valuation date	12/31/2010	12/31/2010
Actuarial cost method	Entry age normal	Entry age
Amortization method	Level % of projected payroll open basis	Level % of pay, closed
Remaining amortization period	23 years	30 years
Asset valuation method	5 year smoothed market	Market
Actuarial assumptions		
Investment rate	7.5%	6.50%
Projected salary increases	0.4 to 10%	5.0%
Inflated rate included	4.0%	3.0%
Cost-of-living adjustments	3.0%	3.0% per year

VILLAGE OF BARRINGTON HILLS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

D. EMPLOYEES' RETIREMENT SYSTEMS (cont.)

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (asset) are as follows. The net pension obligation (asset) is the cumulative difference between the APC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost (APC)	12/31/2011	\$ N/A	\$ 452,664
	12/31/2010	58,872	428,890
	12/31/2009	7,236	428,890
	12/31/2008	7,190	405,265
Actual Contributions	12/31/2011	\$ N/A	\$ 856,690
	12/31/2010	58,872	647,219
	12/31/2009	7,236	665,578
	12/31/2008	7,190	753,829
Percentage of APC Contributed	12/31/2011	N/A	189%
	12/31/2010	100%	151%
	12/31/2009	100%	155%
	12/31/2008	100%	186%
Net Pension Obligation (Asset)	12/31/2011	\$ N/A	\$ (1,064,660)
	12/31/2010	-	(660,634)
	12/31/2009	-	(442,305)
	12/31/2008	-	(205,617)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, The Financial Reporting Entity: Omnibus; Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements; Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53. Application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BARRINGTON HILLS
IMRF

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND FUNDING PROGRESS
December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 3,050,544	\$ 2,527,100	\$ 523,444	120.71%	\$ 905,722	-
12/31/09	2,825,585	2,338,838	486,747	120.81%	861,477	-
12/31/08	2,516,982	2,157,493	359,489	116.66%	836,103	-
12/31/07	3,356,386	1,852,610	1,503,776	181.17%	807,990	-
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	-

Actuarial Valuation Date	Annual Required Contribution	Percent Contributed
12/31/10	\$ 58,872	100.00%
12/31/09	7,236	100.00%
12/31/08	7,190	100.00%
12/31/07	8,645	100.00%
12/31/06	7,091	100.00%
12/31/05	67,895	100.00%

The information presented in the above supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2010
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of projected payroll open basis
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation factor	4.00%
Projected salary increases	0.4% - 10.0%
Inflation factor	4.00%
Cost of living adjustments	3.00% per year

VILLAGE OF BARRINGTON HILLS
POLICE PENSION FUND

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND FUNDING PROGRESS

December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 4,209,906	\$ 10,518,825	\$ (6,308,919)	40.00%	\$ 1,631,516	428.50%
12/31/09	3,419,133	9,566,899	(6,147,766)	35.70%	1,579,973	389.10%
12/31/08	N/A	N/A	N/A	N/A	N/A	N/A
12/31/07	2,025,432	7,893,695	(5,868,263)	25.70%	1,369,386	428.50%
12/31/06	N/A	N/A	N/A	N/A	N/A	N/A

Fiscal Year End	Annual Required Contribution	Percent Contributed	Net Pension Obligation (Asset)
12/31/11	\$ 467,496	189.00%	\$ 1,064,660
12/31/10	435,946	150.91%	(660,634)
12/31/09	435,946	152.67%	(442,305)
12/31/08	405,265	186.00%	(205,617)
12/31/07	405,265	107.82%	138,012
12/31/06	243,696	86.99%	169,707

The information presented in the above supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2010
Actuarial cost method	Entry Age
Amortization method	Level percentage of pay, closed
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	6.50%
Inflation factor	3.00%
Projected salary increases	5.00%
Cost of living adjustments	3.00% per year

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, 2011

	Final Forecast and Appropriation	Actual	Variance
REVENUES			
Taxes	\$ 3,474,121	\$ 3,995,261	\$ 521,140
Fees, permits and licenses	151,500	121,392	(30,108)
Charges for services	1,800	2,736	936
Fines and forfeitures	152,000	112,260	(39,740)
Investment income	5,500	3,838	(1,662)
Miscellaneous	<u>111,900</u>	<u>104,293</u>	<u>(7,607)</u>
Total Revenues	<u>3,896,821</u>	<u>4,339,780</u>	<u>442,959</u>
EXPENDITURES			
General government	4,854,500	2,895,691	1,958,809
Public safety	1,788,500	1,335,161	453,339
Health services	<u>12,000</u>	<u>5,321</u>	<u>6,679</u>
Total Expenditures	<u>6,655,000</u>	<u>4,236,173</u>	<u>2,418,827</u>
Excess (deficiency) of revenues over expenditures	<u>(2,758,179)</u>	<u>103,607</u>	<u>2,861,786</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
Net Change in Fund Balance	<u>\$ (2,758,179)</u>	<u>(146,393)</u>	<u>\$ 2,611,786</u>
FUND BALANCE - Beginning of Year		<u>1,370,883</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,224,490</u>	

See accompanying notes to required supplementary information and independent auditors' report.

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 FORECAST, APPROPRIATION AND ACTUAL - PUBLIC SAFETY - SPECIAL REVENUE FUND
 For the Year Ended December 31, 2011

	Original and Final Forecast and Appropriation	Actual	Variance
PUBLIC SAFETY			
REVENUE			
Property taxes	\$ 2,465,921	\$ 2,569,465	\$ 103,544
Grant revenues	5,000	-	(5,000)
Special detail	1,500	6,838	5,338
Interest income	-	45	45
Wireless surcharges	-	30,793	30,793
Other surcharges	-	13,543	13,543
Insurance reimbursements	1,000	-	(1,000)
Drug/DUI/gang fund	-	4,208	4,208
Other	-	13,684	13,684
Total Revenues	<u>2,473,421</u>	<u>2,638,576</u>	<u>165,155</u>
EXPENDITURES			
Crossing Guard			
Regular salaries	<u>3,000</u>	<u>2,400</u>	<u>600</u>
Police Protection			
Regular salaries	2,575,000	2,257,825	317,175
Overtime	190,000	62,596	127,404
Longevity awards	30,000	25,750	4,250
Vacation compensation	6,000	5,246	754
Educational benefits	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Police Protection	<u>2,821,000</u>	<u>2,351,417</u>	<u>469,583</u>
Emergency 911			
Ameritech line charges	-	11,989	(11,989)
Equipment maintenance	-	12,512	(12,512)
Miscellaneous	<u>-</u>	<u>5,631</u>	<u>(5,631)</u>
Total Emergency 911	<u>-</u>	<u>30,132</u>	<u>(30,132)</u>
Drug/Gang/DUI			
Drug/Gang/DUI expenses	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Capital Outlay			
Purchase new equipment	<u>-</u>	<u>36,000</u>	<u>(36,000)</u>
Total Expenditures	<u>2,827,000</u>	<u>2,419,949</u>	<u>407,051</u>
Net Change in Fund Balance	<u>\$ (353,579)</u>	218,627	<u>\$ 572,206</u>
FUND BALANCE - Beginning of Year		<u>1,173,140</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,391,767</u>	

See accompanying notes to required supplementary information and independent auditors' report.

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, 2011

	Original and Final Forecast and Appropriation	Actual	Variance
ROADS AND BRIDGES			
REVENUE			
Property taxes	\$ 1,000,000	\$ 1,028,903	\$ 28,903
Property taxes-Town	70,000	70,666	666
Motor fuel tax interest	-	75	75
Motor fuel tax allotments	-	118,712	118,712
	<u>1,070,000</u>	<u>1,218,356</u>	<u>148,356</u>
EXPENDITURES			
Road maintenance	900,000	655,746	244,254
Snow plowing	320,000	158,108	161,892
Mowing	85,000	66,354	18,646
Sign purchase and installation	20,000	9,478	10,522
Drainage management	270,000	158,154	111,846
Engineering fees	300,000	149,231	150,769
Road striping	60,000	-	60,000
Equipment maintenance	10,000	10,879	(879)
Road patching	45,000	21,022	23,978
Equipment purchases	10,000	-	10,000
Bridge inspections	5,000	4,160	840
Cuba Road bridge	-	12,398	(12,398)
	<u>2,025,000</u>	<u>1,245,530</u>	<u>779,470</u>
Excess (deficiency) of revenues over expenditures	(955,000)	(27,174)	927,826
OTHER FINANCING SOURCES			
Transfers in	-	250,000	250,000
	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Total Other Financing Sources	-	250,000	250,000
	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Net change in fund balance	<u>\$ (955,000)</u>	222,826	<u>\$ 1,177,826</u>
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(471,903)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (249,077)</u>	

See accompanying notes to required supplementary information and independent auditors' report.

VILLAGE OF BARRINGTON HILLS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2011

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF REVENUES - FORECAST AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	<u>Original and Final Forecast</u>	<u>Actual</u>	<u>Variance with Forecast</u>
TAXES			
Property taxes	\$ 2,337,941	\$ 2,962,400	\$ 624,459
Sales taxes	85,000	99,775	14,775
Income taxes	300,000	334,382	34,382
Replacement taxes	35,000	33,648	(1,352)
Utility taxes	716,180	565,056	(151,124)
TOTAL TAXES	<u>3,474,121</u>	<u>3,995,261</u>	<u>521,140</u>
FEES, PERMITS AND LICENSES			
Building permits	85,000	68,100	(16,900)
Liquor and scavenger licenses	1,500	1,030	(470)
Vehicle stickers	37,000	34,576	(2,424)
Overweight permit fees	28,000	17,686	(10,314)
TOTAL FEES, PERMITS AND LICENSES	<u>151,500</u>	<u>121,392</u>	<u>(30,108)</u>
CHARGES FOR SERVICES			
Police accident reports	1,300	1,130	(170)
Copy fees	500	1,606	1,106
TOTAL CHARGES FOR SERVICES	<u>1,800</u>	<u>2,736</u>	<u>936</u>
FINES AND FORFEITURES			
Traffic fines - Cook County	110,000	75,953	(34,047)
Police "C" tickets	31,000	26,100	(4,900)
Supervision fees	11,000	10,207	(793)
TOTAL FINES AND FORFEITURES	<u>152,000</u>	<u>112,260</u>	<u>(39,740)</u>
INVESTMENT INCOME			
Investment income	5,500	3,838	(1,662)
MISCELLANEOUS REVENUES			
Franchise fees	65,000	60,188	(4,812)
Seized drug income	1,000	-	(1,000)
Rental income	1,300	1,271	(29)
Security link system fees	10,000	12,326	2,326
Zoning and petition fees	1,000	1,250	250
Forfeited drug revenue	1,000	-	(1,000)
Animal services reimbursements	1,500	1,819	319
Subdivision reimbursements	-	5,464	5,464
Surplus property	15,000	12,079	(2,921)
Grant revenue - public safety equipment	4,100	4,100	-
Police training reimbursements	1,000	-	(1,000)
Contributions/Donations	1,000	-	(1,000)
Other	10,000	5,796	(4,204)
TOTAL MISCELLANEOUS REVENUES	<u>111,900</u>	<u>104,293</u>	<u>(7,607)</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 3,896,821</u>	<u>\$ 4,339,780</u>	<u>\$ 442,959</u>

VILLAGE OF BARRINGTON HILLS

SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	Original and Final Appropriation	Actual	Variance with Appropriation
GENERAL GOVERNMENT			
Administration	\$ 1,034,000	\$ 557,389	\$ 476,611
Building department	281,500	304,015	(22,515)
Insurance and risk	1,102,000	793,122	308,878
Legal	1,712,000	925,833	786,167
Municipal building and grounds	478,000	160,782	317,218
Zoning and planning department	<u>247,000</u>	<u>154,550</u>	<u>92,450</u>
TOTAL GENERAL GOVERNMENT	<u>4,854,500</u>	<u>2,895,691</u>	<u>1,958,809</u>
PUBLIC SAFETY			
Police department	<u>1,788,500</u>	<u>1,335,161</u>	<u>453,339</u>
HEALTH SERVICES			
	<u>12,000</u>	<u>5,321</u>	<u>6,679</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 6,655,000</u>	<u>\$ 4,236,173</u>	<u>\$ 2,418,827</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
GENERAL GOVERNMENT			
Administration			
Regular salaries	\$ 303,000	\$ 117,103	\$ 185,897
Social security	225,000	199,445	25,555
IMRF	75,000	54,399	20,601
Unemployment taxes	10,000	6,047	3,953
Office/computer supplies	35,000	6,630	28,370
Purchase of office equipment	20,000	3,781	16,219
Rental of office equipment	7,000	2,118	4,882
Telephones and fees	60,000	10,641	49,359
Vehicle stickers	8,000	1,891	6,109
Barrington Area Council of Governments	45,000	35,810	9,190
Audit	35,000	20,000	15,000
Hardware/software	5,000	2,654	2,346
Finance consulting	8,000	-	8,000
Records management	20,000	2,100	17,900
Dues and contributions	9,000	3,823	5,177
Tuition and travel	7,000	3,791	3,209
Newsletter and website	30,000	15,866	14,134
Computer supplies	5,000	-	5,000
Vehicle	5,000	3,716	1,284
Vacation compensation	6,000	5,386	614
Postage	8,000	2,217	5,783
Clerical services	30,000	21,243	8,757
Communications committee	5,000	-	5,000
Messenger service	2,000	678	1,322
Payroll	8,000	4,789	3,211
Longevity Pay-Treasurer	500	500	-
Broadband data	25,000	14,987	10,013
Web services	15,000	7,702	7,298
Merchant fees	500	25	475
Other/meetings expenditures	22,000	10,047	11,953
Total Administration	<u>1,034,000</u>	<u>557,389</u>	<u>476,611</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
GENERAL GOVERNMENT (cont.)			
Building Department			
Regular salaries	\$ 100,000	\$ 129,346	\$ (29,346)
Outside services	100,000	135,388	(35,388)
Printing and offices supplies	2,500	(2,219)	4,719
Field/office equipment	1,000	18	982
Automobile expenditures	1,000	-	1,000
Building/zoning coordinator	30,000	21,815	8,185
Plumbing inspections	20,000	14,056	5,944
Drainage	1,000	-	1,000
Surveying services	20,000	3,665	16,335
Office expenditures	3,000	1,946	1,054
Overtime	3,000	-	3,000
Total Building Department	<u>281,500</u>	<u>304,015</u>	<u>(22,515)</u>
Insurance and Risk			
Worker's compensation insurance	90,000	76,573	13,427
Employee medical and life	700,000	559,904	140,096
Wellness program	4,000	1,680	2,320
Employee dental plan	65,000	51,338	13,662
Vehicle/physical damage	25,000	638	24,362
Surety bonds	8,000	30	7,970
Long-term disability	25,000	16,707	8,293
Property/inland marine	13,000	4,668	8,332
Asset inventory	18,000	4,419	13,581
Property-Fire Station	2,000	-	2,000
General liability insurance	20,000	9,462	10,538
Vehicle liability insurance	35,000	15,039	19,961
Employment practice liability	8,000	3,612	4,388
Law enforcement insurance	20,000	9,660	10,340
Public officials insurance	5,000	2,064	2,936
Excess liability insurance	60,000	37,328	22,672
Crime insurance	2,000	-	2,000
Employee benefits liability	2,000	-	2,000
Total Insurance and Risk	<u>1,102,000</u>	<u>793,122</u>	<u>308,878</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
GENERAL GOVERNMENT (cont.)			
Legal			
Village attorney	\$ 750,000	\$ 694,307	\$ 55,693
Court attorney	80,000	66,020	13,980
Police attorney	15,000	-	15,000
Other legal fees	275,000	55,898	219,102
Publications	4,000	1,713	2,287
Expert witnesses	100,000	352	99,648
Court reporters	18,000	6,530	11,470
Labor relations	300,000	47,552	252,448
FOIA records management	100,000	35,325	64,675
Planning/zoning	70,000	18,136	51,864
Total Legal	<u>1,712,000</u>	<u>925,833</u>	<u>786,167</u>
Municipal Building and Grounds			
Building improvements	125,000	17,440	107,560
Furniture and equipment	20,000	5,789	14,211
Interior building maintenance	50,000	52,976	(2,976)
Exterior building maintenance	50,000	15,922	34,078
Grounds maintenance	20,000	6,152	13,848
Contractual services	50,000	3,069	46,931
Parking lot maintenance	5,000	4,162	838
Taxes	9,000	3,386	5,614
Landscape restoration work	50,000	19,862	30,138
Landscape irrigation	15,000	1,260	13,740
Snow removal	30,000	10,196	19,804
Safety/security equipment	25,000	5,631	19,369
Fire station maintenance	25,000	12,157	12,843
Street lighting	4,000	2,780	1,220
Total Municipal Building and Grounds	<u>478,000</u>	<u>160,782</u>	<u>317,218</u>
Zoning and Planning Department			
Regular salaries	-	21,815	(21,815)
Overtime	8,000	287	7,713
Minutes and transcripts	30,000	20,709	9,291
Supplies/maps/printing	100,000	81,083	18,917
Engineering services	25,000	3,798	21,202
Subdivision review costs	10,000	16,635	(6,635)
Equestrian Commission	2,000	223	1,777
Development Commission	2,000	-	2,000
Professional services	70,000	10,000	60,000
Total Zoning and Planning Department	<u>247,000</u>	<u>154,550</u>	<u>92,450</u>
Total General Government	<u>4,854,500</u>	<u>2,895,691</u>	<u>1,958,809</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
PUBLIC SAFETY			
Police Department			
Purchase of police cars	\$ 100,000	\$ 54,061	\$ 45,939
Gasoline	90,000	98,011	(8,011)
Squad car repairs	30,000	17,850	12,150
Tires	5,000	4,156	844
Telephone	50,000	28,745	21,255
UHF network	40,000	14,548	25,452
Radio maintenance	25,000	13,013	11,987
Re-install radios	20,000	9,045	10,955
Nextel contract	25,000	8,073	16,927
Radar repairs	3,000	522	2,478
Security maintenance	20,000	3,970	16,030
Jail service contract	2,000	801	1,199
Memberships and dues	20,000	10,364	9,636
Uniforms	30,000	19,935	10,065
I.T. consultant	60,000	37,235	22,765
Marking vehicles	5,000	0	5,000
Training and travel	40,000	16,343	23,657
Shooting program and armory	20,000	7,344	12,656
Purchase of vehicular accessories	13,000	4,794	8,206
Employee recognition awards	4,000	1,790	2,210
Equipment replacement	50,000	19,921	30,079
Office expenditures	15,000	8,385	6,615
Office supplies	20,000	9,388	10,612
IPSAN/PIPS	20,000	9,756	10,244
Towing	3,000	150	2,850
Recruitment	10,000	-	10,000
Professional service/consulting	6,500	13,887	(7,387)
Drug education	17,000	321	16,679
Computer system	40,000	20,961	19,039
Disaster and emergency services	55,000	6,209	48,791
Furniture and equipment	20,000	4,795	15,205
Calea expenditures	20,000	10,979	9,021
Computer-aided dispatch	25,000	5,000	20,000
Live-scan monthly fees	8,000	4,748	3,252
Public safety equipment	7,000	4,013	2,987
Other	20,000	9,358	10,642
Pension contribution	850,000	856,690	(6,690)
Total Public Safety	<u>1,788,500</u>	<u>1,335,161</u>	<u>453,339</u>

VILLAGE OF BARRINGTON HILLS

DETAILED SCHEDULE OF EXPENDITURES - APPROPRIATION
AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance with Appropriation</u>
HEALTH SERVICES	\$ 12,000	\$ 5,321	\$ 6,679
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 6,655,000</u>	<u>\$ 4,236,173</u>	<u>\$ 2,418,827</u>

VILLAGE OF BARRINGTON HILLS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FORECAST, APPROPRIATION AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2011

	Original and Final Forecast and Appropriation	Actual	Variance
REVENUES			
Taxes			
Property taxes	\$ 256,500	\$ 266,388	\$ 9,888
Miscellaneous income	-	36,535	36,535
Total Revenues	<u>256,500</u>	<u>302,923</u>	<u>46,423</u>
EXPENDITURES			
Debt service			
Principal	200,000	190,000	(10,000)
Interest and fiscal charges	<u>65,000</u>	<u>66,505</u>	<u>1,505</u>
Total Expenditures	<u>265,000</u>	<u>256,505</u>	<u>8,495</u>
Net change in fund balance	<u>\$ (8,500)</u>	46,418	<u>\$ 54,918</u>
FUND BALANCE - Beginning of Year		<u>49,328</u>	
FUND BALANCE - End of Year		<u>\$ 95,746</u>	

OTHER INFORMATION

VILLAGE OF BARRINGTON HILLS

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

December 31, 2011

County	Tax Levy Year 2010									
	Cook		McHenry		Lake		Kane		Total	
Assessed Valuations	\$ 287,772,931		\$ 149,416,795		\$ 90,512,536		\$ 12,113,004		\$ 539,815,266	
	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension
FUNDS										
General	0.3339	\$ 960,898	0.3107	\$ 464,249	0.2880	\$ 260,676	0.3125	\$ 37,853	1.2451	\$ 1,723,676
Police Protection	0.4851	1,395,928	0.4514	674,429	0.4180	378,342	0.4540	54,990	1.8084	2,503,689
Police Pension	0.1475	424,566	0.1373	205,126	0.1280	115,856	0.1381	16,725	0.5509	762,273
Social Security	0.0413	118,878	0.0384	57,435	0.0370	33,490	0.0387	4,683	0.1554	214,486
Audit	0.0059	16,983	0.0055	8,205	0.0060	5,431	0.0055	669	0.0229	31,288
Streets and Bridge	0.1967	566,088	0.1830	273,500	0.1700	153,871	0.1841	22,300	0.7338	1,015,759
Street Lighting	0.0006	1,811	0.0006	875	0.0010	905	0.0006	71	0.0028	3,662
Crossing Guard	0.0005	1,359	0.0004	657	0.0010	905	0.0004	53	0.0024	2,974
Unemployment Insurance	0.0011	3,113	0.0010	1,505	0.0000	-	0.0010	123	0.0031	4,741
Liability Insurance	0.0160	46,029	0.0149	22,239	0.0140	12,672	0.0150	1,813	0.0599	82,753
IMRF	0.0124	35,664	0.0115	17,231	0.0120	10,861	0.0116	1,405	0.0475	65,161
Prior Year Adjustment	0.0000	-	0.0888	132,615	-	-	0.0012	142	0.0899	132,757
Bond and Interest	0.0514	148,024	0.0469	70,154	0.0440	39,826	0.0477	5,777	0.1899	263,781
	1.2924	\$ 3,719,341	1.2904	\$ 1,928,220	1.1190	\$ 1,012,835	1.2103	\$ 146,604	4.9121	\$ 6,807,000
Cash collected through December 31, 2011		\$ 3,450,230		\$ 1,791,180		\$ 1,011,061		\$ 146,463		\$ 6,398,934
Accrual adjustment for collections within 60 days		144,523		-		-		-		144,523
Total Collections - Tax Levy Year 2010		\$ 3,594,753		\$ 1,791,180		\$ 1,011,061		\$ 146,463		\$ 6,543,457
Percentage Collected		96.7%		92.9%		99.8%		99.9%		96.1%