

VILLAGE OF NORTH BARRINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2015



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INDEPENDENT AUDITORS' REPORT

To The President and
Board of Trustees
Village of North Barrington, 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 North Barrington, Illinois as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise Village of North Barrington, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Village of North Barrington, Illinois' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of North Barrington, Illinois as of April 30, 2015 and the respective changes in financial position thereof and the respective budgetary comparison for the General and Motor Fuel Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The President and
Board of Trustees
Village of North Barrington, Illinois

Other Matters

Required Supplementary Information

The Village has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of North Barrington, Illinois' basic financial statements. The accompanying supplementary information, Schedule of Expenditures – Budget and Actual, on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Detterbeck Johnson & Monsen, Ltd.
(An Illinois Professional
Service Corporation)
Palatine, Illinois
October 13, 2015



VILLAGE OF NORTH BARRINGTON, ILLINIOS

STATEMENT OF NET POSITION

APRIL 30, 2015

	<u>Total Primary Government Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 3,196,466
Property Taxes Receivable, Net of Allowance For Loss and Cost	637,432
Sales, Income and Motor Fuel Taxes Receivable	128,427
Interest Income Receivable	-
Capital Assets, Net of Accumulated Depreciation	<u>1,161,417</u>
Total Assets	<u>5,123,742</u>
LIABILITIES	
Accounts Payable	64,475
Road Bond Deposits Payable	135,450
Agency Deposits Payable	73,024
Escrow Deposit	30,263
Deferred Revenues	<u>731,432</u>
Total Liabilities	<u>1,034,644</u>
NET POSITION	
Investment in Capital Assets	1,161,417
Expendable Restricted Net Position	
Motor Fuel Tax Expenditures	111,999
Special Service Districts	373,424
Unrestricted Net Position	<u>2,442,258</u>
TOTAL NET POSITION	<u>\$ 4,089,098</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINOIS

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2015

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue</u>
PRIMARY GOVERNMENT			
Governmental Activities			
General Government	\$1,571,540	\$ 477,975	\$(1,093,565)
Motor Fuel Tax Expenditures	<u>180,000</u>	<u>-</u>	<u>(180,000)</u>
Total Governmental Activities	<u>1,751,540</u>	<u>477,975</u>	<u>(1,273,565)</u>
GENERAL REVENUES			
Property Taxes, levied for general purposes			647,911
Income Taxes			306,972
Sales Taxes			111,762
Interest			6,720
Motor Fuel Tax Allotments			87,345
Personal Property Replacement Taxes			<u>4,317</u>
Total General Revenues			<u>1,165,027</u>
CHANGE IN NET POSITION			(108,538)
NET POSITION			
Beginning			<u>4,197,636</u>
Ending			<u>\$ 4,089,098</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINIOS

BALANCE SHEET
GOVERNMENTAL FUNDS

	<u>APRIL 30, 2015</u>		Total
	General Fund	Motor Fuel Tax Fund	Governmental Funds
ASSETS			
Cash and Investments	\$3,091,554	\$ 104,912	\$ 3,196,466
Property Taxes Receivable, Net of Allowance For Loss and Cost of \$4,966	637,432	-	637,432
Sales, Income and Motor Fuel Taxes Receivable	<u>121,340</u>	<u>7,087</u>	<u>128,427</u>
TOTAL ASSETS	<u>\$3,850,326</u>	<u>\$ 111,999</u>	<u>\$ 3,962,325</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 64,475	\$ -	\$ 64,475
Road Bond Deposits Payable	135,450	-	135,450
Agency Deposits Payable	73,024	-	73,024
Escrow Deposit	30,263	-	30,263
Deferred Revenues	<u>731,432</u>	<u>-</u>	<u>731,432</u>
Total Liabilities	<u>1,034,644</u>	<u>-</u>	<u>1,034,644</u>
FUND BALANCES			
Restricted for:			
Special Service Districts	373,424	-	373,424
Motor Fuel Tax Expenditures	-	111,999	111,999
Unassigned	<u>2,442,258</u>	<u>-</u>	<u>2,442,258</u>
Total Fund Balances	<u>2,815,682</u>	<u>111,999</u>	<u>2,927,681</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,850,326</u>	<u>\$ 111,999</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds			1,161,417
Interest receivable on certificates of deposit is recorded for the accrual basis balance sheet but is not reported on a modified accrual basis and therefore not reported in the funds			<u>-</u>
Net Position of Governmental Activities			<u>\$ 4,089,098</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED APRIL 30, 2015

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 647,911	\$ -	\$ 647,911
Income Tax	306,972	-	306,972
Cell Tower Rental	258,876	-	258,876
Sales Tax	111,762	-	111,762
Licenses and Permits	97,175	-	97,175
Franchise Fees	88,988	-	88,988
Motor Fuel Tax Allotments	-	87,345	87,345
Fines	12,955	-	12,955
Interest	6,793	274	7,067
Road Impact Fees	6,500	-	6,500
Miscellaneous	5,987	-	5,987
Park Impact Fee	4,494	-	4,494
Personal Property Replacement Taxes	4,317	-	4,317
Special Service	3,000	-	3,000
	<u>1,555,730</u>	<u>87,619</u>	<u>1,643,349</u>
EXPENDITURES			
General Government	793,217	-	793,217
Street and Roads	507,530	180,000	687,530
Public Safety	330,000	-	330,000
	<u>1,630,747</u>	<u>180,000</u>	<u>1,810,747</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	(75,017)	(92,381)	(167,398)
OTHER FINANCING SOURCES (USES)			
Transfers	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES			
	(75,017)	(92,381)	(167,398)
FUND BALANCE			
Beginning	2,890,699	204,380	3,095,079
	<u>2,890,699</u>	<u>204,380</u>	<u>3,095,079</u>
Ending	<u>\$2,815,682</u>	<u>\$ 111,999</u>	<u>\$ 2,927,681</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (167,398)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the net of depreciation expense of \$32,958 and capital outlays of \$92,165 during the year.	59,207
Interest receivable on certificates of deposit decreased from the beginning of the year to the end of the year by this amount. The statement of activities includes accrued interest but is not reflected as revenue in the funds until received.	<u>(347)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (108,538)</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

YEAR ENDED APRIL 30, 2015

	General		Motor Fuel Tax	
	GAAP Budget Original/Final	Actual	GAAP Budget Original/Final	Actual
REVENUES				
Property Taxes	\$ 633,200	\$ 647,911	\$ -	\$ -
Income Tax	260,000	306,972	-	-
Cell Tower Rental	230,000	258,876	-	-
Interest	6,000	6,793	-	274
Motor Fuel Tax Allotments	-	-	80,000	87,345
Sales Tax	98,000	111,762	-	-
Licenses and Permits	63,000	97,175	-	-
Franchise Fees	100,000	88,988	-	-
Fines	18,000	12,955	-	-
Road Impact Fees	2,000	6,500	-	-
Personal Property			-	-
Replacement Taxes	2,000	4,317	-	-
Miscellaneous	4,000	5,537	-	-
Park Impact Fees	-	4,494	-	-
Special Services Fees	-	3,000	-	-
Board of Appeals	1,000	450	-	-
Total Revenues	<u>1,417,200</u>	<u>1,555,730</u>	<u>80,000</u>	<u>87,619</u>
EXPENDITURES				
General Government	979,200	793,217	-	-
Streets and Roads	636,000	507,530	180,000	180,000
Public Safety	330,000	330,000	-	-
	<u>1,945,200</u>	<u>1,630,747</u>	<u>180,000</u>	<u>180,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (528,000)</u>	<u>(75,017)</u>	<u>\$ (100,000)</u>	<u>(92,381)</u>
OTHER FINANCING SOURCES (USES)				
Transfers		-		-
NET CHANGE IN FUND BALANCES		(75,017)		(92,381)
FUND BALANCE				
Beginning		<u>2,890,699</u>		<u>204,380</u>
Ending		<u>\$2,815,682</u>		<u>\$ 111,999</u>

See accompanying notes to financial statements.



VILLAGE OF NORTH BARRINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The financial statements of the Village of North Barrington, North Barrington, Illinois (Village) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. The Village has no component units and is not a component unit of any other entity.

B. Basis of Presentation

Government-wide Statements – The government-wide statement of net position and statement of activities report the overall financial activity of the Village, excluding fiduciary activities (of which the Village has none). Governmental activities generally are financed through taxes, contributions, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Village's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Village's funds, of which they only have governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. The Village has no non-major funds.

General – This is the primary operating fund of the Village. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that may be legally restricted to expenditures for specified purposes. The Motor Fuel Tax (MFT) is the only special revenue fund of the Village.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues

(CONTINUED)



VILLAGE OF NORTH BARRINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Concluded)

are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, personal property replacement taxes, grants, and contributions. Property taxes are recognized as revenues in the year for which they are levied or intended to finance. Revenues from grants, contributions and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year and are needed to fund liabilities of the current period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. Principal and interest on general long-term debt and compensated absences are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual, include property taxes, personal property replacement taxes, sales, use and income taxes, fines, charges for services, grants and interest.

The Village reports unearned revenue on its financial statements. These arise when resources are received and intended to cover a number of years of program services or are received before the Village has a legal claim to them.

D. Cash and Investments

Cash and short-term investments are stated at cost, which equal fair value and include certificates of deposit.

E. Interfund Transfers

These are flows of assets, namely cash, without equivalent flows of assets in return and without a requirement for repayment. None were made during the year.

(CONTINUED)



VILLAGE OF NORTH BARRINGTON, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

Purchased or constructed capital assets greater than \$1,000 are reported at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

G. Property Taxes

The property taxes receivable are based on equalized assessed valuation and tax rates for the year 2014. The reserve for loss and costs on collections has been provided for 2014 at .77% of the tax extensions, which is approximately the loss and cost percentage in prior years. The Village will begin to receive these 2014 levied funds in June of 2015. In the government-wide accrual basis and governmental fund modified accrual basis financial statements the Village has deferred these revenues. The 2013 levy is recorded as revenue.

Property taxes for the Village are assessed by and paid to the Lake County Tax Collector who remits to the Village monies collected following a calendar prescribed by law. The Village's taxes are billed along with all other taxes due County taxing entities in June and September of each year. The collector pays the Village interest on monies held from day of collection to day of distribution. The Village has no control over the investment program of the Tax Collector as those programs are governed by State Law.

H. Fund Balances/Net Assets

In the fund financial statements, governmental funds report non-spendable fund balances for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restriction of fund balances are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balances result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees. Assigned fund balances represent amounts constrained by the Village's intent to use them for a specific purpose. Any residual fund balance in the General Fund is reported as unassigned. The Village does not have any non-spendable funds.

The Village has not formally established fund balance reserve policies for its governmental funds. Thus there are no assigned fund balances.

(CONTINUED)