

**TOWNSHIP OF BARRINGTON
BARRINGTON, ILLINOIS**

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
FEBRUARY 29, 2020**



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FEBRUARY 29, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Township of Barrington, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Township of Barrington, Illinois, as of and for the year ended February 29, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 have 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 respective modified cash basis financial position of the governmental activities and each major fund of the Township of Barrington, Illinois, as of February 29, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Township of Barrington, Illinois' basic financial statements. The management's discussion and analysis schedule of changes in net pension liability and related ratios-IMRF, schedule of employer contributions-IMRF and budgetary comparison information on pages 3-8 and 27-33, which are the responsibility of management, are presented for purposes of additional analysis and are 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.

MW & Associates, P.C.

Hillside, Illinois
July 20, 2020

OTHER INFORMATION
Management's Discussion and Analysis

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TOWNSHIP OF BARRINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 29, 2020

This section of the Township of Barrington's annual financial report, the Management's Discussion and Analysis ("MD&A") is the discussion and analysis of the Township's financial performance and provides an overall review of the Township's financial activities for the fiscal year ended February 29, 2020.

The management of the Township encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Township's financial performance.

General Background

Barrington Township is a local unit of government established in 1850 to serve its residents. Today Barrington Township serves approximately 16,000 residents. The Township covers 36 square miles. Included in its borders are the Villages of Barrington, South Barrington, Barrington Hills, Inverness and Hoffman Estates.

The Town Fund supports, but is not limited to:

- The delivery of services to Township residents through contributions to Health and Human Services.
- Assessor's assistance which includes multiple services to include taxpayer record information, assistance with appeals, property characteristics and classification, and tax identification numbers to name a few.
- Transportation assistance for senior citizens and the physically challenged.
- Voter registration service.
- Handicap parking tag service.
- Social worker support.
- Maintenance of Township roads.

The General Assistance Fund supports, but is not limited to:

- Financial support for residents who have limited resources or none.
- Financial support for residents who are unemployed or disabled without any other forms of income.
- Emergency aid and assistance.

Financial Highlights

Barrington Township continues to operate under the restrictions of the Property Tax Extension Limitation Law (PTELL). The "tax caps" limit the annual growth of the Township's primary revenue source to the annual CPI index factor. This limitation, combined with the recent low rate of return on investments has required the Township to use its fund balances to compensate any deficits between revenues received and expenditures disbursed in the operating funds. The Township Board routinely monitors the receipt of revenues and disbursements of expenditures in order to ensure the minimization of a deficit between revenue and expense levels.

Primary effects on fiscal 2020 operating results include the following:

- The Township's total net position was \$652,083 as of February 28, 2019. The net position increased \$2,179 to \$654,262 as of February 29, 2020.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$595,466, an increase of \$3,703 in comparison with the prior year.

Overview of the Financial Statements

This financial report consists of three parts – management's discussion and analysis (this section), basic financial statements and other information. The basic financial statements include two statements that present different views of the Township.

- *The Statement of Net Position – Modified Cash Basis* and *Statement of Activities – Modified Cash Basis* are *government-wide* financial statements that provide both short-term and long-term information about the Township's overall financial status.

TOWNSHIP OF BARRINGTON
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED FEBRUARY 29, 2020

- The remaining statements are fund financial statements that focus on individual parts of the Township. Fund statements generally report operations in more detail than the government-wide financial statements.

The financial statements also include many notes. These explain some of the information in the statements and provide more detailed data. The statements are followed by a section of other information that further explains and supports the financial statements.

The major features of the Township's financial statements, including the portion of the Township's activities they cover and the types of information they contain, are shown in the following table.

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial – Governmental Funds	Fund Financial – Proprietary Funds	Fund Financial – Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary such as educational and operations and maintenance	Activities the Township operates similar to private business	Assets held by the Township on behalf of someone else such as student activities monies
Required financial statements	Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis	Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis; Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances – Modified Cash Basis	Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows	Statement of fiduciary net position
Accounting basis and measurement focus	Modified cash basis accounting and economic resources focus	Cash basis accounting and current financial resources focus	Modified cash basis accounting and economic resources focus	Modified cash basis accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Revenues for which cash is received during the year; no capital assets or long-term liabilities included	All assets and liabilities; both financial and capital; short-term and long-term	All assets and liabilities, both short-term and long-term; funds may contain capital assets
Type of inflow/outflow information	All revenue received and expenses disbursed during the fiscal year	Revenues for which cash is received during the year. Expenditures when goods and services have been paid for.	All revenues and expenses during the year	All additions or deductions during the year

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position – Modified Cash Basis includes all of the Township's assets and liabilities. All the current year's revenues received and expenditures disbursed are accounted for in the Statement of Activities – Modified Cash Basis.

Unlike a private sector company, the Township cannot readily convert fixed assets to liquid assets. Townships can, and sometimes do, convert fixed assets to cash through the sale of property; however this is a rare event and not easily accomplished.

The government-wide financial statements report the Township's net positions and how they have changed throughout the year. Net positions – the difference between the Township's assets and liabilities – are one way to measure the Township's financial health or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Township's overall health, one needs to consider additional non-financial factors, such as changes in the Township's property tax base and the condition of facilities.

In the government-wide financial statements, the Township's activities are presented as follows:

- *Governmental activities* – Most of the Township's basic services are included here, such as support services, community programs and administration. Property taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's funds, focusing on its most significant or "major" funds – not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law.
- The Township establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The Township has one kind of fund type:

Governmental funds – The Township's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or differences) between them.

TOWNSHIP OF BARRINGTON
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED FEBRUARY 29, 2020

Financial Analysis of the Township as a Whole

Statement of Net Position – Modified Cash Basis: The following summary data is compared with data from the preceding year. The following provides a summary of the Township's Statement of Net Position – Modified Cash Basis as of February 29, 2020 and February 28, 2019:

	Governmental Activities	
	2020	2019
Assets:		
Current assets	\$ 595,466	\$ 591,763
Capital assets, net of accumulated depreciation	58,796	60,320
Total Assets	654,262	652,083
Liabilities:		
Current liabilities	-	-
Total Liabilities	-	-
Net Position:		
Net investment in capital assets	58,796	60,320
Restricted	294,086	300,710
Unrestricted	301,380	291,053
Total Net Position	\$ 654,262	\$ 652,083

TOWNSHIP OF BARRINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 29, 2020

Statement of Activities – Modified Cash Basis: The following is a summary of the Township's change in net position for the years ending February 29, 2020 and February 28, 2019:

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues		
Operating grants and contributions	<u>\$ 146,333</u>	<u>\$ 29,556</u>
Total Program Revenues	<u>146,333</u>	<u>29,556</u>
General Revenues		
Property taxes	426,951	391,969
Personal property replacement taxes	4,374	3,386
Interest	9,272	7,936
Other	<u>759</u>	<u>31,315</u>
Total General Revenues	<u>441,356</u>	<u>434,606</u>
Total Revenues	<u>587,689</u>	<u>464,162</u>
Expenses:		
Administration	309,177	336,260
Health and Social Services	91,075	88,691
Home Relief	7,650	8,960
Cemetery	14,978	14,488
Contractual	<u>162,630</u>	<u>133,197</u>
Total Expenses	<u>585,510</u>	<u>581,596</u>
Change in Net Position	2,179	(117,434)
Net Position - Beginning	<u>652,083</u>	<u>769,517</u>
Net Position - Ending	<u>\$ 654,262</u>	<u>\$ 652,083</u>

TOWNSHIP OF BARRINGTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 29, 2020

The Township's total revenues were \$587,689 from governmental activities. Local taxes (predominantly real estate taxes) were \$431,325 of the total. Interest earned was \$9,272. Miscellaneous income (e.g. refunds, rebates, TIF proceeds, and other) made up the balance.

Total expenses for all governmental activities totaled \$585,510. Of this total, \$309,177 was for administration, \$91,075 was for health and social services, \$7,650 was for home relief, \$14,978 was for cemetery, and \$162,630 was for contractual services.

As noted earlier net position may serve as a useful indicator of a Township's financial position. The Township's overall financial position and results of operations decreased during the fiscal year ended February 29, 2020 resulting in a net position balance of \$654,262. The balance of net position consists of net investment in capital assets; \$58,796, restricted; \$294,086 and unrestricted; \$301,380. See Note 1, letter I.

Capital Assets and Debt Administration

Capital Assets (See Note 4)

As of February 29, 2020, the Township had \$58,796 in net capital assets, including land, buildings and improvements, and furniture, equipment and vehicles. The current year had no additions or disposals in capital assets.

Debt (See Note 1, Letter G)

The Township has no debt at February 29, 2020.

Financial Analysis of the Township's Funds

The fiscal year ended February 29, 2020 experienced a decrease in fund balance for the Township. The overall fund balances increased \$3,703 to \$595,466. The Town Fund balance increased \$10,327 to \$301,380. The balance of the General Assistance Fund, which is restricted to disbursements for general and emergency assistance needs of Township residents, decreased \$6,624 to \$294,086. There were no significant changes affecting restrictions or commitments. See Note 1, Letter I.

Fund Budgetary Highlights

The Town Fund's total actual expenditures disbursed of \$565,226 were more than the budgeted expenditures disbursed of \$537,210 by a total of \$28,016. The General Assistance Fund's total actual expenditures disbursed of \$18,760 were less than the budgeted expenditures disbursed of \$25,775 by a total of \$7,015. The Township estimated total revenues across both funds to be \$611,100, while the actual revenue received of \$587,689 was less than estimated by \$23,411.

Contacting the Township's Financial Management Team

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions regarding this report, or need additional financial information, contact the Township's Supervisor at (847) 381-5632.

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF BARRINGTON
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
FEBRUARY 29, 2020

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 590,417
Prepaid Items	4,837
Other	212
	595,466
Total Current Assets	
Non-Current Assets:	
Capital Assets, Not Being Depreciated	
Land	29,000
	29,796
Capital Assets, Net of Accumulated Depreciation	
Buildings and improvements	29,796
	29,796
Total Capital Assets, Net of Accumulated Depreciation	
	58,796
Total Non-Current Assets	
	654,262
Total Assets	
	654,262
NET POSITION	
Net investment in capital assets	58,796
Restricted	294,086
Unassigned	301,380
	654,262
Total Net Position	\$ 654,262

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

TOWNSHIP OF BARRINGTON
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED FEBRUARY 29, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Administration	\$ 309,177	\$ -	\$ 128,000	\$ -	\$ (181,177)
Health and social services	91,075	-	18,333	-	(72,742)
Home relief	7,650	-	-	-	(7,650)
Cemetery	14,978	-	-	-	(14,978)
Contractual	162,630	-	-	-	(162,630)
Total Governmental Activities	\$ 585,510	\$ -	\$ 146,333	\$ -	(439,177)
GENERAL REVENUES:					
Taxes:					
Property taxes 426,951					
Personal property replacement taxes 4,374					
Interest 9,272					
Tax increment financing proceeds 759					
Total General Revenues 441,356					
CHANGE IN NET POSITION 2,179					
NET POSITION, BEGINNING 652,083					
NET POSITION, ENDING \$ 654,262					

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

TOWNSHIP OF BARRINGTON
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FEBRUARY 29, 2020

	Town Fund	General Assistance Fund	Total Governmental Funds
ASSETS			
Cash	\$ 296,331	\$ 294,086	\$ 590,417
Prepaid Items	4,837	-	4,837
Other	212	-	212
Total Assets	\$ 301,380	\$ 294,086	\$ 595,466
FUND BALANCES			
Nonspendable	\$ 4,837	\$ -	\$ 4,837
Restricted	-	294,086	294,086
Unassigned	296,543	-	296,543
Total Fund Balances	\$ 301,380	\$ 294,086	\$ 595,466

(Continued)

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

TOWNSHIP OF BARRINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FEBRUARY 29, 2020

Total fund balances - governmental funds (Exhibit C) \$ 595,466

Amounts reported for governmental activities in the statement of assets, liabilities and fund balances - modified cash basis are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures disbursed in governmental funds. However, the statement of net position includes those capital assets among the assets of the Township as a whole.

Cost of capital assets:			
Land	\$	29,000	
Buildings and improvements		166,000	
Furniture, equipment and vehicles		<u>2,182</u>	
Total Cost of Capital Assets		197,182	
Accumulated Depreciation		<u>(138,386)</u>	<u>58,796</u>
Net position of governmental activities (Exhibit A)			<u>\$ 654,262</u>

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

TOWNSHIP OF BARRINGTON
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED FEBRUARY 29, 2020

	Town Fund	General Assistance Fund	Total Governmental Funds
REVENUES RECEIVED:			
Property Taxes	\$ 419,508	\$ 7,443	\$ 426,951
Tax Increment Financing Proceeds	759	-	759
Pace Transportation	18,333	-	18,333
Personal Property Replacement Taxes	4,374	-	4,374
Grants	128,000	-	128,000
Interest	4,579	4,693	9,272
Total Revenues Received	575,553	12,136	587,689
EXPENDITURES DISBURSED:			
Current:			
Administration	296,543	11,110	307,653
Health and Social Services	91,075	-	91,075
Home Relief	-	7,650	7,650
Cemetery	14,978	-	14,978
Contractual	162,630	-	162,630
Total Expenditures Disbursed	565,226	18,760	583,986
NET CHANGES IN FUND BALANCES	10,327	(6,624)	3,703
FUND BALANCES, BEGINNING OF YEAR	291,053	300,710	591,763
FUND BALANCES, END OF YEAR	\$ 301,380	\$ 294,086	\$ 595,466

(Continued)

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

TOWNSHIP OF BARRINGTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES - MODIFIED CASH
BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED FEBRUARY 29, 2020

Total net change in fund balances - governmental funds (Exhibit D)	\$ 3,703
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Capital outlays are reported in governmental funds as expenditures disbursed. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. Capital outlays for items below the District's capitalization policy limits and repairs and maintenance are expensed.

Depreciation expense	<u>\$ (1,524)</u>	
Capital outlay in excess of depreciation expense		<u>(1,524)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 2,179</u></u>

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

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Barrington Township's (the "Township") accounting policies conform to the prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws for governments of this type within the State of Illinois. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. The criteria provided by the governmental accounting standards have been considered and there are no agencies or entities which should be presented with the Township. In addition, the Township is not aware of any entity that would exercise such oversight that would result in the Township being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

Government-Wide Financial Statements

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis display information about the Township as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the Township.

The Statement of Activities – Modified Cash Basis demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Governmental Fund Types

Governmental fund types are used to account for the Township's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund consists solely of the legally mandated Town Fund and is the primary operating fund of the Township and is always classified as a major fund. It is used to account for the revenues collected and expenses paid which are used in providing services in the Township. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds, which consists solely of the General Assistance Fund, is used to account for revenues collected and expenditures disbursed for general and emergency assistance needs of Township residents.

Proprietary Fund Types (not included in government-wide statements)

There are no Proprietary Fund Types.

Fiduciary Fund Types (not included in government-wide statements)

There are no Fiduciary Fund Types.

Major and Nonmajor Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township, is considered major by the Township, or meets the following criteria:

- a. Total assets, liabilities, revenues collected, or expenditures disbursed of the individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues collected, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The Township has classified all funds as major:

Major:

Town Fund	See General Fund above for description.
General Assistance Fund	A Special Revenue Fund to account for the financial assistance for needy citizens.

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Measurement Focus/Basis of Accounting

Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, within the limitation of the modified cash basis of accounting, the objective of which is the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The fund financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues received and other financing sources) and decreases (expenditures disbursed and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements.

The government-wide financial statements are reported on the modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and changes therein, and only recognizes revenues, expenditures, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles. Only cash and items that involve the receipt or disbursement of cash are recognized during the period, except for the following modifications:

- Capital assets used in the Township's operations are recognized on the Statement of Net Position – Modified Cash Basis;
- Depreciation expense for capital assets is recognized on the Statement of Activities – Modified Cash Basis.

The Township maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the payment of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

D. Cash and Deposits

Cash and deposits are considered to be cash with financial institutions, savings deposit accounts and certificates of deposit.

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Prepaid Expenses

The Township's prepaid amount is accounted for using the consumption method. At February 29, 2020, the Town Fund consists of \$4,837 from insurance premiums. These amounts are reported as non-spendable fund balances in the governmental funds.

F. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost of more than \$1,000 for furniture, equipment, and buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities – Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position – Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings and improvements, 39 years; furniture, equipment and vehicles, 5 to 10 years.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

G. Long-term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures disbursed. The Township had no debt at February 29, 2020.

H. Legal Debt Margin

At February 29, 2020, the legal debt margin for the Township was limited to 8.625% of the most recent equalized assessed valuation available. At February 29, 2020, the 2018 tax levy was the most recent available. Based on the 2018 tax year equalized assessed valuation of \$1,359,822,548, the legal debt limit was \$117,284,695. The remaining debt margin was \$117,284,695. The Township had no debt at February 29, 2020.

I. Fund Balance Classification Policies

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted Net Position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The General Assistance Fund has a restricted net position of \$294,086.

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or net invested in capital assets.

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

Governmental Fund Balance Reporting

In accordance with the Governmental Accounting Standards Board, the Township classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The Township’s nonspendable fund balance consists of \$4,837 in the Town Fund.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The General Assistance Fund is restricted with a fund balance of \$294,086.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through resolutions formally enacted by the Board of Trustees, the highest level of decision making authority, and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Supervisor or the Board of Trustees. Assignments may take place after the end of the reporting period.

Unassigned – includes positive fund balance within the General Fund which has not been classified within any of the above categories and negative fund balances in other governmental funds.

Expenditures of fund balances – unless specifically identified, expenditures reduce restricted balances first, then committed balances, then assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

NOTE 2 – CASH AND DEPOSITS

Cash and deposits are considered to be cash with financial institutions, savings deposit accounts and certificates of deposit.

At February 29, 2020, the carrying amount of the Township’s cash and deposits totaled \$590,417 and the bank balances totaled \$597,747. Certificates of deposits are considered cash with maturities of one year or less.

TOWNSHIP OF BARRINGTON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FEBRUARY 29, 2020

NOTE 2 – CASH AND DEPOSITS (CONT'D)

<u>Cash</u>	<u>Amount</u>	<u>Maturity Less Than One Year</u>
Cash with Financial Institutions	\$ 32,535	\$ 32,535
Savings Deposit Accounts	358,856	358,856
Certificates of Deposit	206,356	206,356
Total	\$ 597,747	\$ 597,747

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Township's investment portfolio is limited to maturities of one year or less.

Credit Risk. Statutes authorized the Township to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. During fiscal year ended February 29, 2020, the Township invested in money market accounts and certificates of deposits from banks, which are both not rated by nationally recognized statistical rating organizations.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Township will not be able to recover the value of its deposits and investments or collateral securities. As of February 29, 2020 all of the Township's deposits are fully insured or collateralized.

NOTE 3 – PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the Township on or before the last Tuesday in December. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments on approximately March 1 and August 1. The Township receives significant distributions of tax receipts approximately one month after these due dates. The 2018 tax levy, payable in 2019, was passed December 11, 2018 (the 2019 tax levy, payable in 2020, was passed December 10, 2019). Property tax revenues are recognized on the modified cash basis of accounting.

	<u>Tax Year 2018</u>		<u>Tax Year 2017</u>	
	1,359,822,548		1,398,543,865	
Assessed Valuation	<u>2018 Levy</u>		<u>2017 Levy</u>	
	<u>Rate</u>	<u>Extension</u>	<u>Rate</u>	<u>Extension</u>
Town Fund	0.0312	\$ 435,143	0.0304	\$ 433,549
General Assistance Fund	0.0001	13,598	0.0001	13,985
Total	0.0313	\$ 448,741	0.0305	\$ 447,534

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance March 1, 2019	Additions	Deletions	Balance February 29, 2020
Governmental Activities:				
Non-Depreciated Capital Assets:				
Land	\$ 29,000	\$ -	\$ -	\$ 29,000
Depreciated Capital Assets:				
Buildings and improvements	166,000	-	-	166,000
Furniture, equipment and vehicles	2,182	-	-	2,182
Subtotal	168,182	-	-	168,182
Accumulated Depreciation				
Buildings and improvements	134,835	1,369	-	136,204
Furniture, equipment and vehicles	2,027	155	-	2,182
Subtotal	136,862	1,524	-	138,386
Net Depreciable Capital Assets	31,320	(1,524)	-	29,796
Net Total Capital Assets	\$ 60,320	\$ (1,524)	\$ -	\$ 58,796

Depreciation was charged to functions as follows:

Governmental Activities:	
Administration	\$ 1,524
Total Governmental Activities Depreciation Expense	\$ 1,524

NOTE 5 – RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the *Benefits Provided* section below. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

TOWNSHIP OF BARRINGTON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FEBRUARY 29, 2020

NOTE 5 – RETIREMENT FUND COMMITMENTS (CONT'D)

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries	6
Inactive, non-retired members	2
Active members	<u>2</u>
Total	<u>10</u>

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2019 was 3.47 percent. For the fiscal year ended February 29, 2020, the Township contributed \$3,538 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial evaluation as of that date.

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 5 – RETIREMENT FUND COMMITMENTS (CONT'D)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal;
- The Asset Valuation Method used was Market Value of Assets;
- Price Inflation was assumed to be 2.50%;
- Salary Increases were expected to be 3.35% to 14.25%;
- The Investment Rate of Return was assumed to be 7.25%;
- Retirement Age was from an experience-based table of rates that are specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016;
- For non-disabled retirees, an IMRF specific mortality table was used with the fully generational projection scale MP-2017 (base year 2015); the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience;
- For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives;
- For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015); the IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience;
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37%	7.05%	5.75%
International Equities	18%	8.10%	6.50%
Fixed Income	28%	3.70%	3.25%
Real Estate	9%	6.35%	5.20%
Alternatives	7%		
Private Equity		11.30%	7.60%
Hedge Funds		N/A	N/A
Commodities		4.65%	3.60%
Cash Equivalents	1%	1.85%	1.85%

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. A Single Discount Rate of 7.25% was used to measure the total pension liability in the prior year. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 5 – RETIREMENT FUND COMMITMENTS (CONT'D)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%; the municipal bond rate is 2.75%; and the resulting single discount rate is 7.25% (7.25% prior year).

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2018	\$ 643,915	\$ 612,847	\$ 31,068
Changes for the year:			
Service Cost	10,033	-	10,033
Interest on the Total Pension Liability	44,776	-	44,776
Differences between Expected and Actual Experience of the Total Pension Liability	18,046	-	18,046
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,906	(2,906)
Contributions - Employees	-	3,769	(3,769)
Net Investment Income	-	128,677	(128,677)
Benefits Payments, including Refunds of Employee Contributions	(62,673)	(62,673)	-
Other (Net Transfer)	-	15,666	(15,666)
Net Changes	10,182	88,345	(78,163)
Balances at December 31, 2019	<u>\$ 654,097</u>	<u>\$ 701,192</u>	<u>\$ (47,095)</u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 706,242	\$ 654,097	\$ 607,798
Plan Fiduciary Net Position	701,192	701,192	701,192
Net Pension Liability/(Asset)	<u>\$ 5,050</u>	<u>\$ (47,095)</u>	<u>\$ (93,394)</u>

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 5 – RETIREMENT FUND COMMITMENTS (CONT'D)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended February 29, 2020, the Township recognized pension expense of \$7,555. At February 29, 2020, the Township's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 9,413	\$ -
Assumption changes	1,293	-
Net difference between projected and actual earnings on pension plan investments	<u>65,399</u>	<u>101,513</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>76,105</u>	<u>101,513</u>
Township pension contributions made subsequent to the measurement date	<u>1,104</u>	<u>-</u>
Total	<u>\$ 77,209</u>	<u>\$ 101,513</u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31:

2020	\$ 351
2021	(12,545)
2022	3,926
2023	(17,140)
2024	-
Thereafter	<u>-</u>
Total	<u>\$ (25,408)</u>

Net pension liability, pension expense, deferred outflows of resources, and deferred inflows of resources are not recorded in these modified cash basis financial statements.

B. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

TOWNSHIP OF BARRINGTON, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 FEBRUARY 29, 2020

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. During the fiscal year ended February 29, 2020 there were no significant reductions in insurance coverage for any category. Settled claims from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 7 – OPERATING LEASES

The Township entered into an agreement to lease two copiers utilized by Township personnel over a sixty month period. The stated rate pursuant to the agreement is \$210 per machine per month.

The following schedule represents the activity for the year ended February 29, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Operating Leases:					
Copier Machines					
Xerox WC 5945	\$ 6,090	\$ -	\$ 2,520	\$ 3,570	\$ 2,520
Xerox WC 5335	6,090	-	2,520	3,570	2,520
Total	<u>\$ 12,180</u>	<u>\$ -</u>	<u>\$ 5,040</u>	<u>\$ 7,140</u>	<u>\$ 5,040</u>

The minimum annual lease payments are as follows:

Year Ending February 29	<u>Lease Obligation</u>		<u>Total</u>
	<u>Xerox WC5945</u>	<u>Xerox WE 5335</u>	
2021	\$ 2,520	\$ 2,520	\$ 5,040
2022	1,050	1,050	2,100
Total	<u>\$ 3,570</u>	<u>\$ 3,570</u>	<u>\$ 7,140</u>

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the statement of net position – modified cash basis date) and non-recognized (events or conditions that did not exist at the statement of net position – modified cash basis date but arose after that date).

On, March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact changes in net position. Other financial impact could occur though such potential impact is unknown at this time.

OTHER INFORMATION

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TOWNSHIP OF BARRINGTON
OTHER INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 10,033	\$ 9,947	\$ 7,458	\$ 14,767	\$ 14,562
Interest on the total pension liability	44,776	45,651	45,673	39,813	35,209
Difference between expected and actual experience of the total pension liability	18,046	5,783	37,847	86,187	52,889
Changes of assumption	-	11,955	(27,021)	-	-
Benefit payments, including refunds of employee contributions	(62,673)	(66,260)	(64,722)	(53,237)	(29,519)
Net change in total pension liability	10,182	7,076	(765)	87,530	73,141
Total pension liability - beginning	643,915	636,839	637,604	550,074	476,933
Total pension liability - ending (A)	\$ 654,097	\$ 643,915	\$ 636,839	\$ 637,604	\$ 550,074
Plan fiduciary net position					
Contributions - employer	\$ 2,906	\$ 4,201	\$ 3,315	\$ 1,604	\$ 3,864
Contributions - employees	3,769	3,737	3,390	4,374	5,434
Net investment income	128,677	(53,610)	128,763	35,773	3,232
Benefit payments, including refunds of employee contributions	(62,673)	(66,260)	(64,722)	(53,237)	(29,519)
Other (net transfer)	15,666	11,565	(10,249)	35,268	(10,683)
Net change in plan fiduciary net position	88,345	(100,367)	60,497	23,782	(27,672)
Plan fiduciary net position - beginning	612,847	713,214	652,717	628,935	656,607
Plan fiduciary net position - ending (B)	\$ 701,192	\$ 612,847	\$ 713,214	\$ 652,717	\$ 628,935
Net pension liability/(asset) - ending (A) - (B)	\$ (47,095)	\$ 31,068	\$ (76,375)	\$ (15,113)	\$ (78,861)
Plan fiduciary net position as a percentage of total pension liability	107.20%	95.18%	111.99%	102.37%	114.34%
Covered valuation payroll	\$ 83,750	\$ 83,036	\$ 75,338	\$ 97,197	\$ 120,755
Net pension liability as a percentage of covered valuation payroll	-56.23%	37.42%	-101.38%	-15.55%	-65.31%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

TOWNSHIP OF BARRINGTON
OTHER INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 2,906	\$ 2,906	\$ -	\$ 83,750	3.47%
2018	4,202	4,201	1	83,036	5.06%
2017	3,315	3,315	-	75,338	4.40%
2016	1,604	1,604	-	97,197	1.65%
2015	3,864	3,864	-	120,755	3.20%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 25-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 3.25%
Price Inflation: 2.50%
Salary Increases: 3.35% to 14.25%, including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

TOWNSHIP OF BARRINGTON
TOWN FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 29, 2020

	2020		Variance Over (Under) Budget
	Original and Final Budget	Actual	
<u>Revenues Received</u>			
Property Taxes	\$ 425,000	419,508	\$ (5,492)
Tax Increment Financing Proceeds	25,000	759	(24,241)
Pace Transportation	20,000	18,333	(1,667)
Personal Property Replacement Taxes	3,000	4,374	1,374
Grants	118,000	128,000	10,000
Interest	3,500	4,579	1,079
Miscellaneous	2,000	-	(2,000)
	<u>596,500</u>	<u>575,553</u>	<u>(20,947)</u>
<u>Total Revenues Received</u>			
<u>Expenditures Disbursed</u>			
Administration:			
Salaries:			
Supervisor	50,940	51,193	253
Clerk	10,620	10,665	45
Assessor	7,200	7,200	-
Board of Trustees	16,800	16,800	-
Employees	98,000	94,133	(3,867)
Social Security	11,500	11,788	288
Medicare	2,600	2,757	157
Municipal Retirement	4,000	3,538	(462)
Unemployment Insurance	500	243	(257)
Building Maintenance	19,000	13,619	(5,381)
Dues and Subscriptions	4,500	4,056	(444)
Equipment Maintenance	300	285	(15)
Legal	7,000	2,886	(4,114)
Office Supplies	3,200	2,526	(674)
Telephone	2,900	2,580	(320)
Travel and Convention	2,000	2,041	41
School	2,000	1,370	(630)
Meetings	1,000	1,886	886
Utilities	5,100	5,544	444
Plan Commission	28,000	4,739	(23,261)
Auditing and Accounting	19,600	21,450	1,850
Building Improvements	10,000	-	(10,000)
Equipment Purchases	2,000	-	(2,000)
Equipment Rental	6,000	5,682	(318)
General Insurance	1,000	5,622	4,622
Hospitalization	9,300	9,900	600
Miscellaneous	200	489	289
Official Bonding	100	-	(100)

(Continued)

TOWNSHIP OF BARRINGTON
TOWN FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 29, 2020

	2020		Variance Over (Under) Budget
	Original and Final Budget	Actual	
<u>Expenditures Disbursed (Continued)</u>			
Printing and Newsletter	\$ 11,200	\$ 8,235	\$ (2,965)
Computer Maintenance	1,500	1,165	(335)
Website Maintenance	1,000	1,497	497
Bank Charges and Fees	-	2,654	2,654
Future Improvements From TIF	80,000	-	(80,000)
	<u>419,060</u>	<u>296,543</u>	<u>(122,517)</u>
<u>Total Administration</u>			
Health and Social Services:			
Access to Care	1,000	1,000	-
Taxi	400	230	(170)
Barrington Career Center	500	750	250
Barrington Area Council on Government	-	19,715	19,715
Barrington Area Council on Aging	20,000	18,334	(1,666)
Barrington Youth Service	7,000	7,000	-
Catholic Charities	1,000	1,000	-
Children's Advocacy Center	250	250	-
Community Social Service	100	-	(100)
Countryside Association	2,000	2,000	-
Donations and Contributions	-	215	215
Journey Care	3,000	3,000	-
Center for Enriched Living	1,000	1,000	-
Journeys The Road Home	400	400	-
Northern Illinois Special Recreation	4,000	4,000	-
Smart Farm	1,000	1,000	-
Ecker Center	1,000	1,000	-
Gigi's Playhouse	500	-	(500)
PACE Transportation	30,000	30,181	181
	<u>73,150</u>	<u>91,075</u>	<u>17,925</u>
<u>Total Health and Social Services</u>			
Cemetery:			
Cemetery Trustees	1,500	1,083	(417)
Cemetery Maintenance	13,500	13,895	395
	<u>15,000</u>	<u>14,978</u>	<u>(22)</u>
<u>Total Cemetery</u>			

(Continued)

TOWNSHIP OF BARRINGTON
TOWN FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 29, 2020

	2020		Variance Over (Under) Budget
	Original and Final Budget	Actual	
<u>Expenditures Disbursed (Continued)</u>			
Contractual:			
Street / Flooding Project	\$ -	\$ 106,307	\$ 106,307
Contractual	25,000	54,386	29,386
Street Lighting	2,000	1,937	(63)
<u>Total Contractual</u>	<u>27,000</u>	<u>162,630</u>	<u>135,630</u>
<u>Provision for Contingencies</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<u>Total Expenditures Disbursed</u>	<u>537,210</u>	<u>565,226</u>	<u>28,016</u>
<u>Net Change in Fund Balance</u>	<u>\$ 59,290</u>	<u>10,327</u>	<u>\$ (48,963)</u>
<u>Fund Balance - Beginning</u>		<u>291,053</u>	
<u>Fund Balance - Ending</u>		<u>\$ 301,380</u>	

TOWNSHIP OF BARRINGTON
GENERAL ASSISTANCE FUND
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
BUDGET AND ACTUAL
FOR THE YEAR ENDED FEBRUARY 29, 2020

	2020		
	Original and Final Budget	Actual	Variance Over (Under) Budget
<u>Revenues Received</u>			
Property Taxes	\$ 10,500	\$ 7,443	\$ (3,057)
Interest	4,000	4,693	693
Miscellaneous	100	-	(100)
<u>Total Revenues Received</u>	<u>14,600</u>	<u>12,136</u>	<u>(2,464)</u>
<u>Expenditures Disbursed</u>			
Administration:			
Social Worker	8,775	9,059	284
Building Maintenance	2,000	-	(2,000)
Catastrophic Insurance	2,500	2,015	(485)
School	1,000	-	(1,000)
Miscellaneous	-	36	36
<u>Total Administration</u>	<u>14,275</u>	<u>11,110</u>	<u>(3,165)</u>
Home Relief:			
Shelter	9,500	7,650	(1,850)
<u>Total Home Relief</u>	<u>9,500</u>	<u>7,650</u>	<u>(1,850)</u>
<u>Provision for Contingencies</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<u>Total Expenditures Disbursed</u>	<u>25,775</u>	<u>18,760</u>	<u>(7,015)</u>
<u>Net Change in Fund Balance</u>	<u>\$ (11,175)</u>	<u>(6,624)</u>	<u>\$ 4,551</u>
<u>Fund Balance - Beginning</u>		<u>300,710</u>	
<u>Fund Balance - Ending</u>		<u>\$ 294,086</u>	

TOWNSHIP OF BARRINGTON, ILLINOIS
NOTES TO OTHER INFORMATION
FEBRUARY 29, 2020

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The budget for all fund types was prepared on the modified cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on April 9, 2019.

For each fund, total fund expenses paid may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to February 1, the Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year commencing on the following March 1. The operating budget includes proposed expenses paid and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Former budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
4. The Board of Trustees may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund.
5. The Board of Trustees may also amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2 – EXPENDITURES IN EXCESS OF BUDGET

The Township excess spent its budget in the Town Fund by \$28,016 and operated within its budget in the General Assistance Fund during the fiscal year ended February 29, 2020.

