BARRINGTON HILLS PARK DISTRICT

Audited Financial Statements

Year Ended December 31, 2016

BARRINGTON HILLS PARK DISTRICT

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Independent Auditor's Opinion

The Board of Park Commissioners
Barrington Hills Park District

We have audited the accompanying combined financial statements of the Barrington Hills Park District as identified in the table of contents as of December 31, 2016, and for the year then ended and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements; 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.

Our responsibility is to express an opinion 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. These 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

The District does not maintain records of its property and equipment and, accordingly, a statement of general fixed assets, as required by generally accepted accounting principles, is not included in the financial report.

As described in Note 1, the District's policy is to prepare its combined financial statements on the cash basis of accounting; consequently, certain assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying combined financial statements are not intended to and do not present financial results of operations or financial position in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balances arising from cash transactions of the Barrington Hills Park District as of December 31, 2016 and its revenues collected and expenditures paid for the year then ended in conformity with the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying combining financial statements and schedules listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Barrington Hills Park District. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

August 10, 2017

Lauterbach & Amen

BARRINGTON HILLS PARK DISTRICT
ALL FUND TYPES
COMBINED STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
DECEMBER 31, 2016

	Governmental Fund Types
	General
ASSETS	
Cash and investments	$ 350,573
LIABILITIES AND FUND BALANCES	
Unrestricted Fund Balances	350,573
Total Liabilities and Fund Balances	$ 350,573

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

BARRINGTON HILLS PARK DISTRICT
ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND FUND BALANCE CHANGES
for the Year Ended December 31, 2016

	Governmental Fund Types General
Revenues Collected:	
Property taxes	$189,600
Illinois replacement tax	2,200
Programs	13,248
Other	1,225
Interest	455
Total revenues collected	206,728
Expenditures paid:	
Recreation and parks:	
Administration	81,177
Programs:	
Riding Center	97,635
Insurance	19,403
Donation to school district	30,000
Capital Improvements	78,343
Total expenditures paid	306,558
Revenues collected over (under) expenditures paid	(99,830)
Fund balances, beginning	450,403
Fund balances, ending	$350,573

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

NOTE 1 - Summary of Significant Accounting Policies

a. Reporting Entity

The accompanying financial statements of the Barrington Hills Park District consist of the governmental fund types that are under the direct control of the Park District Board of Commissioners. The Park District has no oversight responsibility for any other government entity as no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of power to levy taxes, authorization to expend funds, and election or appointment of separate governing boards.

b. Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds,each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and are the means by which spending activities are controlled in accordance with laws, regulations or other restrictions.

The funds are grouped into various fund types and account groups as follows:

Governmental Funds are used to account for all or most of the Park District's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds), and the servicing of general long term debt (Debt Service Funds). The General Funds are used to account for all activities of the District not accounted for in some other fund.

c. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental Funds utilize the cash basis of accounting. Under this method, revenues are recognized when cash is

received. Expenditures are recognized when cash is disbursed.

d. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Board of Commissioners appoints a committee to prepare the operating budget and annual appropriation ordinance for the park district. The appropriation ordinance provides statutory spending authority in excess of the operating budget. Comparative data reflects the operating budget.
2. The proposed budget is then reviewed by the Commissioners and approved.
3. The annual appropriation ordinance is reviewed and approved.

All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

e. Cash

The District pools resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various short term interest bearing securities, none at December 31, 2016.

f. Investments

Investments are recorded at cost, which approximates market value. Under the District's investment policy and in accordance with Illinois law, the District is restricted to investing only in the following types of instruments:

*U.S. Government obligations or instruments guaranteed by the United States.

*Interest bearing savings accounts, certificates of deposit, and time deposits insured by the Federal Deposit Insurance Corporation or fully collateralized by U.S. Government instruments.

*Illinois Park District Investment Pool.

*Short term instruments of certain highly rated commercial entities.

*Maturities of all investments must not be longer than the date at which the District expects to need the funds.

All cash was on deposit at one bank. The bank has pledged $855,000 of collateral to secure the District's deposits.

g. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - Illinois Parks Association Risk Services (IPARS)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses.

The District is a member of IPARKS, a risk sharing pool available to Illinois park districts. IPARKS provides property and casualty coverage for its members. IPARKS is a member of the American Public Entity Excess Pool(APEEP). Member park districts pay annual contributions to fund IPARKS. IPARKS pays judgments, settlements and other expenses resulting from covered claims that exceed members' deductibles.

Casualty coverage

IPARKS retains up to $350,000 per claim, including loss adjustment expenses. IPARKS makes an annual contribution to APEEP. APEEP reinsures casualty claims exceeding $350,000, up to $2,650,000 per claim and $5,000,000 in the aggregate per year. If losses exhaust IPARKS' net assets, APEEP covers IPARKS' retained casualty risk up to $10,000,000 per year, subject to a per claim limit of $3,000,000. Local park districts can elect additional coverage, up to a total limit of $13,000,000 from the General Reinsurance Corporation.

Property coverage

IPARS retains property risks, including automobile physical damage, up to $100,000 in any one occurrence. APEEP reinsures property losses that are greater than $100,000 up

to $500,000 per occurrence. The Travelers Indemnity Company reinsures losses exceeding $500,000 up to $600,000,000 per occurrence.

The aforementioned casualty and property reinsurance agreements do not discharge IPARS primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligations of the respective local government.

Financial position

The following represents a summary of IPARK's balance sheet at December 31, 2016.

Assets	$17,894,231
Liabilities	2,487,236
Member Balances	$15,406,995

Note 3 - Subsequent Events

Subsequent events have been evaluated through August 10, 2017 which is the date the financial statements were available to be issued.

BARRINGTON HILLS PARK DISTRICT
GENERAL FUNDS
COMBINING STATEMENT OF ASSETS AND FUND
BALANCES ARISING FROM CASH TRANSACTIONS
December 31, 2016

Assets:	Total	General Fund	Recreation Fund
Cash and investments	$350,573	$6,060	$344,513
Liabilities and Fund Equity:			
Unrestricted Fund Balances	$350,573	$6,060	$344,513
Total Liabilities and Fund Equity	$350,573	$6,060	$344,513

BARRINGTON HILLS PARK DISTRICT
GENERAL FUNDS
COMBINING STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND FUND BALANCE CHANGES
for the Year Ended December 31, 2016

	Total	General	Recreation
Revenues Collected:			
Property taxes	$189,600	$75,840	$113,760
Illinois replacement tax	2,200	880	1,320
Programs	13,248		13,248
Other	1,225	500	725
Interest	455	182	273
Total revenues collected	206,728	77,402	129,326
Expenditures paid:			
Recreation and parks:			
Administration	81,177	81,177	
Programs:			
Riding Center	97,635		97,635
Insurance	19,403	19,403	
Donation to school District	30,000		30,000
Capital improvements	78,343		78,343
Total expenditures paid	306,558	100,580	205,978
Revenues collected over (under) expenditures paid	(99,830)	(23,178)	(76,652)
Fund balances, beginning	450,403	29,238	421,165
Fund balance, ending	$350,573	$ 6,060	$344,513

BARRINGTON HILLS PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
for the Year Ended December 31, 2016

	Actual	Budget
Revenues Collected:		
Property taxes	$75,840	$80,224
Illinois replacement tax	880	994
Other	500	
Interest	182	123
Total revenues collected	77,402	81,341
Expenditures paid:		
Recreation and parks:		
Administration	81,177	74,545
Insurance	19,403	20,300
Contingency		3,000
Total expenditures paid	100,580	97,845
Revenues collected over(under) expenditures paid	$ (23,178)	$(16,504)

BARRINGTON HILLS PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
RECREATION FUND
for the Year Ended December 31, 2016

	Actual	Budget
Revenues Collected:		
Property taxes	$113,760	$ 120,336
Illinois replacement tax	1,320	1,490
Programs	13,248	11,768
Other	725	
Interest	273	185
Total revenues collected	129,326	133,779
Expenditures paid:		
Recreation and parks:		
Programs:		
Riding Center	97,635	102,090
Donation to school District	30,000	30,000
Capital improvements	78,343	250,000
Contingencies		10,000
Total expenditures paid	205,978	392,090
Revenues collected over expenditures paid	$ (76,652)	$ (258,311)