

BARRINGTON HILLS PARK DISTRICT
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2018

BARRINGTON HILLS PARK DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Park Commissioners of Barrington Hills Park District

We have audited the accompanying combined financial statements of the Barrington Hills Park District which comprise the combined statement of Assets and Fund Balances Arising From Cash Transactions – cash basis as of December 31, 2018, and the related combined statement of revenues collected, expenditures paid and fund balance changes – cash basis, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements; this includes determining that the 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 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.

As described in Note 2, 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.

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.

BARRINGTON HILLS PARK DISTRICT
INDEPENDENT AUDITORS' REPORT
December 31, 2018

Opinion

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, 2018 and its revenues collected and expenditures paid for the year then ended in conformity with the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

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.

LM Harrison & Assoc CPAs PC

LM Harrison & Assoc. CPAs PC
Barrington, IL
August 14, 2019

BARRINGTON HILLS PARK DISTRICT
All Governmental Fund Types
Combined Statement of Assets and Fund Balances
Arising from Cash Transactions
December 31, 2018

	<u>2018</u>
ASSETS	
Cash & cash equivalents	\$ 222,376
Total Assets	<u>222,376</u>
LIABILITIES AND FUND BALANCES	
Unrestricted Fund Balances	222,376
Total Liabilities and Net Assets	<u>\$ 222,376</u>

**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, 2018**

**Governmental Fund Types
General**

REVENUES COLLECTED

Property taxes	\$ 198,872
Illinois replacement tax	2,035
Programs	939
Rent	10,130
Other	9,548
Interest	2,841
Total Revenues Collected	<u>224,365</u>

EXPENDITURES PAID

Recreation and parks	
Administration	109,286
Program - Riding Center	56,374
Insurance	17,900
Capital Improvements	6,030
Total Expenditures Paid	<u>189,590</u>

REVENUES COLLECTED OVER(UUNDER)

EXPENDITURES PAID 34,775

FUND BALANCE - BEGINNING OF YEAR 187,601

FUND BALANCE - END OF YEAR \$ 222,376

BARRINGTON HILLS PARK DISTRICT
Notes to Financial Statements
December 31, 2018

NOTE 1 – NATURE OF ENTITY

The Barrington Hills Park District is dedicated to enhancing the lives of its residents with programs and recreational facilities, and to ensure our citizens and families accessibility to open space, public land, and equestrian pursuits. The District has operated the Riding Center, located in Barrington Hills, Illinois, since 1972 and provides valuable recreational facilities and programs to residents which have been engaging in equestrian/tennis activities for recreational purposes for nearly a century.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 board.

Basis of Presentation

The District uses fund accounting, which means 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 ne 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.

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. There are no short term interest-bearing securities at December 31, 2018.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

- 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. As of December 31, 2018, all deposits were covered by FDIC insurance at the same bank.

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 3 – ILLINOIS PARKS ASSOCIATION RISK SERVICES (IPARKS)

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

IPARKS 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.

NOTE 3 – ILLINOIS PARKS ASSOCIATION RISK SERVICES (Continued)

The aforementioned casualty and property reinsurance agreements do not discharge IPARKS 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, 2018.

Assets	\$ 20,836,149
Liabilities	<u>3,764,933</u>
Member Balances	<u>\$ 17,071,216</u>

Note 4- SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 14, 2019 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

BARRINGTON HILLS PARK DISTRICT
Combining Statement of Assets and Fund Balances
Arising from Cash Transactions - General Funds
December 31, 2018

	<u>Governmental Fund Names</u>		
	<u>General</u>	<u>Recreation</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
ASSETS			
Cash & cash equivalents	\$ 26,166	\$ 196,210	\$ 222,376
Total Assets	<u>\$ 26,166</u>	<u>\$ 196,210</u>	<u>\$ 222,376</u>
LIABILITIES AND FUND BALANCES			
Unrestricted Fund Balances	\$ 26,166	\$ 196,210	\$ 222,376
Total Liabilities and Net Assets	<u>\$ 26,166</u>	<u>\$ 196,210</u>	<u>\$ 222,376</u>

BARRINGTON HILLS PARK DISTRICT
Combining Statement of Revenues Collected, Expenditures Paid
and Fund Balance Changes - General Funds
December 31, 2018

	<u>Governmental Fund Names</u>		<u>Total</u>
	<u>General</u> <u>Fund</u>	<u>Recreation</u> <u>Fund</u>	
REVENUES COLLECTED			
Property taxes	\$ 79,549	\$ 119,323	\$ 198,872
Illinois replacement tax	814	1,221	2,035
Programs	-	939	939
Rent	-	10,130	10,130
Other	-	9,548	9,548
Interest	1,136	1,705	2,841
Total Revenues Collected	<u>81,499</u>	<u>142,866</u>	<u>224,365</u>
EXPENDITURES PAID			
Recreation and parks			-
Administration	71,923	37,363	109,286
Program - Riding Center	-	56,374	56,374
Insurance	17,900	-	17,900
Capital Improvements	-	6,030	6,030
Total Expenditures Paid	<u>89,823</u>	<u>99,767</u>	<u>189,590</u>
REVENUES COLLECTED OVER(UNDER)			
EXPENDITURES PAID	(8,324)	43,099	34,775
FUND BALANCE - BEGINNING OF YEAR	(24,613)	212,214	187,601
FUND BALANCE - END OF YEAR	<u>\$ (32,937)</u>	<u>\$ 255,313</u>	<u>\$ 222,376</u>

BARRINGTON HILLS PARK DISTRICT
Budgetary Comparison Schedule
General Fund
December 31, 2018

	<u>Actual</u>	<u>Budget</u>
REVENUES COLLECTED		
Property taxes	\$ 79,549	\$ 82,754
Illinois replacement tax	814	930
Programs	-	-
Rent	-	-
Other	-	-
Interest	1,136	220
Total Revenues Collected	81,499	83,904
EXPENDITURES PAID		
Recreation and parks		
Administration	71,923	87,180
Program - Riding Center	-	-
Insurance	17,900	19,750
Capital Improvements	-	1,000
Total Expenditures Paid	89,823	107,930
REVENUES COLLECTED OVER(UNDER)		
EXPENDITURES PAID	\$ (8,324)	\$ (24,026)

BARRINGTON HILLS PARK DISTRICT
Budgetary Comparison Schedule
Recreation Fund
December 31, 2018

	<u>Actual</u>	<u>Budget</u>
REVENUES COLLECTED		
Property taxes	\$ 119,323	\$ 124,132
Illinois replacement tax	1,221	1,394
Programs	939	1,500
Rent	10,130	16,000
Other	9,548	-
Interest	1,705	330
Total Revenues Collected	142,866	143,356
EXPENDITURES PAID		
Recreation and parks		
Administration	37,363	65,200
Program - Riding Center	56,374	71,300
Insurance	-	-
Capital Improvements	6,030	110,000
Total Expenditures Paid	99,767	246,500
REVENUES COLLECTED OVER(UNDER)	43,099	(103,144)
EXPENDITURES PAID		