VILLAGE OF NORTH BARRINGTON, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of North Barrington, Illinois as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise Village of North Barrington, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of North Barrington, Illinois as of April 30, 2019 and the respective changes in financial position thereof and the respective budgetary comparison for the General and Motor Fuel Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Village management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Detterbeck Johnson & Monsen

Detterbeck Johnson & Monsen, Ltd.
Palatine, Illinois
November 12, 2019

VILLAGE OF NORTH BARRINGTON, ILLINIOS

STATEMENT OF NET POSITION

APRIL 30, 2019

		Total Primary Government Governmental Activities
ASSETS		
Cash and Investments	$	3,100,034
Property Taxes Receivable, Net of Allowance For Loss and Cost		673,316
Sales, Income and Motor Fuel Taxes Receivable		89,799
Interest Income Receivable		-
Capital Assets, Net of Accumulated Depreciation		1,076,734
Total Assets		4,939,883
LIABILITIES		
Accounts Payable		31,235
Road Bond Deposits Payable		157,000
Agency Deposits Payable		204,625
Escrow Deposit		30,094
Deferred Revenues		715,316
Total Liabilities		1,138,270
NET POSITION		
Investment in Capital Assets		1,076,734
Expendable Restricted Net Position		
Motor Fuel Tax Expenditures		151,703
Special Service Districts		308,051
Unrestricted Net Position		2,265,125
TOTAL NET POSITION	$	3,801,613

See accompanying notes to financial statements.

VILLAGE OF NORTH BARRINGTON, ILLINOIS

STATEMENT OF ACTIVITIES

YEAR ENDED APRIL 30, 2019

	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue
PRIMARY GOVERNMENT			
Governmental Activities			
General Government	$2,006,003	$ 220,530	$(1,785,473)
Motor Fuel Tax Expenditures	-	-	-
Total Governmental Activities	2,006,003	220,530	(1,785,473)
GENERAL REVENUES			
Property Taxes, levied for general purposes			700,102
Income Taxes			315,228
Sales Taxes			166,142
Interest			57,773
Motor Fuel Tax Allotments			77,347
Personal Property Replacement Taxes			3,563
Total General Revenues			1,320,155
CHANGE IN NET POSITION			(465,318)
NET POSITION			
Beginning			4,266,931
Ending			$ 3,801,613

See accompanying notes to financial statements.

VILLAGE OF NORTH BARRINGTON, ILLINIOS

BALANCE SHEET
GOVERNMENTAL FUNDS

APRIL 30, 2019

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
ASSETS			
Cash and Investments	$ 2,955,075	$ 144,959	$ 3,100,034
Property Taxes Receivable, Net of Allowance For Loss and Cost of $2,674	673,316	-	673,316
Sales, Income and Motor Fuel Taxes Receivable	83,055	6,744	89,799
TOTAL ASSETS	$ 3,711,446	$ 151,703	$ 3,863,149
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 31,235	$ -	$ 31,235
Road Bond Deposits Payable	157,000	-	157,000
Agency Deposits Payable	204,625	-	204,625
Escrow Deposit	30,094	-	30,094
Deferred Revenues	715,316	-	715,316
Total Liabilities	1,138,270	-	1,138,270
FUND BALANCES			
Restricted for:			
Special Service Districts	308,051	-	308,051
Motor Fuel Tax Expenditures	-	151,703	151,703
Unassigned	2,265,125	-	2,265,125
Total Fund Balances	2,573,176	151,703	2,724,879
TOTAL LIABILITIES AND FUND BALANCES	$ 3,711,446	$ 151,703	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,076,734
Interest receivable on certificates of deposit is recorded for the accrual basis balance sheet but is not reported on a modified accrual basis and therefore not reported in the funds	-
Net Position of Governmental Activities	$ 3,801,613

See accompanying notes to financial statements.

VILLAGE OF NORTH BARRINGTON, ILLINOIS

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

YEAR ENDED APRIL 30, 2019

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
REVENUES			
Property Taxes	$ 700,102	$ -	$ 700,102
Income Tax	315,228	-	315,228
Sales Tax	166,142	-	166,142
Licenses and Permits	110,358	-	110,358
Franchise Fees	78,803	-	78,803
Motor Fuel Tax Allotments	-	77,347	77,347
Interest	55,914	1,859	57,773
Cell Tower Rental	16,289	-	16,289
Fines	7,371	-	7,371
Personal Property Replacement Taxes	3,563	-	3,563
Road and Park Impact Fees	3,000	-	3,000
Board of Appeals	2,100	-	2,100
Special Service Fees	2,000	-	2,000
Miscellaneous	609	-	609
Total Revenues	1,461,479	79,206	1,540,685
EXPENDITURES			
General Government	878,180	18	878,198
Street and Roads	693,205	-	693,205
Public Safety	388,469	-	388,469
	1,959,854	18	1,959,872
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(498,375)	79,188	(419,187)
OTHER FINANCING SOURCES (USES)			
Transfers	-	-	-
NET CHANGE IN FUND BALANCES	(498,375)	79,188	(419,187)
FUND BALANCE			
Beginning	3,071,551	72,515	3,144,066
Ending	$ 2,573,176	$ 151,703	$ 2,724,879

See accompanying notes to financial statements.

VILLAGE OF NORTH BARRINGTON, ILLINOIS

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

YEAR ENDED APRIL 30, 2019

Net Change in Fund Balances - Total Governmental Funds	$ (419,187)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the net of depreciation expense of $46,131 and net capital outlays of $0 during the year.	(46,131)
Interest receivable on certificates of deposit remained the same from the beginning of the year to the end of the year. The statement of activities includes accrued interest but is not reflected as revenue in the funds until received.	-
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (465,318)

See accompanying notes to financial statements.

VILLAGE OF NORTH BARRINGTON, ILLINOIS

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

YEAR ENDED APRIL 30, 2019

	General		Motor Fuel Tax	
	GAAP Budget Original/Final	Actual	GAAP Budget Original/Final	Actual
REVENUES				
Property Taxes	$ 676,000	$ 700,102	$ -	$ -
Income Tax	280,000	315,228	-	-
Sales Tax	135,000	166,142	-	-
Franchise Fees	90,000	78,803	-	-
Licenses and Permits	89,000	110,358	-	-
Motor Fuel Tax Allotments	-	-	72,000	77,347
Interest	25,000	55,914	-	1,859
Fines	12,000	7,371	-	-
Personal Property Replacement Taxes	2,500	3,563	-	-
Cell Tower Rental	2,000	16,289	-	-
Road and Park Impact Fees	2,000	3,000	-	-
Miscellaneous	2,000	609	-	-
Board of Appeals	2,000	2,100	-	-
Special Service	-	2,000	-	-
Total Revenues	1,317,500	1,461,479	72,000	79,206
EXPENDITURES				
General Government	875,000	878,180	-	18
Streets and Roads	731,000	693,205	72,000	-
Public Safety	375,000	388,469	-	-
	1,981,000	1,959,854	72,000	18
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (663,500)	(498,375)	$ -	79,188
OTHER FINANCING SOURCES (USES)				
Transfers		-		-
NET CHANGE IN FUND BALANCES		(498,375)		79,188
FUND BALANCE				
Beginning		3,071,551		72,515
Ending		$ 2,573,176		$ 151,703

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

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

A. Financial Reporting Entity

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

B. Basis of Presentation

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

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

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

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

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

C. Basis of Accounting

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

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Concluded)

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

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

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

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

D. Cash and Investments

Cash and short-term investments are stated at cost, which equal fair value and include certificates of deposit. The investment policy of the Village is to hold certificates of deposit until maturity.

E. Interfund Transfers

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

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

Purchased or constructed capital assets greater than $1,000 are reported at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do no add to the value of the asset or materially extend assets' lives are not capitalized.

G. Property Taxes

Property taxes receivable are based on equalized assessed valuation and tax rates for the year 2018. The reserve for loss and costs on collections has been provided for 2018 at .40% of the tax extensions, which is approximately the loss and cost percentage in prior years. The Village will begin to receive these 2018 levied funds in June of 2019. In the government-wide accrual basis and governmental fund modified accrual basis financial statements the Village has deferred these revenues. The 2017 levy is recorded as revenue.

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

H. Fund Balances/Net Assets

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

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

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

H. Fund Balances/Net Assets (Concluded)

The restricted fund balances are based on the origin of the fund balance that are the unreleased State of Illinois motor fuel tax funds and funds provided by external parties that were provided for a specific purpose.

In the government-wide financial statements, net assets are displayed in three components as follows:

Invested in Capital Assets – This consists of capital assets, net of accumulated depreciation.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, and then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets".

I. Use of Estimates

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

J. Subsequent Events

The Village evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 12, 2019, the day the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS AND DEPOSIT RISK

The Village limits its investment activity to Certificates of Deposit (CD's) and money market funds. It uses only financial institutions qualified as public depositories by the State of Illinois. The Village has $1,189,771 in various accounts with Barrington Bank & Trust at April 30, 2019 and $1,566,325 in a money market at First Midwest Bank that are either fully insured by the FDIC up to the $250,000 limit and/or have collateral pledged in the Village's name and held by a third party safekeeping agent on behalf of the bank. The Village also has a money market account and two CD's at First Midwest Bank Wealth Management with a value of $480,981 as of April 30, 2019.

NOTE 3. MOTOR FUEL TAX FUND

Money in the Motor Fuel Tax Fund is available for use by the Village only upon approval from the State of Illinois. During the fiscal year April 30, 2019, $0 in such expenditures was approved.

NOTE 4. CAPITAL ASSETS

A summary of capital assets activity for the year ended April 30, 2019 is as follows:

	Balance May 1, 2018	Additions	Deletions	Balance April 30, 2019
Land, Right of Way and Easements – not being depreciated	$ 402,902	$ -	$ -	$ 402,902
Capital Assets being depreciated:				
Buildings	1,091,027	-	-	1,091,027
Land Improvements	121,484	-	-	121,484
Equipment and Furniture	266,582	-	-	266,582
Total Capital Assets Being Depreciated	1,479,093	-	-	1,479,093
Less Accumulated Depreciation:				
Buildings	534,980	23,814	-	558,794
Land Improvements	25,556	8,069	-	33,625
Equipment and Furniture	198,594	14,248	-	212,842
Total Accumulated Depreciation	759,130	46,131	-	805,261
Total Capital Assets Being Depreciated, Net	719,963	(46,131)	-	673,832
Governmental Activity Capital Assets, Net	$ 1,122,865	$ (46,131)	$ -	$ 1,076,734

Depreciation expense for governmental activities for the year ended April 30, 2019 was included in general fund expenses on the statement of activities of $46,131.

Assets are being depreciated on a straight-line basis with useful lives of:

Buildings – 10 to 50 years
Land Improvements – 15 years
Equipment and Furniture – 5 to 10 years

NOTE 5. TAX RECEIPTS FOR SPECIFIC PURPOSES

The Village accounts for street and bridge taxes, police protection taxes, and audit expense taxes in the General Fund. The following table shows the amounts received and spent for these items for the twelve months ended April 30, 2019.

	Revenue	Expenditures
Street and Bridge	$ 69,692	$ 69,692 (a)
Police Protection	$ 255,274	$ 255,274 (a)
Audit Expense	$ 8,178	$ 8,178 (a)

(a) An additional $623,513 was expended out of the General Corporate Fund property tax levy proceeds or unassigned fund balance for street and bridge expenditures, $133,195 for police services and traffic control costs, and $1,822 for audit cost during the year ended April 30, 2019.

NOTE 6. ROAD DEPOSITS AND ENGINEERING FEE ADVANCES

As of the balance sheet date, the Village General Fund was holding a total of $157,000 in road, septic and tree preservation or replacement deposits, which will be returned to the depositor upon satisfactory completion and approval of the designated project. If said project is not completed to Village approval, the road, septic or tree deposits will be forfeited to the Village.

NOTE 7. AGENCY DEPOSITS PAYABLE

Agency deposits represent monies paid to or by the Village. A receivable results if the Village has paid for expenses that an agency wishing to develop, construct or otherwise conduct business in the Village has not deposited sufficient funds with the Village to cover all the expenses incurred. Several agencies have deposits with the Village that are reduced as the Village pays for various expenses related to their particular project and these are reflected as a liability. Any unused funds upon project completion are returned to the agency by the Village.

NOTE 8. ESCROW DEPOSIT

The Village is holding an escrow deposit from the Wynstone Property Owners' Association (WPOA), which is calculated and adjusted every two years, to pay sewer charges in the event the WPOA does not. Any interest earned on these separately invested funds will be paid to the WPOA as the funds accumulate.

NOTE 9. DEFERRED REVENUE

On November 25, 1997, SBC/Ameritech paid the Village $300,000 in accordance with the ground lease agreement between the two entities. The term of the lease is from November 10, 1997 to November 9, 2022. At April 30, 2019, $42,000 was included in deferred revenue.

NOTE 10. RESTRICTED RESERVES

As of April 30, 2019, the Village has restricted reserves in the General Fund of $267,893 for Special Service Districts and $40,158 of Park Impact Fees. These reserves are established as areas are annexed to the Village and a fee per new house constructed is charged to cover any future septic or well problems not paid for by the homeowners or as a fee in lieu of building a new park. As received these funds are recorded as revenues and will be spent as specified in the future. The reserve balances include annual interest earned and reported in revenue.

NOTE 11. CONTRACTS TO PROVIDE SERVICES

The Village has a contract whereby the Lake County Sheriff's department provides police services to the Village at a specified hourly rate, re-negotiated each calendar year. Total charges incurred under this contract for the year ended April 30, 2019 was $381,570. The Village also contracts with Ela Township Highway Department to provide road maintenance and public works services to the Village. A total of $45,701 is included in road expenditures for these services. The Village also enters into annual contracts for snow plowing and the annual road program using the bid process as well as other services as they are required.

NOTE 12. INSURANCE RISK

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

The Village is a member of the Illinois Risk Management Agency where all property, liability, and workers compensation insurance coverage is maintained and believed to be sufficient to cover any potential losses.

VILLAGE OF NORTH BARRINGTON, ILLINOIS

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED APRIL 30, 2019

	Budget GAAP Original/Final	Actual
GENERAL GOVERNMENT		
Salaries and Benefits	$ 237,000	$ 229,122
Stormwater Management	80,000	137,607
Legal	100,000	55,068
Building Department	70,000	70,028
Administration	48,000	52,337
Village Hall	45,000	45,000
Forester	43,000	52,514
Parks	35,000	27,565
Mosquito Abatement	40,000	36,713
Contingency	40,000	40,000
Internet Technology	30,000	30,000
Barrington Area Council of Governments	28,000	27,119
Flint Creek Restoration	20,000	20,000
Insurance	19,000	17,002
Health and Sanitation	12,000	10,798
Emergency Services	10,000	10,009
Audit	10,000	10,000
Environmental	6,000	6,000
Plan Commission	1,000	1,000
Board of Appeals	1,000	298
	875,000	878,180
PUBLIC SAFETY		
Police Services	375,000	388,469
Fire Department	-	-
	375,000	388,469
STREETS AND ROADS	731,000	693,205
TOTAL	$ 1,981,000	$1,959,854

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To the President and
Board of Trustees
Village of North Barrington

In planning and performing our audit of the basic financial statements of the Village of North Barrington as of and for the year ended April 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of North Barrington's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Village's internal control to be significant deficiencies:

- As is common in small operations, the Village has chosen to not employ personnel with the qualifications and training needed to prepare its financial statements, complete with notes, in accordance with accounting principles generally accepted in the United States of America. Accordingly, the Village is unable to, and has not established internal controls over the financial reporting process.
- The Board/Finance Committee/Treasurer should closely monitor the budget vs. actual amounts as another internal control measure and question/address concerns/document accounts that have budget variances and make a budget adjustment if necessary.
- The Village Administrator/clerk should not reconcile the checking account if this person is also a signer on the bank account. The Village Treasurer should do this. No checks should be signed without reviewing the proper invoices or other documentation in support of the expenditure.

Communicating Internal Control Related Matters Identified in an Audit (AU-C 265) requires that we report these deficiencies. AU-C 265 does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive.

We agree with the objective of AU-C 265, to inform an organization of all the conditions in its internal control that interfere with its ability to record financial data reliably and issue financial statements free of material misstatement. Communication of the control deficiencies above helps to emphasize that the responsibility for financial reporting rests entirely with the organization and not the auditor. In other words, if an organization is not able to issue, without the auditors' involvement, complete financial statements with notes, in accordance with generally accepted accounting principles, and free of material misstatement, that inability is a symptom of material deficiencies in internal control.

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under AU-C 265. Accordingly, you may decide that curing the deficiencies described above would not be cost effective and take no action.

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 30, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village of North Barrington are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year 2019. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was management's decision to not present the Management Discussion and Analysis as part of the basic financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of the Village of North Barrington and is not intended to be and should not be used by anyone other than these specified parties.

Detterbeck Johnson & Monsen

Detterbeck Johnson & Monsen, Ltd.
Palatine, Illinois
November 12, 2019