



VILLAGE OF BARRINGTON HILLS, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2024

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
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DECEMBER 31, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Village of Barrington Hills  
Barrington Hills, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Village of Barrington Hills

as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Barrington Hills as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Barrington Hills and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in Note 14 to the financial statements, the Village implemented GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may rise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Barrington Hills' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Barrington Hills' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***


Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to

the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 as a whole.

A handwritten signature in cursive script that reads "Eccezion".

Eccezion  
Strategic Business Solutions

McHenry, Illinois  
August 25, 2025

## REQUIRED SUPPLEMENTARY INFORMATION

# **VILLAGE OF BARRINGTON HILLS, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024

As management of Village of Barrington Hills (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Both perspectives (government-wide and fund level financial statements) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private business.

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference amongst those being reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating when comparing year to year results.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, roads and bridges, and health services.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.



Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Public Safety Fund, and Roads and Bridges Fund, all of which are considered to be major funds.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary fund includes the Police Pension Trust Fund.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's appropriation to actual for the General Fund, Public Safety Fund and Roads and Bridges Fund along with information concerning the Village's Illinois Municipal Retirement Fund and police pension obligations.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151,599 at December 31, 2024.

The following table presents a summary of the Village's net position for the years ended December 31, 2024 and 2023:

# **Village of Barrington Hills' Statement of Net Position**

	Governmental Activities	
	FY 2024	FY 2023
<b>Assets</b>		
Current and Other Assets	\$ 12,263,424	\$ 12,063,317
Net Pension Asset - IMRF	2,283,766	2,086,847
Capital Assets	1,717,717	1,671,207
<b>Total Assets</b>	<b>\$ 16,264,907</b>	<b>\$ 15,821,371</b>
<b>Deferred Outflow s of Resources</b>		
Pension Expense - IMRF	\$ 240,612	\$ 466,882.00
Pension Expense - Police Pension	2,161,047	3,198,178
<b>Total Deferred Outflow s of Resources</b>	<b>\$ 2,401,659</b>	<b>\$ 3,665,060</b>
<b>Liabilities</b>		
Other Liabilities	\$ 300,101	\$ 184,641
Net Pension Liability - Police	11,402,636	12,377,751
Long-Term Liabilities Outstanding	489,859	304,943
<b>Total Liabilities</b>	<b>\$ 12,192,596</b>	<b>\$ 12,867,335</b>
<b>Deferred Inflow s of Resources</b>		
Property Taxes	\$ 4,692,000	\$ 4,796,500
Pension Revenue - Police Pension	1,630,371	1,247,545
<b>Total Deferred Inflow s of Resources</b>	<b>\$ 6,322,371</b>	<b>\$ 6,044,045</b>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 1,717,717	\$ 1,671,207
Restricted	4,016,510	3,811,611
Unrestricted	(5,582,628)	(4,907,767)
<b>Total Net Position</b>	<b>\$ 151,599</b>	<b>\$ 575,051</b>

One portion of the Village's Net Position reflects its investment in capital assets (e.g., land, construction in progress, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Village's net position decreased by \$423,452 during the current fiscal year, which includes a prior period adjustment of \$226,016 related to the implementation of GASB 101, *Compensated Absences*.

**Governmental Activities.** Governmental activities decreased the Village's net position by \$197,436. Key differences from the prior year are as follows:

### Village of Barrington Hills' Change in Net Position

	Governmental Activities	
	FY 2024	FY 2023
Revenues		
Program Revenues		
Charges for Services	\$ 497,580	\$ 550,160
Operating Grants and Contributions	248,581	203,316
General Revenues		
Property Taxes	4,953,304	4,819,827
State Sales and Use Tax	380,084	359,300
State Income Tax	698,642	657,087
State Utility Tax	427,973	455,313
Other Taxes	71,025	108,400
Investment Income	369,095	301,338
Other	29,397	79,922
Gain on Sale of Capital Assets	-	18,975
Total Revenues	<u>\$ 7,675,681</u>	<u>\$ 7,553,638</u>
Expenses		
General Government	\$ 2,049,029	\$ 1,404,531
Public Safety	4,704,935	4,243,027
Roads and Bridges	1,111,971	1,368,232
Health Services	7,182	7,361
Total Expenses	<u>\$ 7,873,117</u>	<u>\$ 7,023,151</u>
Increase/(Decrease) in Net Position	\$ (197,436)	\$ 530,487
Net Position - Beginning of Year	575,051	44,564
Change in Accounting Policy	(226,016)	-
Net Position - End of Year	<u>\$ 151,599</u>	<u>\$ 575,051</u>

- Revenues saw an overall increase due to an increase in property taxes and investment income.
- Then Public Safety expense increase had the largest changes due to body & squad video equipment purchases and increased police pension contributions.
- The change in accounting policy adjustment to net position was the result of the implementation of GASB 101, *Compensated Absences*, which required a restatement of beginning net position.

### FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At December 31, 2024, the Village's governmental funds reported combined ending fund balances of \$7,271,323, an increase of \$189,147 in comparison with the prior year. Approximately 74% of this total amount constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remaining fund balance (26%) constitutes fund balance restricted to indicate that it is not available for new spending because it has already been restricted, assigned, committed for specific purposes or is nonspendable.

The General Fund is the chief operating fund of the Village. At December 31, 2024, the fund balance of the General Fund was \$5,682,286, of which \$5,398,593 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 139% of total General Fund expenditures.

The General Fund's fund balance increased by \$125,727 during the year. This was a lower increase than prior years, mainly due to overall revenues remaining relatively flat, while expenditures, mainly for public safety, increased about 14%.

The Public Safety Fund reported a fund balance decrease of \$119,908 due to expenditures exceeding revenues, which was due to salaries continuing to increase.

The Roads and Bridges Fund reported a fund balance increase of \$183,328 due to an decrease in road maintenance costs for the current year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village didn’t amend their budget during the year ended December 31, 2024.

Significant differences between the budget and actual revenue and expenditures are summarized as follows:

The General Fund actual revenue exceeded budgeted revenue by \$119,574. This difference primarily due to receiving more interest income than the budget planned, due to much more favorable interest rates than expected. Actual expenditures were less than budgeted expenditures by \$365,995. This was mostly due to less expenditures for capital outlay items than anticipated.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The Village’s investment in capital assets for its governmental activities as of December 31, 2024 amounts to \$1,717,717 (net of accumulated depreciation). This investment includes land, buildings and building improvements, and machinery and equipment.

	Village of Barrington Hills’ Capital Assets (net of depreciation)	
	Governmental Activities	
	2024	2023
Land	\$ 350,349	\$ 350,349
Buildings and Building Improvements	877,445	934,782
Machinery and Equipment	489,923	386,076
Total	<u>\$ 1,717,717</u>	<u>\$ 1,671,207</u>

Major capital asset events during the year ended December 31, 2024 included the following:

- Two Ford Interceptors and upgrades for a total cost of \$56,188 each
- Axon squad car camera system for a total cost of \$62,227
- Security System for a total cost of \$36,242

For more detail on the Village’s capital assets, see Note 3 in the Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Village’s elected and appointed officials considered many factors when setting the fiscal year 2025 budget, including fund balance, tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many other local municipalities, including inflation rates and economic trends, particularly as they pertain to building activity. None of these conditions are anticipated to significantly change the overall financial position of the Village.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village’s finances for all those with an interest in the Village’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Village of Barrington Hills, 112 Algonquin Rd, Barrington Hills, Illinois 60010-5199.

## BASIC FINANCIAL STATEMENTS

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 4,728,620
Investments	2,406,895
Receivables (Net of Allowance for Estimated Uncollectible Amounts)	
Property Taxes	4,696,408
Accrued Interest	11,761
Due from Other Governments	207,134
Due from Other Funds	16,527
Other Receivables	56,093
Prepaid Items	139,986
Net Pension Asset - IMRF	2,283,766
Capital Assets	
Land, Construction in Progress, and Other	
Non-Depreciable Assets	350,349
Other Capital Assets, Net of Depreciation	1,367,368
TOTAL ASSETS	<u>\$ 16,264,907</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Expense - IMRF	\$ 240,612
Pension Expense - Police Pension	2,161,047
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,401,659</u>
LIABILITIES	
Accounts Payable	\$ 134,556
Payroll Withholding Payable	145
Escrow Liability	165,400
Non-Current Liabilities	
Due Within One Year	97,972
Due in More Than One Year	391,887
Net Pension Liability - Police	11,402,636
TOTAL LIABILITIES	<u>\$ 12,192,596</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	\$ 4,692,000
Pension Revenue - Police Pension	1,630,371
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 6,322,371</u>
NET POSITION	
Investment in Capital Assets	\$ 1,717,717
Restricted for:	
Audit	4,571
Police Protection	69,165
Social Security	15,597
Lighting Fund	1,885
Motor Fuel Tax	189,751
Illinois Municipal Retirement Fund	2,395,849
Road and Bridges	1,330,121
Unemployment Insurance	9,571
Unrestricted/(Deficit)	<u>(5,582,628)</u>
TOTAL NET POSITION	<u>\$ 151,599</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs	Expenses			Governmental Activities
Governmental Activities				
General Government	\$ 2,049,029	\$ 474,125	\$ 65,713	\$ (1,509,191)
Public Safety	4,704,935	23,455	-	(4,681,480)
Roads and Bridges	1,111,971	-	182,868	(929,103)
Health Services	7,182	-	-	(7,182)
Total Governmental Activities	<u>\$ 7,873,117</u>	<u>\$ 497,580</u>	<u>\$ 248,581</u>	<u>\$ (7,126,956)</u>
General Revenues				
Taxes				
Property Tax				\$ 4,953,304
State Utility Tax				427,973
Intergovernmental				
State Sales and Use Tax				380,084
State Income Tax				698,642
Other Taxes				71,025
Investment Income				369,095
Miscellaneous				29,397
Total General Revenues and Transfers				<u>\$ 6,929,520</u>
Change in Net Position				<u>\$ (197,436)</u>
Net Position - January 1, 2024, as previously presented				\$ 575,051
Change in Accounting Policy				<u>(226,016)</u>
Net Position - January 1, 2024, as restated				<u>\$ 349,035</u>
Net Position - December 31, 2024				<u><u>\$ 151,599</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	General Fund	Special Revenue Funds Public Safety Fund	Roads and Bridges Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,116,002	\$ 68,432	\$ 1,544,186	\$ 4,728,620
Investments	2,406,895	-	-	2,406,895
Receivables (Net of Allowance for Estimated Uncollectible Amounts)				
Property Taxes	1,469,628	2,229,733	997,047	4,696,408
Accrued Interest	11,761	-	-	11,761
Due from Other Governments	191,686	-	15,448	207,134
Due from Other Funds	16,527	-	-	16,527
Other Receivables	56,093	-	-	56,093
Prepaid Items	139,986	-	-	139,986
<b>TOTAL ASSETS</b>	<b>\$ 7,408,578</b>	<b>\$ 2,298,165</b>	<b>\$ 2,556,681</b>	<b>\$ 12,263,424</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 88,747	\$ 4,000	\$ 41,809	\$ 134,556
Payroll Withholding Payable	145	-	-	145
Escrow Liability	165,400	-	-	165,400
<b>TOTAL LIABILITIES</b>	<b>\$ 254,292</b>	<b>\$ 4,000</b>	<b>\$ 41,809</b>	<b>\$ 300,101</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	\$ 1,472,000	\$ 2,225,000	\$ 995,000	\$ 4,692,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 1,472,000</b>	<b>\$ 2,225,000</b>	<b>\$ 995,000</b>	<b>\$ 4,692,000</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepays	\$ 139,986	\$ -	\$ -	\$ 139,986
Restricted for:				
Audit	4,571	-	-	4,571
Police Protection	-	69,165	-	69,165
Social Security	15,597	-	-	15,597
Lighting Fund	1,885	-	-	1,885
Motor Fuel Tax	-	-	189,751	189,751
Illinois Municipal Retirement Fund	112,083	-	-	112,083
Road and Bridges	-	-	1,330,121	1,330,121
Unemployment Insurance	9,571	-	-	9,571
Unassigned	5,398,593	-	-	5,398,593
<b>TOTAL FUND BALANCES</b>	<b>\$ 5,682,286</b>	<b>\$ 69,165</b>	<b>\$ 1,519,872</b>	<b>\$ 7,271,323</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 7,408,578</b>	<b>\$ 2,298,165</b>	<b>\$ 2,556,681</b>	<b>\$ 12,263,424</b>

The Notes to Financial Statements are an integral part of this statement.



VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2024

Total Fund Balances - Governmental Funds		\$ 7,271,323
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.		
Capital Assets, net of accumulated depreciation		1,717,717
Some assets/(liabilities) are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	\$ (489,859)	
Net Pension Asset - IMRF	2,283,766	
Net Pension Liability - Police	<u>(11,402,636)</u>	
		(9,608,729)
Deferred OPEB/pension costs in governmental activities are not financial resources and therefore are not reported in the funds.		
Pension Deferred Outflows - IMRF	\$ 240,612	
Pension Deferred Outflows - Police	2,161,047	
Pension Deferred Inflows - Police	<u>(1,630,371)</u>	
		<u>771,288</u>
Net Position of Governmental Activities		<u><u>\$ 151,599</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

		Special Revenue Funds		
	General Fund	Public Safety Fund	Roads and Bridges Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 1,949,378	\$ 2,340,180	\$ 1,091,719	\$ 5,381,277
Fees, Permits and Licenses	223,890	-	-	223,890
Charges for Services	108,019	21,425	-	129,444
Fines and Forfeitures	144,186	60	-	144,246
Intergovernmental	1,192,256	-	182,868	1,375,124
Investment Income	349,266	-	19,829	369,095
Grant Revenues	-	23,208	-	23,208
Miscellaneous Revenue	28,898	499	-	29,397
Total Revenues	<u>\$ 3,995,893</u>	<u>\$ 2,385,372</u>	<u>\$ 1,294,416</u>	<u>\$ 7,675,681</u>
EXPENDITURES				
Current				
General Government	\$ 2,020,881	\$ -	\$ -	\$ 2,020,881
Public Safety	1,704,159	2,505,280	-	4,209,439
Roads and Bridges	-	-	1,111,088	1,111,088
Health Services	7,182	-	-	7,182
Capital Outlay	145,379	-	-	145,379
	<u>\$ 3,877,601</u>	<u>\$ 2,505,280</u>	<u>\$ 1,111,088</u>	<u>\$ 7,493,969</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 118,292</u>	<u>\$ (119,908)</u>	<u>\$ 183,328</u>	<u>\$ 181,712</u>
OTHER FINANCING SOURCES/(USES)				
Sale of Capital Assets	\$ 7,435	\$ -	\$ -	\$ 7,435
	<u>\$ 7,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,435</u>
NET CHANGE IN FUND BALANCES	\$ 125,727	\$ (119,908)	\$ 183,328	\$ 189,147
FUND BALANCES - JANUARY 1, 2024	<u>5,556,559</u>	<u>189,073</u>	<u>1,336,544</u>	<u>7,082,176</u>
FUND BALANCES - DECEMBER 31, 2024	<u><u>\$ 5,682,286</u></u>	<u><u>\$ 69,165</u></u>	<u><u>\$ 1,519,872</u></u>	<u><u>\$ 7,271,323</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	189,147
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (160,829)		
Capital Outlays	<u>214,828</u>		53,999

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Proceeds from Sale of Capital Assets	\$ (6,900)		
Gain/(Loss) on Sale of Capital Assets	<u>(589)</u>		<u>(7,489)</u>

Some revenue/expenses reported in the Statement of Activities do not provide/use current financial resources and therefore are not reported as revenues/expenses in the governmental funds.

Pension Revenue/(Expense) - IMRF	\$ (33,423)		
Pension Revenue/(Expense) - Police	(1,564,084)		
Compensated Absences	<u>41,100</u>		(1,556,407)

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

Pension Employer Contributions - IMRF	\$ 4,072		
Pension Employer Contributions - Police Pension	<u>1,119,242</u>		<u>1,123,314</u>

Change in Net Position of Governmental Activities	\$	<u>(197,436)</u>
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The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2024

	<u>POLICE PENSION TRUST FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 225,734
Investments	
Illinois Police Pension Consolidated Investment Fund	17,201,112
Prepaid Items	<u>3,433</u>
TOTAL ASSETS	<u>\$ 17,430,279</u>
LIABILITIES	
Accounts Payable	\$ 2,105
Due to Municipality	<u>16,527</u>
TOTAL LIABILITIES	<u>\$ 18,632</u>
NET POSITION	
Restricted for Pensions	<u>\$ 17,411,647</u>
TOTAL NET POSITION	<u><u>\$ 17,411,647</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
FUND FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 1,102,715
Plan Members	<u>184,377</u>
Total Contributions	<u>\$ 1,287,092</u>
Investment Income	
Interest and Dividends	\$ 125,906
Increase/(Decrease) in Fair Value of Investments	<u>1,367,193</u>
	\$ 1,493,099
Less: Investment Management Fees	<u>8,951</u>
Net Investment Income	<u>\$ 1,484,148</u>
TOTAL ADDITIONS	<u>\$ 2,771,240</u>
DEDUCTIONS	
Benefits	\$ 988,089
Administrative Expenses	<u>29,669</u>
TOTAL DEDUCTIONS	<u>\$ 1,017,758</u>
NET INCREASE/(DECREASE)	\$ 1,753,482
NET POSITION - JANUARY 1, 2024	<u>15,658,165</u>
NET POSITION - DECEMBER 31, 2024	<u><u>\$ 17,411,647</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Village are discussed below.

**A. *Reporting Entity***

The Village's financial reporting entity comprises the following:

Primary Government: Village of Barrington Hills

In determining the financial reporting entity, the Village complies with the provisions of GASB Statements and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statements, there are no component units included in the reporting entity.

The Village's sworn police officers participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by Village Officials and three elected active police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

**B. *Basic Financial Statements – Government-Wide Statements***

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, roads and bridges, and health services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings among other similar revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, roads and bridges, or health services). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

## NOTES TO FINANCIAL STATEMENTS (Continued)

function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, sales taxes, unrestricted investment earnings, and other similar revenues).

The Village does not allocate indirect costs. Direct costs are allocated amongst Village departments based on the share of goods or services used by each department.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

### C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds in the governmental activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category) for the determination of major funds. The Village electively added all funds as major funds.

If a fund is not electively added as major, the determination of a major fund is as follows:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type; and total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5% of the corresponding total for all governmental funds.

The following fund types are used by the Village:

#### 1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Village reports these governmental funds and fund types:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. This is considered a major fund.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village has two special revenue funds.

*Public Safety Fund* – Used to account for resources that are restricted, committed or assigned to supporting expenditures for the Village's public safety operation, including police protection, the school crossing guard program, and expenditures related to drug, DUI and gang awareness and prevention programs.

*Roads and Bridges Fund* – Used to account for resources that are restricted, committed or assigned to supporting expenditures for the repair and maintenance of the Village's roads and bridges.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

### 2. Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trust or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Pension Trust Funds* – Used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

The Village's Fiduciary Fund is presented in the Fiduciary Fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants and beneficiaries) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

### D. *Measurement Focus*

Measurement focus is a term used to describe which transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as net position.

### E. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### 1. Accrual

The governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

#### 2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are



## NOTES TO FINANCIAL STATEMENTS (Continued)

also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

### F. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all of the Village's funds. Instead, the funds maintain their uninvested cash balances in common checking accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain funds participating in the commingled bank accounts will incur overdrafts (deficits) in the accounts. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans that have not been authorized by Village Board action.

As of December 31, 2024, there were no cash overdrafts in any Village fund.

Cash and cash equivalents as well as investments on the Statement of Net Position are considered to be cash on hand, demand deposits, or cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

### G. *Receivables*

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants.

All receivables are reported net of estimated uncollectible amounts.

### H. *Prepays*

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

### I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,500, dependent on asset category, are reported at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Buildings and Building Improvements	20-45 years
Machinery and Equipment	5-20 years

### K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource until that time.

### L. *Compensated Absences*

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in the statements. Vested sick and vacation pay is accrued when earned in the financial statements, if it is more likely than not to be used for time off or otherwise paid in cash. At December 31, 2024, the liability for compensated absences totaled \$489,859.

### M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis, rather than expensed in the current year. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures at the time of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### N. *Lease and Subscription-Based IT Arrangements*

The Village recognizes a right-to-use liability and asset for various lease and subscription-based IT agreements in the government-wide financial statements.

## NOTES TO FINANCIAL STATEMENTS (Continued)

At the commencement of a lease or subscription-based IT agreement, the Village initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease or subscription-based IT agreement. Key estimates and judgments related to leases or subscription-based IT agreements include how the Village determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village uses its estimated incremental borrowing rate as the discount rate for leases or subscription-based IT agreements.

The term includes the noncancellable period of the lease or subscription-based IT agreement. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the Village is reasonably certain to exercise.

The Village monitors changes in circumstances that would require a remeasurement of its lease or subscription-based IT agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position.

The Village currently has no material leases that fall under this type of arrangement.

### *O. Government-Wide Net Position*

Government-wide net position is divided into three components:

1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. When there is no capital related debt, this component is referred to investment in capital assets.
2. Restricted net position – consists of net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted – all other net position is reported in this category.

### *P. Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Village Board. Board approval of an ordinance is required to establish, modify, or rescind a fund balance commitment. Committed amounts cannot be used for any other

## NOTES TO FINANCIAL STATEMENTS (Continued)

purpose unless the Village Board removes those constraints by taking the same type of action (ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

3. Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself. All assigned fund balances are the residual amounts of the fund.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to represent negative fund balances in other funds.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

The Village has a Fund Balance Policy in place that was recommended by the Finance Committee, which requires a fund balance to contain no less than six months of the General Fund and Police Protection Fund expenditures, not to include extraordinary one-time material expenditures and the contribution to the Police Pension Fund. The fund balance is intended to be sufficient to provide financial resources for the Village in the event of an emergency or the loss of a major revenue source.

### *Q. Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's boundaries by December of the subsequent fiscal year. The 2024 levy was passed by the Board on December 19, 2023. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

### *R. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## **NOTE 2 - CASH AND INVESTMENTS AND FAIR VALUE MEASUREMENT**

The Village maintains common checking, savings, and investment accounts for all funds combined with the individual fund balances being maintained by the Village.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all funds on deposit at 110%, including checking accounts and certificates of deposit, that are in

## NOTES TO FINANCIAL STATEMENTS (Continued)

excess of FDIC insurance. The collateral must be in the name of the Village and held at an independent third party institution and must be evidenced by a written agreement. At December 31, 2024, the Village was in compliance with this policy.

### *Investments*

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

The Police Pension Fund holds all investments within the Illinois Police Officers’ Pension Investment Fund (IPOPIF). IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory and all Police Pension Fund investments are held with IPOPIF. IPOPIF’s investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertained exclusively to the Article 3 participating police pension funds.

### *Interest Rate Risk*

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

As of December 31, 2024, the Village and Police Pension had the following investments, maturities, and fair value measurements:

#### **Village**

Types of investments	Credit Quality/Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using:		Net Asset Value (NAV)
				Level 1	Level 2	
Certificates of Deposit	N/A	less than 1 year	\$ 2,401,078	\$ -	\$ 2,401,078	\$ -
Illinois Funds Investment Pool	AAAm	less than 1 year	2,506,994	-	-	2,506,994
Total Investments			<u>\$ 4,908,072</u>	<u>\$ -</u>	<u>\$ 2,401,078</u>	<u>\$ 2,506,994</u>

#### **Police Pension**

Types of investments	Credit Quality/Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using:		Net Asset Value (NAV)
				Level 1	Level 2	
Illinois Funds	AAAm	less than 1 year	\$ 139,056	\$ -	\$ -	\$ 139,056
Consolidated Police Pension IPOPIF/IFPIF Investment Pool	N/A	less than 1 year	17,201,112	-	-	17,201,112
Total Investments			<u>\$ 17,340,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,340,168</u>

The Village and Police Pension Fund categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; debt securities and certificates of deposit classified in Level 2 of the fair

## NOTES TO FINANCIAL STATEMENTS (Continued)

value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The investments in the Illinois Fund Investment Pool are measured at net asset value. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) but operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The Police Pension Fund held no investments subject to fair value measurement as of December 31, 2024.

The Police Pension Fund's pooled investment in IPOPIF, as noted in the table above, is valued at Net Asset Value per share. The pooled investments consist of the investments as noted in the target allocation table available at [www.ipopif.org](http://www.ipopif.org) under Governing Documents, Policies, Investment Policy Statement. Investments in IPOPIF are valued at IPOPIF's share price, which is the amount it would cost to buy the shares in the investment pool.

### *Credit Risk*

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in negotiable certificates of deposit. The negotiable certificates of deposit are not rated but are each covered by FDIC insurance up to \$250,000.

### *Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investments held in a custodial account with the trust department of an approved financial institution. Illinois Funds are not subject to custodial credit risk.

### *Concentration of Credit Risk*

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

## **NOTE 3 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 350,349	\$ -	\$ -	\$ 350,349
Total Capital Assets not being depreciated	\$ 350,349	\$ -	\$ -	\$ 350,349
Other Capital Assets				
Buildings and Building Improvements	\$ 2,450,846	\$ -	\$ -	\$ 2,450,846
Machinery and Equipment	1,580,769	214,828	28,754	1,766,843
Total Other Capital Assets at Historical Cost	\$ 4,031,615	\$ 214,828	\$ 28,754	\$ 4,217,689
Less Accumulated Depreciation for:				
Buildings and Building Improvements	\$ 1,516,064	\$ 57,337	\$ -	\$ 1,573,401
Machinery and Equipment	1,194,693	103,492	21,265	1,276,920
Total Accumulated Depreciation	\$ 2,710,757	\$ 160,829	\$ 21,265	\$ 2,850,321
Other Capital Assets, Net	\$ 1,320,858	\$ 53,999	\$ 7,489	\$ 1,367,368
Governmental Activities Capital Assets, Net	\$ 1,671,207	\$ 53,999	\$ 7,489	\$ 1,717,717

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 60,902
Public Safety	99,044
Roads and Bridges	883
Total Governmental Activities Depreciation Expense	<u>\$ 160,829</u>

### NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Amounts Due Within One Year
<b>Governmental Activities</b>					
Other Long-Term Liabilities					
Compensated Absences*	\$ 530,959 **	\$ -	\$ 41,100	\$ 489,859	\$ 97,972
Total Other Long-Term Liabilities	\$ 530,959	\$ -	\$ 41,100	\$ 489,859	\$ 97,972
Governmental Activities Long-Term Obligations	<u>\$ 530,959</u>	<u>\$ -</u>	<u>\$ 41,100</u>	<u>\$ 489,859</u>	<u>\$ 97,972</u>

\*This amount displayed as additions or reductions represents the net change in the liability in the current fiscal year

\*\*This is the restated balance due to GASB 101, *Compensated Absences* - See Note 13

### NOTE 5 - PROPERTY TAXES

Property taxes receivable of \$4,696,408 and unavailable revenue of \$4,692,000 recorded in these financial statements are from the 2024 tax levy plus any remaining 2023 levy distributions made within 60 days of the Village's fiscal year-end. The 2024 taxes are unavailable as a majority of the taxes are not collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2024. The Village has determined that 100% of the amounts collected for the 2023 and prior levies are allocable for use in fiscal year 2024 and, therefore, are recorded in these financial statements as property taxes revenue (\$4,953,304). A summary of the assessed valuation, rates, and extensions for the years 2023, 2022, and 2021 follows:

# NOTES TO FINANCIAL STATEMENTS (Continued)

## COOK COUNTY

Tax Year	2023		2022		2021	
Assessed Valuation	\$241,712,958		\$240,160,042		\$202,169,097	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.0156	\$ 37,707	0.0709	\$ 170,273	0.1525	\$ 308,321
Police Protection	0.5516	1,333,289	0.5391	1,294,703	0.6048	1,222,741
Police Pension	0.2614	631,838	0.2445	587,191	0.2924	591,220
Social Security	0.0432	104,420	0.0447	107,352	0.0538	108,784
Audit	0.0146	35,290	0.0137	32,902	0.0143	28,970
Street and Bridge	0.2386	576,727	0.2404	577,345	0.2895	585,308
Street Lighting	0.0012	2,900	0.0012	3,122	0.0015	3,074
Unemployment Insurance	0.0001	242	0.0001	240	0.0009	1,833
Liability Insurance	0.0240	58,011	0.0219	52,595	0.0175	35,473
	1.1503	\$ 2,780,424	1.1765	\$ 2,825,723	1.4272	\$ 2,885,724

## McHENRY COUNTY

Tax Year	2023		2022		2021	
Assessed Valuation	\$131,826,258		\$130,640,185		\$122,395,265	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.0137	\$ 18,018	0.0615	\$ 80,359	0.1247	\$ 152,591
Police Protection	0.4836	637,561	0.4677	610,944	0.4944	605,147
Police Pension	0.2292	302,147	0.2121	277,126	0.2391	292,601
Social Security	0.0379	49,896	0.0462	50,623	0.0440	53,838
Audit	0.0128	16,909	0.0119	15,563	0.0117	14,337
Street and Bridge	0.2092	275,815	0.2085	272,448	0.2367	289,674
Street Lighting	0.0011	1,387	0.0011	1,459	0.0012	1,521
Unemployment Insurance	0.0001	138	0.0001	138	0.0007	907
Liability Insurance	0.0210	27,719	0.0190	24,768	0.0143	17,556
Prior Year Adjustment	-	-	-0.0968	(126,419)	-	-
	1.0086	\$ 1,329,590	0.9314	\$ 1,207,009	1.1669	\$ 1,428,173

## LAKE COUNTY

Tax Year	2023		2022		2021	
Assessed Valuation	\$78,007,031		\$66,542,786		\$66,542,786	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.0114	\$ 8,912	0.0581	\$ 39,830	0.1077	\$ 71,655
Police Protection	0.4042	315,331	0.4416	302,808	0.4270	284,167
Police Pension	0.1916	149,440	0.2003	137,355	0.2065	137,401
Social Security	0.0316	24,679	0.0366	25,093	0.0380	25,283
Audit	0.0107	8,364	0.0113	7,714	0.0101	6,733
Street and Bridge	0.1749	136,415	0.1969	135,036	0.2044	136,026
Street Lighting	0.0009	686	0.0011	723	0.0011	715
Unemployment Insurance	0.0001	69	0.0001	69	0.0006	427
Liability Insurance	0.0176	13,711	0.0179	12,277	0.0124	8,245
Revenue Recapture	0.0045	3,542	0.0029	2,020	0.0094	6,268
	0.8476	\$ 661,149	0.9669	\$ 662,925	1.0173	\$ 676,920

## KANE COUNTY

Tax Year	2023		2022		2021	
Assessed Valuation	\$11,788,218		\$10,808,208		\$10,018,782	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.0126	\$ 1,489	0.0600	\$ 6,482	0.1140	\$ 11,421
Police Protection	0.4468	52,670	0.4560	49,284	0.4521	45,293
Police Pension	0.2117	24,961	0.2068	22,355	0.2186	21,900
Social Security	0.0350	4,122	0.0378	4,084	0.0402	4,030
Audit	0.0119	1,397	0.0116	1,255	0.0107	1,073
Street and Bridge	0.1933	22,786	0.2033	21,978	0.2164	21,681
Street Lighting	0.0010	114	0.0370	118	0.0011	114
Unemployment Insurance	0.0001	11	0.0010	11	0.0007	68
Liability Insurance	0.0194	2,290	0.0185	1,998	0.0131	1,314
	0.9318	\$ 109,840	1.0320	\$ 107,565	1.0669	\$ 106,894



**NOTE 6 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended December 31, 2024,

Fund	Budget	Actual	Excess of Actual Over Budget
Public Safety Fund	\$ 2,446,040	\$ 2,483,562	\$ 37,522

The current year overage was covered with remaining fund balance.

**NOTE 7 - ILLINOIS MUNICIPAL RETIREMENT FUND**

*A. Plan Description*

The Village's defined benefit agent multiple-employer pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village'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 of this document. 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 Annual Comprehensive 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](http://www.imrf.org).

*B. 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 elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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 ten 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 ten 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
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Employees Covered by Benefit Terms*

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	6
Total	<u>42</u>

D. *Contributions*

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 Village's annual contribution rate for the calendar years 2023 and 2024 were 0.80% and 0.78%, respectively. For the fiscal year ended December 31, 2024, the Village contributed \$4,072 to the plan. The Village 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

E. *Net Pension Liability*

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2024, and a measurement date as of December 31, 2024, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 7,273,784
IMRF Fiduciary Net Position	9,557,550
Village's Net Pension (Asset)/Liability	(2,283,766)
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	131.40%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

F. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality

## NOTES TO FINANCIAL STATEMENTS (Continued)

improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

### G. *Long-Term Expected Rate of Return*

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 as of December 31, 2024:

Asset Class	Target Allocation	Projected Return
Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternatives	12.50%	
Private Equity		6.25%
Hedge Funds		N/A
Commodities		4.85%
Cash Equivalents	1.00%	3.60%
	<u>100.00%</u>	

### H. *Single Discount Rate*

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2024. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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
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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.08%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### I. *Changes in the Net Pension (Asset)/Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset)/Liability (A)-(B)
Balances at December 31, 2023	\$ 7,029,683	\$ 9,116,530	\$ (2,086,847)
Changes for the year:			
Service Cost	\$ 42,931	\$ -	\$ 42,931
Interest on the Total Pension Liability	495,887	-	495,887
Differences Between Expected and Actual Experience of the Total Pension Liability	127,942	-	127,942
Changes of Assumptions	-	-	-
Contributions - Employer	-	4,072	(4,072)
Contributions - Employee	-	23,097	(23,097)
Net Investment Income	-	917,880	(917,880)
Benefit Payments, including Refunds of Employee Contributions	(422,659)	(422,659)	-
Other (Net Transfer)	-	(81,370)	81,370
Net Changes	\$ 244,101	\$ 441,020	\$ (196,919)
Balances at December 31, 2024	\$ 7,273,784	\$ 9,557,550	\$ (2,283,766)

### J. *Sensitivity of the Net Pension Asset to Changes in the Discount Rate*

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability/(Asset)	\$ (1,527,804)	\$ (2,283,766)	\$ (2,863,214)

### K. *Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2024, the Village recognized pension income of \$(33,423). At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Differences between expected and actual experience	\$ 30,239	\$ -	\$ 30,239
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	210,373	-	210,373
Total deferred amounts to be recognized in pension expense in future periods	\$ 240,612	\$ -	\$ 240,612
Pension contributions made subsequent to the measurement date	-	-	-
Total deferred amounts related to pensions	\$ 240,612	\$ -	\$ 240,612

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

Year Ending December 31	Net Deferred (Inflows)/Outflows of Resources
2025	\$ 131,403
2026	285,490
2027	(121,439)
2028	(54,842)
2029	-
Thereafter	-
	<u>\$ 240,612</u>

**NOTE 8 - POLICE PENSION PLAN**

**A. Plan Administration**

Full-time police sworn personnel of the Village are covered by The Police Pension Fund of the Village (Plan). Although this is a single-member pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a pension trust fund. No separate report is issued on this pension plan.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of five elected or appointed members.

**B. Plan Membership**

At January 1, 2024, the date of the latest actuarial valuation, Plan participation consisted of:

Inactive plan members or beneficiaries currently receiving benefits	12
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	16
Total	<u>28</u>

**C. Benefits Provided**

The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

**D. Contributions**

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended December 31, 2024, the Village's contribution was 60.2% of covered payroll.

NOTES TO FINANCIAL STATEMENTS (Continued)

E. *Net Pension Liability*

The components of the net pension liability of the Plan as of December 31, 2024, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 28,830,810
Plan Fiduciary Net Position	17,428,174
Village's Net Pension Liability	11,402,636
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.45%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information for additional information related to the funded status of the Plan.

F. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.25%
Salary Increases	3.75% - 13.17%
Investment Rate of Return	6.50%
Asset Valuation Method	5-Year Smoothed Market Value

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement used MP-2019 Improvement Rates applied on a fully generational basis.

50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved full generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

G. *Discount Rate*

The discount rate used to measure the total pension liability was 5.87%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not

## NOTES TO FINANCIAL STATEMENTS (Continued)

covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

The Plan's projected net position is expected to cover future benefit payments in full for the current employees.

Projected benefit payments are determined during the actuarial process based on assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the Plan.

### H. *Changes in the Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2023	\$ 28,035,917	\$ 15,658,166	\$ 12,377,751
Changes for the year:			
Service Cost	\$ 623,700	\$ -	\$ 623,700
Interest on the Total Pension Liability	1,640,751	-	1,640,751
Differences Between Expected and Actual Experience of the Total Pension Liability	399,070	-	399,070
Changes of Assumptions	(880,539)	-	(880,539)
Contributions - Employer	-	1,119,242	(1,119,242)
Contributions - Employee	-	184,377	(184,377)
Net Investment Income	-	1,484,147	(1,484,147)
Benefit Payments, including Refunds of Employee Contributions	(988,089)	(988,089)	-
Administrative Expense	-	(29,669)	29,669
Net Changes	\$ 794,893	\$ 1,770,008	\$ (975,115)
Balances at December 31, 2024	\$ 28,830,810	\$ 17,428,174	\$ 11,402,636

### I. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 5.87%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 4.87%	Current Discount Rate 5.87%	1% Increase 6.87%
Net Pension Liability	\$ 15,470,897	\$ 11,402,636	\$ 8,064,683

### J. *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2024, the Village recognized pension expense of \$1,564,084. At December 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Differences between expected and actual experience	\$ 478,032	\$ 474,893	\$ 3,139
Assumption changes	1,263,392	1,155,478	107,914
Net difference between projected and actual earnings on pension investments	419,623	-	419,623
Total deferred amounts to be recognized in pension expense in future periods	\$ 2,161,047	\$ 1,630,371	\$ 530,676

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Year Ending December 31	Net Deferred (Inflow s)/Outflow s of Resources
2025	\$ 636,434
2026	534,786
2027	(417,213)
2028	(143,757)
2029	(79,574)
Thereafter	-
	<u>\$ 530,676</u>

**NOTE 9 - POST-EMPLOYMENT BENEFIT COMMITMENTS – POST-RETIREMENT HEALTH PLAN**

The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no retired employees have chosen to stay in the Village’s health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, the Village had no former employees for whom the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any postemployment benefit liability as of December 31, 2024.

**NOTE 10 - INTERFUND BALANCES AND TRANSFERS**

The Village’s interfund balances at December 31, 2024 consist of the following:

Due From	Due To	Balance
General Fund	Police Pension Fund	\$ 16,527

The balance due from the General Fund to the Police Pension Fund is to adjust for property tax contributions owed back to the General Fund.

The Village had no interfund transfers during the current fiscal year.

**NOTE 11 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

**NOTE 12 - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.



**NOTE 13 - CHANGE IN ACCOUNTING POLICY**

With implementation of the GASB 101, *Compensated Absences* in fiscal year 2025, the Village was subject to change the way that the compensated absences liability was recorded for both the current fiscal year and prior fiscal year. The new standard required the Village to accrue the leave of every applicable employee, whether accrued leave is paid upon termination, given the Village's accrued leave policies. The Village's previous policy was to only accrue for amounts to be paid upon separation from the Village. Please see the table below for the adjustment made to the beginning compensated absences liability to include accrued sick time of all applicable employees per the change in policy required by GASB 101, *Compensated Absences*:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
12/31/2023 as previously sated	\$	575,051
Change in Accounting Policy		(226,016)
12/31/2023 as adjusted or restated	\$	349,035

**NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE**

The Village has implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides updated guidance for the accounting and financial reporting of changes in accounting principles, changes in estimates, and corrections of errors. The implementation of GASB 100 did not result in any restatements or retrospective adjustments to previously issued audited financial statements.

The Village has implemented GASB Statement No. 101, *Compensated Absences*. This statement provides updated guidance for the recording and tracking of compensated absences. The implementation of GASB 101 resulted in restatements or retrospective adjustments as shown in the previous footnote.

## REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
DECEMBER 31, 2024

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
<b>TOTAL PENSION LIABILITY</b>										
Service Cost	\$ 42,931	\$ 42,386	\$ 41,460	\$ 42,540	\$ 42,883	\$ 46,905	\$ 48,689	\$ 50,562	\$ 58,124	\$ 109,073
Interest on Total Pension Liability	495,887	486,430	470,830	462,422	453,995	439,037	408,876	410,040	397,493	402,650
Differences Between Expected and Actual Experience	-	12,977	91,687	(13,237)	47,383	96,985	341,488	(370)	(28,899)	(273,403)
Changes of Assumptions	127,942	111	-	-	(58,604)	-	165,552	(174,985)	-	-
Benefit Payments, Including Refunds of Member Contributions	(422,659)	(400,809)	(377,731)	(372,688)	(365,809)	(383,399)	(336,013)	(263,645)	(247,649)	(315,557)
Net Change in Total Pension Liability	\$ 244,101	\$ 141,095	\$ 226,246	\$ 119,037	\$ 119,848	\$ 199,528	\$ 628,592	\$ 21,602	\$ 179,069	\$ (77,237)
Total Pension Liability - Beginning	7,029,683	6,888,588	6,662,342	6,543,305	6,423,457	6,223,929	5,595,337	5,573,735	5,394,666	5,471,903
Total Pension Liability - Ending	\$ 7,273,784	\$ 7,029,683	\$ 6,888,588	\$ 6,662,342	\$ 6,543,305	\$ 6,423,457	\$ 6,223,929	\$ 5,595,337	\$ 5,573,735	\$ 5,394,666
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - Employer	\$ 4,072	\$ 4,059	\$ 3,800	\$ 3,602	\$ 3,572	\$ 3,550	\$ 3,693	\$ 4,481	\$ 18,491	\$ 41,172
Contributions - Member	23,097	22,834	22,207	21,051	21,148	20,745	21,575	23,454	24,403	44,753
Net Investment Income	917,880	929,861	(1,326,979)	1,544,148	1,177,424	1,354,699	(441,734)	1,181,814	425,165	32,674
Benefit Payments, Including Refunds of Member Contributions	(422,659)	(400,809)	(377,731)	(372,688)	(365,809)	(383,399)	(336,013)	(263,645)	(247,649)	(315,557)
Administrative Expenses	(81,370)	281,323	42,514	(82,151)	66,927	(20,144)	223,567	(38,878)	95,627	(224,176)
Net Change in Plan Fiduciary Net Position	\$ 441,020	\$ 837,268	\$(1,636,189)	\$ 1,113,962	\$ 903,262	\$ 975,451	\$ (528,912)	\$ 907,226	\$ 316,037	\$ (421,134)
Plan Net Position - Beginning	9,116,530	8,279,262	9,915,451	8,801,489	7,898,227	6,922,776	7,451,688	6,544,462	6,228,425	6,649,559
Plan Net Position - Ending	\$ 9,557,550	\$ 9,116,530	\$ 8,279,262	\$ 9,915,451	\$ 8,801,489	\$ 7,898,227	\$ 6,922,776	\$ 7,451,688	\$ 6,544,462	\$ 6,228,425
Village's Net Pension (Asset)/Liability	<u>\$(2,283,766)</u>	<u>\$(2,086,847)</u>	<u>\$(1,390,674)</u>	<u>\$(3,253,109)</u>	<u>\$(2,258,184)</u>	<u>\$(1,474,770)</u>	<u>\$ (698,847)</u>	<u>\$(1,856,351)</u>	<u>\$ (970,727)</u>	<u>\$ (833,759)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	131.40%	129.69%	120.19%	148.83%	134.51%	122.96%	111.23%	133.18%	117.42%	115.46%
Covered Payroll	\$ 521,899	\$ 507,427	\$ 493,506	\$ 467,800	\$ 469,947	\$ 461,001	\$ 479,453	\$ 521,193	\$ 542,290	\$ 994,513
Employer's Net Pension (Asset)/Liability as a Percentage of Covered Payroll	-437.59%	-411.26%	-281.79%	-695.41%	-480.52%	-319.91%	-145.76%	-356.17%	-179.01%	-83.84%

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
DECEMBER 31, 2024

	12/31/2024*	12/31/2023*	12/31/2022*	12/31/2021*	12/31/2020*	12/31/2019*	12/31/2018*	12/31/2017*	12/31/2016*	12/31/2015*
Actuarially-Determined Contribution	\$ 4,071	\$ 4,059	\$ 3,800	\$ 3,602	\$ 3,572	\$ 3,550	\$ 3,692	\$ 4,482	\$ 18,492	\$ 41,173
Contributions in relation to Actuarially-Determined Contribution	4,072	4,059	3,800	3,602	3,572	3,550	3,693	4,481	18,491	41,172
Contribution deficiency/(excess)	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
Covered Payroll	\$ 521,899	\$ 507,427	\$ 493,503	\$ 467,800	\$ 469,947	\$ 461,001	\$ 479,453	\$ 521,193	\$ 542,290	\$ 994,513
Contributions as a percentage of Covered Payroll	0.78%	0.80%	0.77%	0.77%	0.76%	0.77%	0.77%	0.86%	3.41%	4.14%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used in the Calculation of the 2024 Contribution Rate \***

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.

**Actuarial Cost Method:** Aggregate Entry Age Normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 19-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 2.75%

**Price Inflation:** 2.25%

**Salary Increases:** 2.75% to 13.75%, including inflation

**Investment Rate of Return:** 7.25%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

**Mortality:** For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

\*Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation; note two year lag between valuation and rate setting.

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
DECEMBER 31, 2024

	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
<b>TOTAL PENSION LIABILITY</b>										
Service Cost	\$ 623,700	\$ 605,711	\$ 617,033	\$ 556,383	\$ 515,089	\$ 519,325	\$ 492,962	\$ 485,503	\$ 455,871	\$ 407,335
Interest	1,640,751	1,551,222	1,477,682	1,426,511	1,416,707	1,245,644	1,164,918	1,095,109	1,053,382	939,478
Changes in Benefit Terms	-	-	(8,560)	-	-	48,902	-	-	-	-
Differences Between Expected and Actual Experience	399,070	(54,627)	(147,959)	(868,030)	(298,024)	622,493	222,104	27,390	(127,433)	(223,176)
Changes in Assumptions	(880,539)	486,890	(806,694)	681,774	2,301,837	780,385	-	-	(282,786)	1,048,198
Benefit Payments, Including Refunds of Member Contributions	(988,089)	(945,594)	(870,295)	(868,145)	(766,214)	(694,572)	(581,500)	(486,535)	(427,630)	(411,322)
Net Change in Total Pension Liability	\$ 794,893	\$ 1,643,602	\$ 261,207	\$ 928,493	\$ 3,169,395	\$ 2,522,177	\$ 1,298,484	\$ 1,121,467	\$ 671,404	\$ 1,760,513
Total Pension Liability - Beginning	28,035,917	26,392,315	26,131,108	25,202,615	22,033,220	19,511,043	18,212,559	17,091,092	16,419,688	14,659,175
Total Pension Liability - Ending	\$ 28,830,810	\$ 28,035,917	\$ 26,392,315	\$ 26,131,108	\$ 25,202,615	\$ 22,033,220	\$ 19,511,043	\$ 18,212,559	\$ 17,091,092	\$ 16,419,688
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - Employer	\$ 1,119,242	\$ 1,008,960	\$ 914,699	\$ 875,900	\$ 828,854	\$ 811,181	\$ 759,206	\$ 704,876	\$ 671,907	\$ 693,107
Contributions - Member	184,377	179,779	174,172	156,437	165,395	165,467	162,084	161,227	159,036	154,480
Contributions - Other	-	153,720	190,473	-	-	-	-	-	370	-
Net Investment Income	1,484,147	1,712,846	(2,454,680)	1,463,217	1,679,352	1,745,472	(565,370)	864,893	335,609	21,753
Benefit Payments, Including Refunds of Member Contributions	(988,089)	(945,594)	(870,295)	(868,145)	(766,214)	(694,572)	(581,500)	(486,535)	(427,630)	(411,322)
Administrative Expenses	(29,669)	(26,386)	(31,448)	(29,667)	(34,500)	(23,022)	(38,366)	(50,013)	(37,533)	(30,837)
Prior Period Audit Adjustment	-	106,635	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 1,770,008	\$ 2,189,960	\$ (2,077,079)	\$ 1,597,742	\$ 1,872,887	\$ 2,004,526	\$ (263,946)	\$ 1,194,448	\$ 701,759	\$ 427,181
Plan Net Position - Beginning	15,658,166	13,468,206	15,545,285	13,947,543	12,074,656	10,070,130	10,334,076	9,139,628	8,437,869	8,010,688
Plan Net Position - Ending	\$ 17,428,174	\$ 15,658,166	\$ 13,468,206	\$ 15,545,285	\$ 13,947,543	\$ 12,074,656	\$ 10,070,130	\$ 10,334,076	\$ 9,139,628	\$ 8,437,869
Village's Net Pension Liability	<u>\$ 11,402,636</u>	<u>\$ 12,377,751</u>	<u>\$ 12,924,109</u>	<u>\$ 10,585,823</u>	<u>\$ 11,255,072</u>	<u>\$ 9,958,564</u>	<u>\$ 9,440,913</u>	<u>\$ 7,878,483</u>	<u>\$ 7,951,464</u>	<u>\$ 7,981,819</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.45%	55.85%	51.03%	59.49%	55.34%	54.80%	51.61%	56.74%	53.48%	51.39%
Covered Payroll	\$ 1,860,529	\$ 1,949,874	\$ 1,780,863	\$ 1,614,960	\$ 1,668,967	\$ 1,669,697	\$ 1,640,626	\$ 1,660,990	\$ 1,604,821	\$ 1,568,660
Employer's Net Pension Liability as a Percentage of Covered Payroll	612.87%	634.80%	725.72%	655.49%	674.37%	596.43%	575.45%	474.32%	495.47%	508.83%

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTION  
LAST TEN FISCAL YEARS

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarially-Determined Contribution	\$ 1,085,185	\$ 1,006,494	\$ 1,066,073	\$ 1,013,938	\$ 917,285	\$ 812,999	\$ 757,001	\$ 712,077	\$ 627,580	\$ 669,214
Contributions in relation to Actuarially-Determined Contribution	<u>1,119,242</u>	<u>1,008,960</u>	<u>1,021,334</u>	<u>875,900</u>	<u>828,854</u>	<u>811,181</u>	<u>759,206</u>	<u>704,876</u>	<u>671,907</u>	<u>693,107</u>
Contribution deficiency/(excess)	<u>\$ (34,057)</u>	<u>\$ (2,466)</u>	<u>\$ 44,739</u>	<u>\$ 138,038</u>	<u>\$ 88,431</u>	<u>\$ 1,818</u>	<u>\$ (2,205)</u>	<u>\$ 7,201</u>	<u>\$ (44,327)</u>	<u>\$ (23,893)</u>
Covered Payroll	\$ 1,860,529	\$ 1,949,874	\$ 1,780,863	\$ 1,614,960	\$ 1,668,967	\$ 1,669,697	\$ 1,640,626	\$ 1,660,990	\$ 1,604,821	\$ 1,568,660
Contributions as a percentage of Covered Payroll	60.2%	51.7%	57.4%	54.2%	49.7%	48.6%	46.3%	42.4%	41.9%	44.2%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2024 Contribution Rate**

The Actuarially Determined Contribution shown above or the current year is the Recommended Contribution from the January 1, 2023 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2023 tax levy. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

**Actuarial Cost Method:** Entry Age Normal (Level % Pay)

**Amortization Method:** Level percentage of payroll, closed

**Amortization Target:** 100% Funded Over 18 Years

**Asset Valuation Method:** 5-year smoothed market value

**Inflation (CPI-U):** 2.25%

**Total Payroll Increases:** 3.25%

**Individual Pay Increases:** 3.75% to 13.17%

**Expected Rate of Return on Investments:** 6.50%

**Mortality:** Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described

**Retirement Rates:** 100% of L&A 2020 Illinois Police Retirement Rates Capped at Age 65

**Termination Rates:** 100% of L&A 2020 Illinois Police Termination Rates

**Disability Rates:** 100% of L&A 2020 Illinois Police Disability Rates

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts	
	Original and Final	Actual Amounts
REVENUES		
Taxes	\$ 2,016,500	\$ 1,949,378
Fees, Permits and Licenses	208,650	223,890
Charges for Services	109,419	108,019
Fines and Forfeitures	130,000	144,186
Intergovernmental	1,152,250	1,192,256
Interest Income	225,000	349,266
Miscellaneous Revenue	34,500	28,898
Total Revenues	<u>\$ 3,876,319</u>	<u>\$ 3,995,893</u>
EXPENDITURES		
Current		
General Government	\$ 2,120,896	\$ 2,020,881
Public Safety	1,700,000	1,704,159
Health Services	7,400	7,182
Capital Outlay	415,300	145,379
	<u>\$ 4,243,596</u>	<u>\$ 3,877,601</u>
Total Expenditures	<u>\$ 4,243,596</u>	<u>\$ 3,877,601</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (367,277)</u>	<u>\$ 118,292</u>
OTHER FINANCING SOURCES/(USES)		
Sale of Fixed Assets	\$ 12,000	\$ 7,435
	<u>\$ 12,000</u>	<u>\$ 7,435</u>
NET CHANGE IN FUND BALANCE	<u>\$ (355,277)</u>	\$ 125,727
FUND BALANCE - JANUARY 1, 2024		<u>5,556,559</u>
FUND BALANCE - DECEMBER 31, 2024		<u>\$ 5,682,286</u>

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - PUBLIC SAFETY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Tax	\$ 2,300,000	\$ 2,340,180
Special Detail	8,000	21,425
Drug/Gang/DUI Fund	22,000	60
Grant Revenues	-	23,208
Insurance Reimbursement	-	499
Total Revenues	<u>\$ 2,330,000</u>	<u>\$ 2,385,372</u>
EXPENDITURES		
Public Safety		
Regular Salaries	\$ 2,299,615	\$ 2,319,084
Overtime	115,000	137,728
Longevity Awards	26,250	20,750
Education Benefits	5,175	6,000
	<u>\$ 2,446,040</u>	<u>\$ 2,483,562</u>
Drug/Gang/DUI	<u>\$ 41,500</u>	<u>\$ 21,718</u>
Total Expenditures	<u>\$ 2,487,540</u>	<u>\$ 2,505,280</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (157,540)</u></u>	\$ (119,908)
FUND BALANCE - JANUARY 1, 2024		<u>189,073</u>
FUND BALANCE - DECEMBER 31, 2024		<u><u>\$ 69,165</u></u>

See Accompanying Independent Auditor's Report



VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ROADS AND BRIDGES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
REVENUES		
Property Taxes	\$ 995,000	\$ 1,012,382
Roads and Bridges Taxes	76,500	79,337
Motor Fuel Tax Interest	8,000	19,829
Motor Fuel Tax	171,000	182,868
Total Revenues	<u>\$ 1,250,500</u>	<u>\$ 1,294,416</u>
EXPENDITURES		
Current		
Roads and Bridges		
Road Maintenance	\$ 1,000,000	\$ 118,830
Snow Plowing	-	673
Mowing	125,000	58,766
Sign Purchase and Installation	25,000	10,844
Drainage Management	65,000	25,733
Engineering Fees	110,000	109,982
Road Patching	25,000	7,254
Road Salt	100	-
Motor Fuel Tax	176,500	495,004
Bridge Inspection	10,000	-
Rebuild IL Funds Project	277,400	277,390
Bridge Restoral Engineering Fees	-	6,612
	<u>\$ 1,814,000</u>	<u>\$ 1,111,088</u>
Total Expenditures	<u>\$ 1,814,000</u>	<u>\$ 1,111,088</u>
NET CHANGE IN FUND BALANCE	<u>\$ (563,500)</u>	\$ 183,328
FUND BALANCE - JANUARY 1, 2024		<u>1,336,544</u>
FUND BALANCE - DECEMBER 31, 2024		<u>\$ 1,519,872</u>

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024

**NOTE 1 - BUDGET**

Annual budgets are adopted for all Village fund types on a basis consistent with generally accepted accounting principles. All operating departments of the Village submit budget requests to the Village Administrator so that a budget may be prepared. The budget is prepared by fund, function, department, and object, and includes information on the past two years, current year estimated, and requested budgets for the next fiscal year.

The proposed budget is presented to the Board of Trustees for review. The governing body then adopts the annual budget. On the basis of the adopted annual budget, the annual appropriation ordinance is prepared. The Board of Trustees holds public hearings and may add to, subtract from, or change appropriations.

Once the annual appropriation ordinance is enacted the Administrator is authorized to transfer appropriation amounts between departments within any fund, however, any revisions that alter the total appropriated expenditures of any fund must be approved by the governing body. Legally, expenditures may not exceed appropriations at the fund level.

The budget was adopted by the governing body on November 16, 2023, and was not amended on for fiscal year 2024. The annual appropriation ordinance was enacted on January 22, 2024, and there were no amendments for fiscal year 2024.

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended December 31, 2024,

Fund	Budget	Actual	Excess of Actual Over Budget
Public Safety Fund	\$ 2,446,040	\$ 2,483,562	\$ 37,522

The current year overage was covered with remaining fund balance.

## SUPPLEMENTARY INFORMATION

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>
Revenues		
Taxes		
Property Tax	\$ 1,501,500	\$ 1,521,405
Utility	515,000	427,973
Total Taxes	<u>\$ 2,016,500</u>	<u>\$ 1,949,378</u>
Fees, Permits and Licenses		
Building Permits	\$ 150,000	\$ 178,912
Liquor and Scavenger Licenses	1,000	1,050
Zoning and Petition Fees	2,000	2,400
No Trespassing Signs	150	390
Overweight Permit Fees	40,000	18,638
Towing Fees	15,500	22,500
Total Fees, Permits and Licenses	<u>\$ 208,650</u>	<u>\$ 223,890</u>
Charges for Services		
Police Accident Reports	\$ 1,500	\$ 1,970
Franchise Fees	87,000	83,722
Rental Income	3,500	2,597
Lease Income	13,596	13,596
Insurance Reimbursements	3,823	4,857
Subdivision Reimbursements	-	1,277
Total Charges for Services	<u>\$ 109,419</u>	<u>\$ 108,019</u>
Fines and Forfeitures		
Traffic Fines - Cook County	\$ 60,000	\$ 75,849
Police "C" Tickets	40,000	48,767
Administrative Adjudication Fines	30,000	19,450
Civil Fine Collections	-	120
Total Fines and Forfeitures	<u>\$ 130,000</u>	<u>\$ 144,186</u>
Intergovernmental		
State Income Tax	\$ 650,000	\$ 698,642
State Cannabis Use Tax	6,250	6,628
Sales and Use Tax	350,000	380,084
Replacement Tax	80,000	64,397
Grant Revenues	66,000	42,505
Total Intergovernmental	<u>\$ 1,152,250</u>	<u>\$ 1,192,256</u>
Investment Income	<u>\$ 225,000</u>	<u>\$ 349,266</u>
Miscellaneous Revenue		
Animal Services Reimbursements	\$ 1,000	\$ 150
Contributions/Donations	2,500	250
Special Events - Other	25,000	24,720
Other	6,000	3,778
Total Miscellaneous Revenue	<u>\$ 34,500</u>	<u>\$ 28,898</u>
Total Revenues	<u><u>\$ 3,876,319</u></u>	<u><u>\$ 3,995,893</u></u>

See Accompanying Independent Auditor's Report

VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts	
	Original and Final	Actual Amounts
General Government		
Administration	\$ 596,703	\$ 596,412
Building Department	204,500	219,770
Insurance and Risk	841,393	812,321
Legal	358,000	264,758
Municipal Building and Grounds	110,800	125,782
Zoning and Planning Development	9,500	1,838
Total General Government	<u>\$ 2,120,896</u>	<u>\$ 2,020,881</u>
Public Safety		
Police Department	<u>\$ 1,700,000</u>	<u>\$ 1,704,159</u>
Health Services	<u>\$ 7,400</u>	<u>\$ 7,182</u>
Capital Outlay	<u>\$ 415,300</u>	<u>\$ 145,379</u>
Total Expenditures	<u><u>\$ 4,243,596</u></u>	<u><u>\$ 3,877,601</u></u>

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VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS WITH UNDERLYING INTERNAL FUNDS  
LAST FOUR FISCAL YEARS

	General							
	General Fund	Social Security Fund	Audit Fund	Lighting Fund	Liability Insurance Fund	Unemployment Insurance Fund	IMRF Fund	Total General Fund
Fund Balance, January 1, 2024	\$ 5,357,412	\$ 31,376	\$ 3,447	\$ 2,167	\$ 33,845	\$ 12,159	\$ 116,153	\$ 5,556,559
Total Revenues	3,643,339	183,145	62,066	5,087	101,747	509	-	3,995,893
Total Expenditures	3,475,404	198,924	60,942	5,369	129,795	3,097	4,070	3,877,601
Net Other Financing Sources/(Uses)	7,435	-	-	-	-	-	-	7,435
Fund Balance, December 31, 2024	<u>\$ 5,532,782</u>	<u>\$ 15,597</u>	<u>\$ 4,571</u>	<u>\$ 1,885</u>	<u>\$ 5,797</u>	<u>\$ 9,571</u>	<u>\$ 112,083</u>	<u>\$ 5,682,286</u>
Fund Balance, January 1, 2023	\$ 4,578,671	\$ 41,512	\$ 2,739	\$ 2,014	\$ 67,798	\$ 13,991	\$ 116,374	\$ 4,823,099
Total Revenues	3,782,384	174,925	54,956	5,151	87,463	486	3,839	4,109,204
Total Expenditures	3,022,618	185,061	54,248	4,998	121,416	2,318	4,060	3,394,719
Net Other Financing Sources/(Uses)	18,975	-	-	-	-	-	-	18,975
Fund Balance, December 31, 2023	<u>\$ 5,357,412</u>	<u>\$ 31,376</u>	<u>\$ 3,447</u>	<u>\$ 2,167</u>	<u>\$ 33,845</u>	<u>\$ 12,159</u>	<u>\$ 116,153</u>	<u>\$ 5,556,559</u>
Fund Balance, January 1, 2022	\$ 3,788,558	\$ 30,115	\$ 4,034	\$ 1,474	\$ 68,651	\$ 13,196	\$ 6,029	\$ 3,912,057
Total Revenues	4,195,638	188,228	50,130	5,336	61,453	3,177	-	4,503,962
Total Expenditures	3,241,288	176,831	51,425	4,796	96,867	2,382	3,800	3,577,389
Net Other Financing Sources/(Uses)	(164,237)	-	-	-	34,561	-	114,145	(15,531)
Fund Balance, December 31, 2022	<u>\$ 4,578,671</u>	<u>\$ 41,512</u>	<u>\$ 2,739</u>	<u>\$ 2,014</u>	<u>\$ 67,798</u>	<u>\$ 13,991</u>	<u>\$ 116,374</u>	<u>\$ 4,823,099</u>
Fund Balance, January 1, 2021	\$ 3,001,146	\$ 16,713	\$ 2,819	\$ (5,573)	\$ 63,490	\$ 10,158	\$ 9,631	\$ 3,098,384
Total Revenues	3,737,252	177,384	49,029	11,694	88,302	5,351	-	4,069,012
Total Expenditures	2,976,939	163,982	47,814	4,647	83,141	2,313	3,602	3,282,438
Net Other Financing Sources/(Uses)	27,099	-	-	-	-	-	-	27,099
Fund Balance, December 31, 2021	<u>\$ 3,788,558</u>	<u>\$ 30,115</u>	<u>\$ 4,034</u>	<u>\$ 1,474</u>	<u>\$ 68,651</u>	<u>\$ 13,196</u>	<u>\$ 6,029</u>	<u>\$ 3,912,057</u>

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VILLAGE OF BARRINGTON HILLS, ILLINOIS  
SCHEDULE OF CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS WITH UNDERLYING INTERNAL FUNDS  
LAST FOUR FISCAL YEARS

	Public Safety			Roads and Bridges				Total All Funds
	Police Protection	Drug/ Gang/DUI	Total Public Safety	Roads and Bridges	Motor Fuel Tax	Total Roads and Bridges	Debt Service	
Fund Balance, January 1, 2024	\$ 167,415	\$ 21,658	\$ 189,073	\$ 957,595	\$ 378,949	\$ 1,336,544	\$ -	\$ 7,082,176
Total Revenues	2,385,312	60	2,385,372	1,091,719	202,697	1,294,416	-	7,675,681
Total Expenditures	2,483,562	21,718	2,505,280	338,694	772,394	1,111,088	-	7,493,969
Net Other Financing Sources/(Uses)	-	-	-	(380,499)	380,499	-	-	7,435
Fund Balance, December 31, 2024	<u>\$ 69,165</u>	<u>\$ -</u>	<u>\$ 69,165</u>	<u>\$ 1,330,121</u>	<u>\$ 189,751</u>	<u>\$ 1,519,872</u>	<u>\$ -</u>	<u>\$ 7,271,323</u>
Fund Balance, January 1, 2023	\$ 277,469	\$ 28,213	\$ 305,682	\$ 1,142,314	\$ 323,011	\$ 1,465,325	\$ -	\$ 6,594,106
Total Revenues	2,186,394	497	2,186,891	1,042,866	195,702	1,238,568	-	7,534,663
Total Expenditures	2,296,448	7,052	2,303,500	1,227,585	139,764	1,367,349	-	7,065,568
Net Other Financing Sources/(Uses)	-	-	-	-	-	-	-	18,975
Fund Balance, December 31, 2023	<u>\$ 167,415</u>	<u>\$ 21,658</u>	<u>\$ 189,073</u>	<u>\$ 957,595</u>	<u>\$ 378,949</u>	<u>\$ 1,336,544</u>	<u>\$ -</u>	<u>\$ 7,082,176</u>
Fund Balance, January 1, 2022	\$ 349,367	\$ 19,125	\$ 368,492	\$ 697,126	\$ 228,944	\$ 926,070	\$ -	\$ 5,206,619
Total Revenues	2,125,019	89	2,125,108	1,089,085	267,042	1,356,127	-	7,985,197
Total Expenditures	2,196,917	7,263	2,204,180	643,897	172,975	816,872	-	6,598,441
Net Other Financing Sources/(Uses)	-	16,262	16,262	-	-	-	-	731
Fund Balance, December 31, 2022	<u>\$ 277,469</u>	<u>\$ 28,213</u>	<u>\$ 305,682</u>	<u>\$ 1,142,314</u>	<u>\$ 323,011</u>	<u>\$ 1,465,325</u>	<u>\$ -</u>	<u>\$ 6,594,106</u>
Fund Balance, January 1, 2021	\$ 299,486	\$ 12,492	\$ 311,978	\$ 496,829	\$ 200,243	\$ 697,072	\$ 1,517	\$ 4,108,951
Total Revenues	2,057,755	19,999	2,077,754	1,052,382	257,548	1,309,930	-	7,456,696
Total Expenditures	1,996,566	13,366	2,009,932	852,085	228,847	1,080,932	-	6,373,302
Net Other Financing Sources/(Uses)	(11,308)	-	(11,308)	-	-	-	(1,517)	14,274
Fund Balance, December 31, 2021	<u>\$ 349,367</u>	<u>\$ 19,125</u>	<u>\$ 368,492</u>	<u>\$ 697,126</u>	<u>\$ 228,944</u>	<u>\$ 926,070</u>	<u>\$ -</u>	<u>\$ 5,206,619</u>

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