POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

BARRINGTON
Be Inspired.

LETTER FROM THE VILLAGE PRESIDENT

Citizens of the Village of Barrington, Illinois:
We are pleased to present the Village's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2022. This report is designed to give the reader a quick, easy-to-read summary of financial activities over the year. While the PAFR can be read as a standalone report, further detail on the events of Fiscal Year (FY) 2022 can be found both in the FY 2022 Annual Budget and the Annual Comprehensive Financial Report (ACFR), which contains detailed audited financial statements and conforms to the generally accepted accounting principles (GAAP).

The intent of the PAFR is to provide a high level profile of the Village by focusing on the core services it provides to the community. To help understand how the Village manages its services, this report identifies the major revenues that are collected to support the delivery of quality services as well as the related operating costs. As you can see from this report, the Village strives to maintain a diverse revenue base that does not rely heavily upon property taxes. The PAFR highlights the reinvestments the Village has made in its infrastructure. For more information regarding the Village plan to address its infrastructure please refer to the Village's Capital Improvement plan on the Village's website www.barrington-il.gov/government/rules_and_regulations/capital_improvement_program.

The PAFR is a completely optional publication that has been submitted to further transparency efforts between the Village and its residents. With the addition of the PAFR, the Village is considered a "Triple Crown Winner" by the Government Finance Officers Association (GFOA). GFOA's Triple Crown recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. We hope that you find value in this document and that it provides additional insight into how the Village provides its services. This report is found online on the Village's website at www.barrington-il.gov/pafr and can be obtained in person at Village Hall upon request.

If you have any questions regarding the information presented on the following pages, please contact the Finance Department at (847) 304-3400.

Sincerely,
Karen Darch

Karen Darch
Village President

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Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

Village of Barrington
Illinois

For its Annual Financial Report
For the Fiscal Year Ended

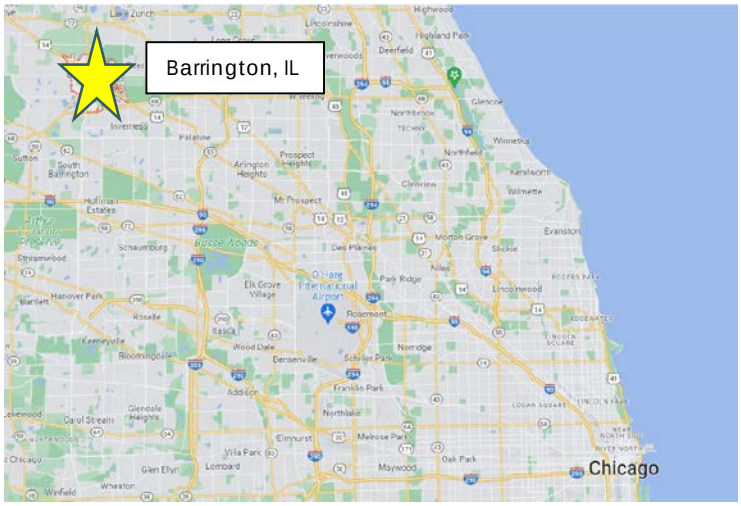
December 31, 2021

Christopher P. Morrill

Executive Director/CEO

COMMUNITY PROFILE

A beautiful, historic suburb just 40 miles northwest of Chicago, Barrington's residents pride themselves on the Village's hometown charm and small-town heritage. Barrington's White House Cultural and Community Center exemplifies this character, as it has become a heart of cultural programming in the greater metropolitan area.



The Village of Barrington serves as the hub of activity for the 90-square-mile Barrington area, which consists of six independent villages and more than 43,000 residents. The Metra train stops right in the Village Center, easily connecting Barrington to the city of Chicago.

The Barrington area's unique access to a wide variety of outdoor recreation, thanks in part to the Barrington Park District, in the form of parks, forest preserves, and hiking trails makes its location second to none.

Educational Attainment & Household Income	Village of Barrington		Cook County		Lake County	
	Population	%	Population	%	Population	%
Educational Attainment Levels						
High School graduate of higher	7,201	97.1%	3,216,653	88.0%	426,329	90.8%
Bachelor's degree or higher	5,244	70.7%	1,489,931	40.8%	217,451	46.3%
Graduate or professional degree	2,100	28.3%	619,971	17.0%	90,635	19.3%
Estimated Median Household Income	**$**	**126,250**	**$**	**72,121**	**$**	**97,127**

Source: U.S. Census Bureau, 2017-2021 American Community Survey

Barrington District 220 schools are consistently among the top in state and national rankings. Barrington has a well-educated population that is employed in a variety of industries.

According to the 2017-2021 American Community Survey (ACS), 70.7% of Barrington residents 25 years and over have a Bachelor Degree or higher, which is significantly higher than both counties.

The economic characteristics of Barrington compare very favorably to the surrounding counties and to the State of Illinois. Barrington's housing values and rental costs are higher than surrounding counties or the State of Illinois and its Per Capita Income and Median Household Income are significantly higher than surrounding areas.

Comparisons of Economic Characteristics ACS Years 2017-2021 (1)	Median Gross Rent	Median Housing Value	Per Capita Income	Median Household Income
Village of Barrington	$ 1,531	$ 477,500	$ 65,617	$ 126,250
Cook County	1,123	246,600	41,706	72,121
Lake County	1,197	265,100	49,440	97,127
State of Illinois	1,010	194,500	39,571	72,563

Cultural & Community Events

In addition to the amenities mentioned on the previous page, the Village of Barrington is committed to excellence in Community and Cultural Events. Some of these events and their attendance include:

- Art Festival, with approximately 12,000 attendees annually
- Concerts in the Metra Parking Lot, reaching approximately 2,500 attendees annually
- 4th of July parade and fireworks
- Cruise nights, reaching approximately 4,500 attendees annually
- Annual Town Warming, featuring keynote speakers such as Condoleezza Rice, Governor Chris Christie, William Daley, Former U.S. Secretary of Treasury Hank Paulson
- Barrington's White House, reaching approximately 3,000 attendees annually across various offerings

Pianist Llewellyn Sanchez-Warner

Barrington Art Festival

- The Village also has Community Partnerships and outreach such as local food drives, participation in Touch a Truck event, special Olympics, and National Night Out to name a few.

Officer Gaitan and Barrington High school athletes

Barrington Fire Dept

Arbor Day tree planting, Lines Elementary School

VILLAGE DEPARTMENTS & SERVICES

The Village prides itself on delivery of a full array of high quality municipal services to support our residents, businesses, and guests. For a full directory of Village Departments and Services, please see our website www.barrington-il.gov. The Village has four main operating departments, discussed below.

Police

The Police Department provides the Village of Barrington with a full range of police services including patrol operations, criminal and juvenile investigations, traffic and parking enforcement, crime prevention education, and community policing.

Fire

The Fire Department responds to medical emergencies and supports fire suppression efforts and search and rescue activities with a team of trained firefighter/paramedics.

Development Services

The Development Services Department consists of several divisions that coordinate to plan and oversee construction of Village infrastructure projects and promote the safety and welfare of residents by enforcing development and building standards and codes in the Village.

Public Works

The Public Works Department is committed to enhancing the quality of life for residents by maintaining the infrastructure in the Village and providing high quality services. Public Works is responsible for water and waste water treatment, snow plowing, hydrant flushing, and buildings and grounds maintenance.

FINANCIAL INFORMATION

Selected financial data has been presented from the Village's Governmental and Business-Type funds on the next two pages. Please refer to the Comprehensive Annual Financial Report for more detailed Village financial information and an analysis of the sources and uses of dollars.

Types of Village Funds

- **Governmental Funds** are used to account for activities primarily supported by taxes, grants, and similar revenue sources.
- **Proprietary (Enterprise) Funds** are those that are most like funds in the private sector. They are used to account for activities that receive significant support from fees and charges.

GOVERNMENTAL FUNDS

General Fund
Main Village operating fund. Accounts for essential Village services including police, fire, and public works.

Capital Improvements Fund
Used to account for resources to be used for the acquisition and construction of major capital facilities, Village infrastructure such as roadways, vehicles, and heavy equipment.

Village Center TIF Fund
Used to account for expenses related to the administration of the TIF District and redevelopment activities and improvements provided for in the TIF project plan.

Debt Service Fund
Used to account for the accumulation of resources for, and the payment of, general (governmental) long term debt principal and interest.

ENTERPRISE FUNDS

Water & Sewer Fund
Used to account for the provision of water and sewer services to residents and businesses of the Village and related operational and capital costs.

Parking System Fund
Used to account for the provision of public parking services.

Barrington's White House Fund
Used to account for the event facility for private, cultural, and community event operations, and capital expenses for Barrington's White House.

Recycling and Refuse Fund
Used to account for the provision of recycling and refuse collection services.

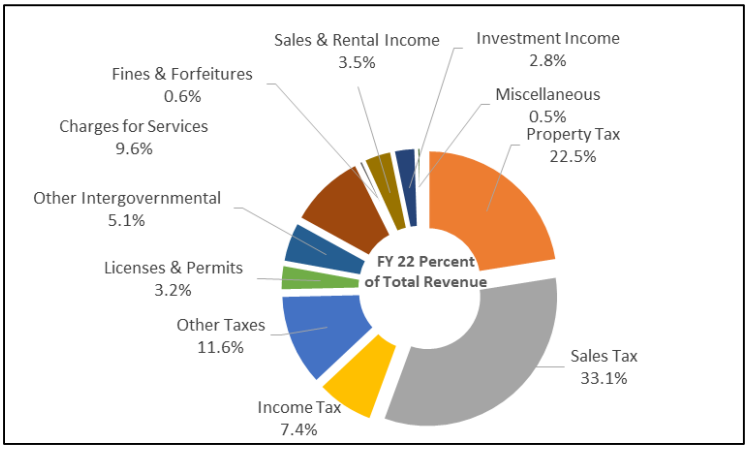
The General fund is the main operating fund of the Village. It accounts for the Village's top operating departments including police, fire, development services, public works, and administration. The Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type funds). Governmental funds are analyzed on page 7.

Business-type funds measure operating income, changes in net position, financial position, and cash flows. Income is generated through fees charged to users. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Business-type funds use the full accrual method of accounting. These funds account for financial activities related to the Village's Water & Sewer production and treatment, Refuse and Recycling activities, Parking activities, and Barrington's White House cultural events and rentals. The Water & Sewer fund is the Village's largest business-type fund and will be analyzed on page 8.

GOVERNMENTAL FUNDS

Revenues

Sales tax is the largest source of governmental revenue (33.1%). The Village receives 1% of sales tax imposed by the State of Illinois on all retail sales made within Village limits. Sales tax revenues saw a significant increase in 2021 due to automobile sales and online sales tax collections and then slightly dipped in 2022.



	FY 2022	FY 2021	$ +/(-)
Property Tax	$ 5,356,720	$ 5,423,597	$ (66,877)
Replacement Tax	424,317	210,068	214,249
Telecom Tax	293,014	302,564	(9,550)
Utility Tax	897,465	770,148	127,317
Sales Tax	7,887,880	7,997,782	(109,902)
Income Tax	1,760,606	1,403,713	356,893
Use Tax	434,172	414,382	19,790
Motor Fuel Tax	648,243	631,495	16,748
Other taxes	73,667	74,775	(1,108)
Licenses & Permits	770,151	663,487	106,664
Other Intergovernmental	1,220,752	2,016,457	(795,705)
Charges for Services	2,296,518	1,617,617	678,901
Fines & Forfeitures	131,710	170,402	(38,692)
Sales & Rental Income	840,328	721,581	118,747
Investment Income	659,912	568,069	91,843
Miscellaneous	122,688	173,009	(50,321)
Total	$ 23,818,143	$ 23,159,146	$ 658,997

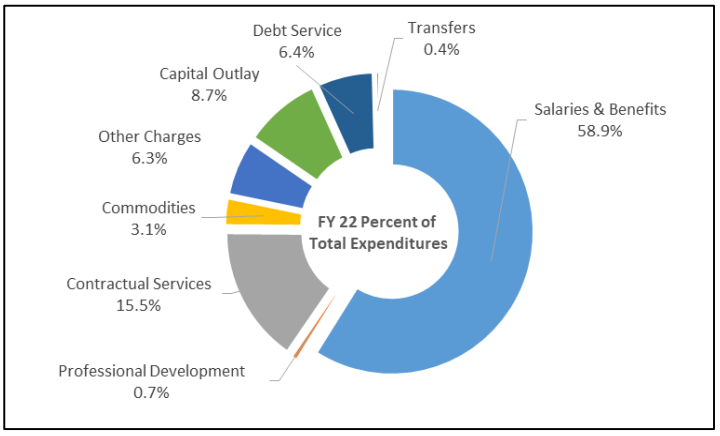
The second largest source of governmental revenue is Property tax (22.5%). The decrease from 2021 to 2022 represents property tax protests/decrease in value of properties in the Village's Village Center TIF.

The Village is located in two Counties, Cook and Lake. Each County assesses an equalized assessed value (EAV) on property. Property tax paid is based on EAV and taxpayer rate.

Expenditures

The Village's main operating departments (police, fire, public works, and development services) represent $13,598,030 (65.3%) of the $20,823,167 in governmental spending. The Village also continued to invest in capital improvements, with just under $2m spent in 2022 (8.7% of total spend). The largest spending category is salaries & benefits (59.0%), which is to be expected as a provider of services. Capital related expenditures including capital outlay and debt service represent 15.1% of governmental fund activity. Expenditures increased by $1.2m, or 6.3% in FY 2022. The largest drivers of increases were salaries, benefits, contractual services, and other. 6.3% is consistent with and slightly better than the 2022 US inflation rate of 8%

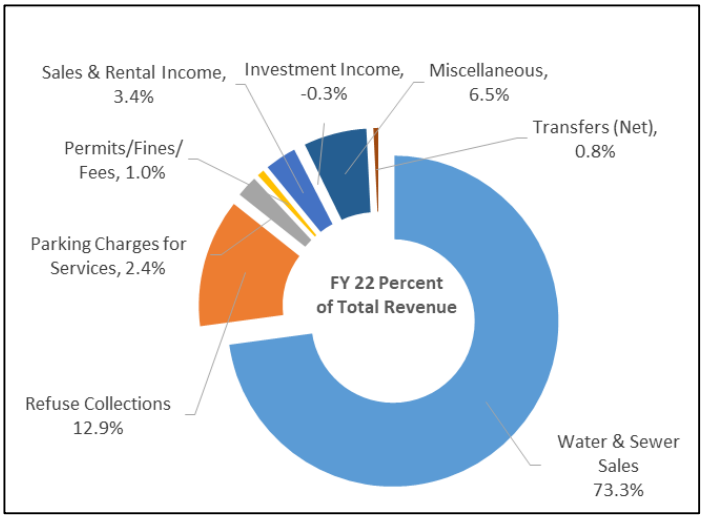
	FY 2022	FY 2021	$ +/(-)
Salaries	$ 7,828,882	$ 7,470,717	$ 358,165
Employee Benefit	4,466,191	3,932,970	533,221
Professional Development	140,936	255,059	(114,123)
Contractual Services	3,224,056	2,854,763	369,293
Commodities	636,440	480,121	156,319
Other Charges	1,314,058	642,829	671,229
Capital Outlay	1,813,575	2,679,562	(865,987)
Principal	1,154,159	1,060,000	94,159
Interest	169,870	138,125	31,745
Transfers (Net)	75,000	75,000	-
	$ 20,823,167	$ 19,589,146	$ 1,234,021



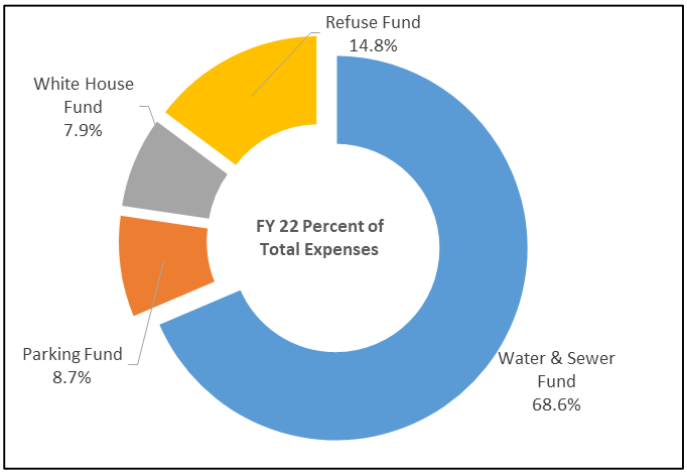
	FY 2022	FY 2021	$ +/(-)
Admin & Finance	$ 4,012,533	$ 3,273,311	$ 739,222
Development Services	926,665	706,563	220,102
Public Safety	10,527,834	9,467,439	1,060,395
Public Works	2,143,531	2,189,146	(45,615)
Capital Outlay	1,813,575	2,679,562	(865,987)
Debt Service	1,324,029	1,198,125	125,904
Transfers (Net)	75,000	75,000	-
	$ 20,823,167	$ 19,589,146	$ 1,234,021

BUSINESS-TYPE FUNDS

A snapshot of allocations of revenue and expense show the Water & Sewer fund accounts for nearly 74% of all business-type revenues and 69% of all business-type expenses.



As such, the discussion on the remainder of this page focuses on the Water & Sewer fund.



Revenues

Much like revenue in the governmental funds, revenue in the Water & Sewer fund also increased in 2022. On average, 1.1 million gallons of water are consumed daily.

	FY 2022	FY 2021	$ +/(-)
Water & Sewer Sales	$7,081,153	$6,172,070	$ 909,083
Connection Fees	208,142	154,318	53,824
Investment Income	(43,623)	41,014	(84,637)
Miscellaneous	6,093	36,685	(30,592)
	$7,251,765	$6,404,087	$ 847,678

The Village attributes this increase in revenue to the impact of a rate increase to help build capacity for Capital Projects and a $2m debt issuance at the beginning of the year. Investments in the Water & Sewer Fund had an unrealized loss of $84,637 in the investment income line item. This is due to the rapid inflation environment. The Village holds investments to maturity, so this unrealized loss will not translate to a realized gain in future years.

Expenses

The makeup of Water & Sewer fund expenses is different than governmental funds.

	FY 2022	FY 2021	$ +/(-)
Salaries	$1,352,930	$1,373,940	$ (21,010)
Employee Benefit	635,154	31,217	603,937
Professional Development	13,956	8,690	5,266
Contractual Services	511,923	668,945	(157,022)
Commodities	416,430	345,429	71,001
Other Charges	793,277	661,300	131,977
Capital Outlay	797,390	154,892	642,498
Depreciation	1,265,121	1,245,161	19,960
Interest Expense	652,154	642,864	9,290
	$6,438,335	$5,132,438	$ 1,305,897

The three largest categories of expense are salaries & benefits (30.9% as opposed to 58.9% governmental), contractual services/commodities (14.4%), and capital including depreciation (32.0%). This is because the fund is a full-service fund, providing water treatment and delivery. Much of the treatment process involves precisely measured chemicals and the infrastructure to be able to treat and deliver such as water and sewer mains.

Expenses increased year over year due to two main reasons. The Water & Sewer fund's annual actuarial valuation increased expenses in amortized benefits, reflected on the employee benefit line item in the chart above. Additionally, the Water & Sewer fund began the lead service line replacement project, along with a water meter replacement project and capital outlay increased as a result.

DIVIDING UP THE DOLLAR

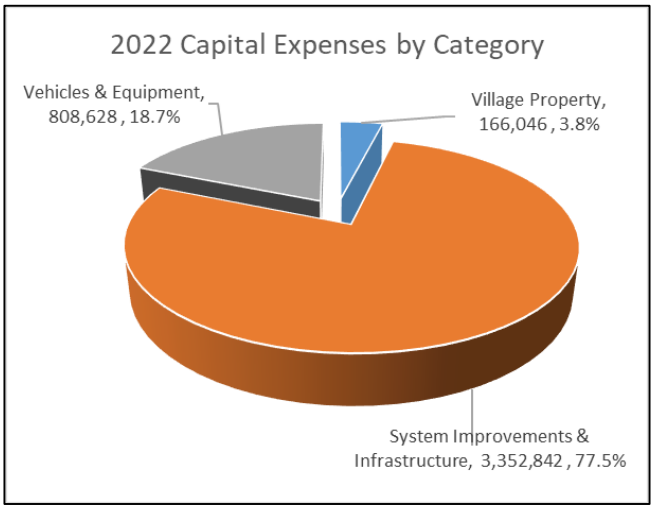
As seen on the graphic below, on average the Village receives $0.07 from every dollar of property tax collected. The remaining portion, $0.93 of each dollar is allocated to other taxing districts in the Village. The Village levies a tax annually, and the tax rate is determined by the amount of tax levied. As previously mentioned, EAV is set by the individual Counties, Cook and Lake. Additionally, the Village does not control the amount of taxes levied by the other taxing bodies shown below or the overall taxpayer rate.

This important revenue source is used to pay for day-to-day operations along with funding Social Security, Medicare, and State mandated pension contributions. Property taxes account for 22% of total Governmental revenues in the Village.

CAPITAL HIGHLIGHTS

Capital Improvements	FY 2021 Actual	FY 2022 Actual
Village Property	235,542	166,046
System Improvements & Infrastructure	3,534,801	3,352,842
Vehicles & Equipment	620,881	808,628
	4,391,224	4,327,516
Funding Sources		
Capital Improvements Fund	2,679,563	3,268,945
Water & Sewer Fund	941,043	907,091
Parking Fund	766,943	120,378
Barrington's White House Fund	3,675	31,102
Total Funding Sources	4,391,224	4,327,516

Across all funds, the Village spent $4,327,516 on capital outlay. This is consistent with 2021 amounts. Vehicles & Equipment purchases were made exclusively in the Capital Improvements Fund (CIF) in 2022. System Improvements & Infrastructure are primarily split between the CIF and Water & Sewer Funds (W&S).



Significant system improvement and infrastructure projects during 2022:

- Route 14 Underpass engineering (CIF)
- Lead Service Line replacement engineering (W&S)
- Water Meter Replacement Project (W&S)

AWARDS & ACHIEVEMENTS

- *Bond Rating: AA+(S&P)/Aa1(Moody's)*
- *Certificate of Achievement for Financial Reporting*
- *Distinguished Budget Presentation Award*
- *Popular Annual Financial Report*
- *APWA Lake Branch Service Improvement Award for completion of the Metra Access Drive*
- *Tree City USA 37 consecutive years*

HOW TO OBTAIN ADDITIONAL FINANCIAL INFORMATION

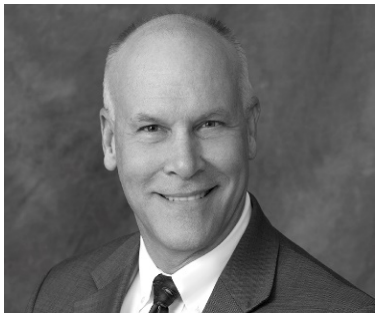
- Visit Barrington-il.gov/government/departments/finance-it/village-finances
- Call Financial Services at 847-304-3400
- Pick up a hard copy of financial documents at Village Hall *(and say hello to one of our smiling faces!)*
  200 S Hough St
  Barrington, IL 60010

VILLAGE CONTACTS

VILLAGE BOARD

Karen Darch, President

Jason Lohmeyer, Trustee

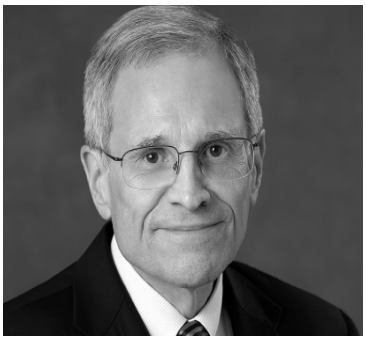

Todd Sholeen, Trustee

Jennifer Wondrasek, Trustee

Kate Duncan, Trustee

Brian Prigge, Trustee

Mike Moran, Trustee


Tony Ciganek, Clerk

VILLAGE HALL
200 S. HOUGH ST.
BARRINGTON, IL 60010
(847) 304-3400

VILLAGE PRESIDENT &
VILLAGE MANAGER'S OFFICE
T. (847) 304-3444
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DEVELOPMENT SERVICES
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300 N. RAYMOND AVE.
BARRINGTON, IL 60010
T. (847) 381-7903
F. (847) 382-3030

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400 N. NORTHWEST HWY.
BARRINGTON, IL 60010

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F. (847-) 381-2165

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F. (847) 381-1889

BARRINGTON-IL.GOV