

# Village of Inverness, Illinois

Comprehensive Annual Financial Report  
April 30, 2019



# Village of Inverness, Illinois

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Village of Inverness, Illinois

Principal Officials

April 30, 2019

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**VILLAGE OFFICIALS**

**PRESIDENT**

John A. Tatooles

**BOARD OF TRUSTEES**

Russell P. Fitton

Chuck Fritz

Richard C. Gallagher

Terrence H. Kral

Hugh G Masterson

John R. Willis

**CLERK**

Laurie C. White

**VILLAGE STAFF**

Sam Trakas, Village Administrator

Stacy Smith, Deputy Clerk

Scott Smith, Permit Coordinator

Deanna Edwards, Part-Time Office Clerk

**POLICE DEPARTMENT**

Bob Haas, Police Chief

Randy Akin, Police Officer  
Joseph Belmonte, Police Officer  
John Calvey, Police Officer  
Jeff Glueck, Police Officer  
Mike Hish, Police Officer  
Michael Kirby, Police Officer  
Larry Martin, Police Officer

Scott May, Police Officer  
Ernie Myerson, Police Office  
Keith Rollins, Police Officer  
Michael Untiedt, Police Officer  
Thomas Schimpf, Part-Time Police Officer  
Edward Valente, Part-Time Police Officer

Sheri Piasecki, Administrative Assistant

Deborah Azpuru, Office Clerk

**VILLAGE ATTORNEY**

Bernard Z. Paul

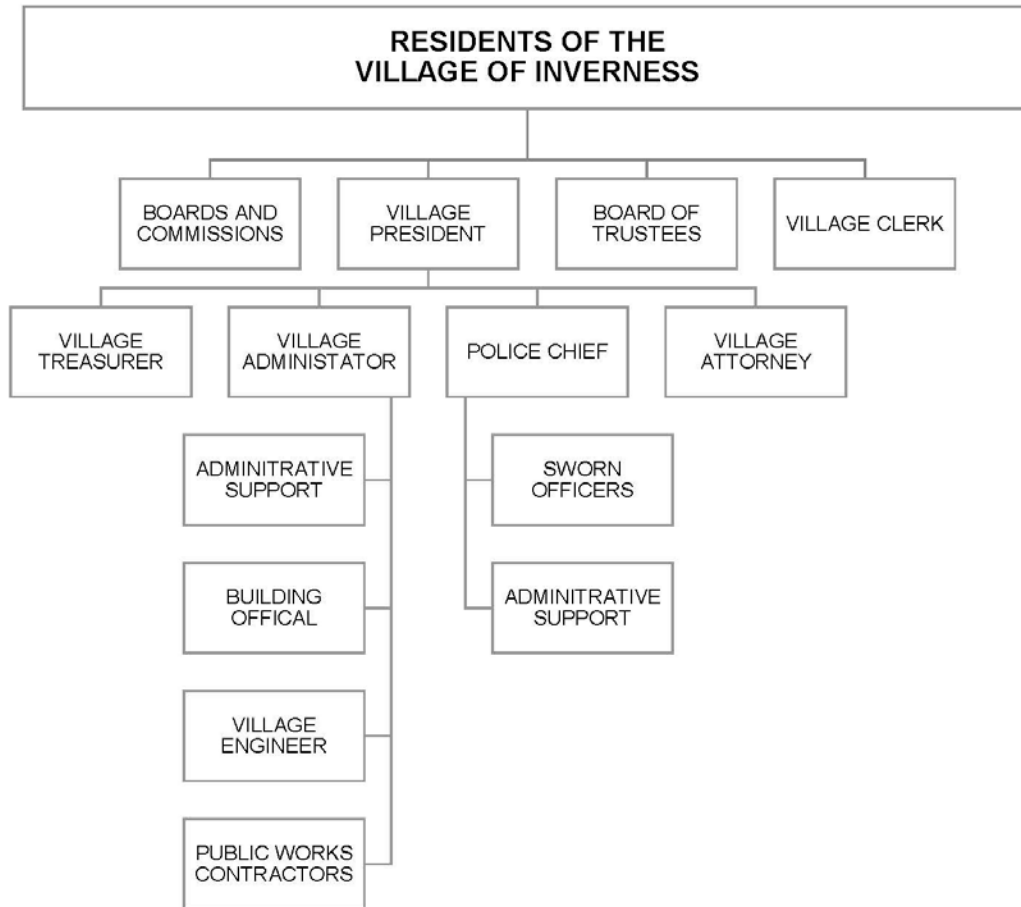
**VILLAGE TREASURER**

Kenneth Klein

**VILLAGE ENGINEER**

Jason R. Doland

VILLAGE OF INVERNESS  
ORGANIZATIONAL CHART





# Village of Inverness

1400 Baldwin Road • Inverness, Illinois 60067  
847/358-7740 • Fax 847/358-8774

October 14, 2019

Honorable Village President Tatooles  
Member of the Board of Trustee  
Residents of the Village of Inverness

**PRESIDENT**  
John A. Tatooles

**BOARD OF TRUSTEES**  
Russell P. Fitton  
Chuck Fritz  
Richard C. Gallagher  
Terrence H. Kral  
Hugh Masterson  
John R. Willis

**CLERK**  
Laurie C. White

**POLICE DEPARTMENT**  
847/358-7766  
847/258-8774

**EMERGENCY RESPONSE**  
9-1-1

**BUILDING AND ENGINEERING**  
847/358-7960  
Fax 847/358-1207

**WEB ADDRESS**  
[www.inverness-il.gov](http://www.inverness-il.gov)

Pursuant to State Law, Annual Financial Report of the Village of Inverness, Illinois (Village) for the fiscal year ended April 30, 2019 is hereby published. The Annual Financial Report is an annual report on the Village's financial position and activity presented in conformance with general accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The Comprehensive Annual Financial Report of the Village of Inverness, Illinois, for the fiscal year ended April 30, 2019 is hereby published to fulfill that requirement.

The Village's financial statement for the year ended April 30, 2019 have been audited by RSM US LLP, Certified Public Accounts. The independent auditors issued an unmodified ("clean") opinion concluding the financial statements are presented fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Inverness, Illinois, as of April 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis (MD&A), a narrative introduction, overview and analysis to accompany the basic financial statement immediately follows the independent auditor's report.

## Profile of the Village of Inverness

The Village of Inverness was incorporated in 1962. It is an affluent residential community located in northwestern Cook County approximately 30 miles from the City of Chicago's "Loop". It comprises an area of approximately 6.5 square miles and has a current population of 7,399 according to the 2010 Census. Neighboring communities include Barrington to the north, Palatine to the east, Hoffman Estates to the south and Barrington Hills to the west.

The Village is governed by the Board of Trustees, which consists of the President and six Trustees. Members are elected at-large to overlapping four-year terms. The Board of Trustees employs a Village Administrator to carry out their legislative and policy decisions. The Administrator handles the day-to-day management of the Village. The Village is a home-rule municipality that provides its residents with police protection, road maintenance and other public works related activities.

The Village is served by several other governmental entities. Two different townships provide limited services depending on the location within the Village. The eastern half of the Village lies in Palatine Township and the western portion of the Village is located in Barrington Township.

Fire protection and emergency medical services are provided by the Palatine Rural Fire Protection District and the Barrington Countryside Fire Protection District depending on location. Those living in the eastern two-thirds of the Village are served by Palatine Rural, which maintains a fire station in the Village at the corner of Palatine and Ela Roads. The western third of the Village is served by Barrington Countryside from fire stations located in neighboring Barrington Hills and Barrington.

## **Financial Planning**

The Village operates under the Annual Appropriation Ordinance, which shall be approved by the corporate authorities within the first quarter of each fiscal year. The Village's annual financial plan serves as the foundation for the Village's financial planning and control.

The budget process begins in February of each year. Each department provides expenditure requests for the upcoming fiscal year and any initiatives/projects to be undertaken by the department. The financial plan is developed based on the projected expenses and revenues for the fiscal year. The proposed financial plan is presented to the Financial Committee and Village Board for review and approval.

## **Factors Affecting Financial Condition**

The Village is primarily a residential community which is influenced by the economy of a community, region, and state.

### Property Tax Information

Property Taxes is a major source of the Village's general operating revenue. The annual property tax levy is equal to the operating expenses of the Police Department. As a home rule community, the Village does not have a tax rate limit. Accordingly, the actual tax rate is dependent upon the dollar amount of taxes levied and the equalized assessed valuation (EAV) of property within the Village. Property taxes account for approximately 50% of Village's revenue.

Illinois Income Tax is a tax that is imposed on the privilege of earning or receiving income in or as a resident of the state of Illinois. Local governments receive 6.06 percent of the net collections of all income tax received from individuals, trusts, and estates, and 6.85 percent of the net collections of all income tax received from corporations. The amount that each municipality receives is based on its population in proportion to the total state population. The population figures are determined based on the latest census conducted by the United States Bureau of the Census and certified by the Office of the Secretary of State.

Sales Tax is the combination of all state, local, mass transit, home rule occupation and use, non-home rule occupation and use, park district, county public safety and facilities, county school facility tax, and business district taxes. Sales tax is imposed on a seller's receipts from sales of tangible personal property for use or consumption. Tangible personal property does not include real estate, stocks, bonds, or other "paper" assets representing an interest. A municipality receives 1.00% of the local portion of the sales tax.

Intergovernmental Revenues which includes Income Tax, Sales and Use Taxes, and Road & Bridge tax account of 30% of Village's revenue.

Local Revenues consisting of licenses, building permits, fines, and franchise fee account for approximately 10% of Village's revenue.

## **Cash Management Policies and Practices**

The Village's policy regarding cash management is based upon the realization that there is a time value to money. A high priority has been placed on procedures to ensure that all monies due the Village are collected and deposited as promptly as possible. Disbursements are closely controlled and wire transfers/ACH transfers are used for receipts and disbursements whenever appropriate.

Short-term available cash is placed in the State of Illinois investment pool (Illinois Funds). Cash invested for up to one year is typically placed in a secured certificate of deposit or secured savings deposit accounts.

## **Major Initiatives and Accomplishments**

The following are the significant accomplishment for this fiscal year.

**Inverness Police Department:** On April 30, 2019, the Inverness Police Department completed 10 full years since its creation. For FY19, the Police Department's total expense was \$1.65 million, which is a savings of approximately \$1.0 million when compared to if the police contractual services continued. As of today, our community has saved approximately \$8.0 million in police services.

**Road Improvement Program:** The Village continues to expand the annual road improvement program. In fiscal year 2019, the road program increased its annual expenditures by \$500,000, due to the result of an increase of a fund balance of over \$700,000 from the prior fiscal year.

**Neighborhood Storm Water Management Assistance:** The Village Engineer and Village Administrator met with four neighborhood groups to provide assistance to addressing long duration standing storm water along the roadways. Assistance included televising private drain tiles and culverts and developing preliminary engineering plans for possible remedies. The neighborhood meetings are ongoing.

**Dispatch Software Replacement:** In 2018, Northwest Central Dispatch System (NWCDS) approved a \$3.7 million project to replace its aging Computer-aided dispatch software and each member's records management system. Due to the long-term planning and financial stewardship of the eleven member communities, NWCDS was able to fund the replacement systems without the need to increase dues or require special assessments to each community.



## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial (CAFR) reports to encourage local governments to go beyond minimum reporting requirements. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

The Village of Inverness has not been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting award. This current comprehensive annual financial report is the first step to meet the Program's requirements to apply for a Certificate of Achievement award in the future.

## **Acknowledgements**

I would like to express appreciation to the Mayor, the Board of Trustees, Finance Committee, Village Treasurer, and the entire Village Staff, for their leadership and support in planning and conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Trakas', is positioned above the printed name.

Sam Trakas  
Village Administrator

## **Independent Auditor's Report**

**Independent Auditor's Report**

The Honorable Village President  
and Board of Trustees  
Village of Inverness, Illinois

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Inverness, Illinois, as of April 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information:*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 3 - 11), budgetary comparison information (page 38), and pension information (pages 36 - 37) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

*Other 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, and the Introductory Section and Statistical Section, 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.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*RSM US LLP*

Schaumburg, Illinois  
October 14, 2019

## **Management's Discussion and Analysis**

## **Village of Inverness, Illinois**

### **Management's Discussion and Analysis For the Fiscal Year Ended April 30, 2019**

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The Village of Inverness' (Village) Management's Discussion and Analysis is designed to explain significant financial issues, provide an overview of Village financial activity, identify changes in the Village's financial position, identify material deviations from budget, and identify individual issues and concerns.

This document should be read in conjunction with the financial statements.

#### **FINANCIAL HIGHLIGHTS**

##### **Net Position**

The Village's total net position of governmental activities increased by \$884,419 or 8.48% as a result of this year's operations. The Village does not conduct any business-type activities.

##### **Revenues**

The governmental activities revenues totaled \$4,789,606.

##### **Cost of Village Programs**

The governmental activities expenses totaled \$3,905,187.

##### **General Fund**

The General Fund reported revenues of \$3,693,521 and expenditures of \$3,790,052, resulting in an operating decrease of \$96,531, prior to any fund transfers.

#### **USING THIS ANNUAL REPORT**

In the past, the primary focus of local government financial statements was summarized by fund type and presented on a current financial resource basis. Now, financial statements are presented from two perspectives: government-wide and major fund. These perspectives allow the user to address relevant questions, broaden a basis for comparison and enhance the Village's accountability.

##### **Government-Wide Financial Statements**

The government-wide financial statements are designed to emulate the corporate sector in that all government and business-type activities are consolidated into columns, which add to a total for the Primary Government. In the case of the Village, there are currently no activities that are classified as business-type. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental-type activities.

This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various governmental activities, which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

## Village of Inverness, Illinois

### Management's Discussion and Analysis (Continued)

For the Fiscal Year Ended April 30, 2019

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The Governmental Activities reflect the Village's basic services, including general government, public safety and public works. Property taxes, shared state income taxes and sales taxes finance the majority of these services.

#### Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than the previous model's fund types.

The Governmental Major Fund presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the budget or financial plan is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

#### Infrastructure Assets

The Village implemented the infrastructure portions of Governmental Accounting Standards Board (GASB) 34 prospectively and depreciates assets over their useful lives.

### GOVERNMENT-WIDE STATEMENT

#### Net Position

Net position is defined as the amount by which assets and deferred outflows and deferred inflows exceed liabilities. Net position can be a useful indicator of a government's financial condition. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,319,433 as of April 30, 2019. This is an increase of \$884,419 or 8.48% over the prior year.

#### Summary Statement of Net Position As of April 30, 2019 and 2018

	Governmental Activities		
	2019	2018	Change
Current and other assets	\$ 11,200,737	\$ 11,079,280	\$ 121,457
Capital assets	4,786,974	4,817,170	(30,196)
<b>Total assets</b>	<b>15,987,711</b>	<b>15,896,450</b>	<b>91,261</b>
<b>Deferred Outflows of Resources</b>	<b>252,411</b>	<b>144,490</b>	<b>107,921</b>
Current liabilities	1,203,089	1,263,778	(60,689)
Noncurrent liabilities	3,658,198	4,129,426	(471,228)
<b>Total liabilities</b>	<b>4,861,287</b>	<b>5,393,204</b>	<b>(531,917)</b>
<b>Deferred Inflows of Resources</b>	<b>59,402</b>	<b>212,722</b>	<b>(153,320)</b>
Net Position:			
Investment in capital assets	4,786,974	4,817,170	(30,196)
Restricted	296,835	282,221	14,614
Unrestricted	6,235,624	5,335,623	900,001
<b>Total net position</b>	<b>\$ 11,319,433</b>	<b>\$ 10,435,014</b>	<b>\$ 884,419</b>

**Village of Inverness, Illinois**

**Management's Discussion and Analysis (Continued)**  
**For the Fiscal Year Ended April 30, 2019**

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A portion of total net position constitutes the investment in capital assets. For governmental activities, capital assets include land, buildings, improvements other than buildings, vehicles and equipment.

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- 1) Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.
- 2) Borrowing of Capital – which will increase current assets and long-term debt.
- 3) Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt which will not change the investment in capital assets.
- 4) Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase investment in capital assets, net of debt.
- 5) Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets.
- 6) Reduction of Capital Assets through Depreciation – which will reduce capital assets and investment in capital assets, net of debt.



**Village of Inverness, Illinois**

**Management's Discussion and Analysis (Continued)**

**For the Fiscal Year Ended April 30, 2019**

The following table compares revenue and expenses for the current and prior year:

**Summary Statement of Activities  
Years Ended April 30, 2019 and 2018**

	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Revenues</b>			
Program Revenues			
Charges for service	\$ 341,708	\$ 416,428	\$ (74,720)
Grants and contributions			
Operating	193,999	195,152	(1,153)
General Revenue			
Property taxes	2,800,516	2,775,548	24,968
Other taxes	1,062,489	999,887	62,602
Franchise fees	176,370	183,110	(6,740)
Investment income	187,917	96,008	91,909
Miscellaneous	26,607	24,096	2,511
<b>Total Revenue</b>	<b>4,789,606</b>	<b>4,690,229</b>	<b>99,377</b>
<b>Expenses</b>			
General Government	632,049	768,430	(136,381)
Public Safety	1,738,465	1,684,226	54,239
Public Works	1,450,810	926,851	523,959
Interest	83,863	202,218	(118,355)
<b>Total Expenses</b>	<b>3,905,187</b>	<b>3,581,725</b>	<b>323,462</b>
<b>Change in Net Position</b>	<b>884,419</b>	<b>1,108,504</b>	<b>(224,085)</b>
<b>Net position - beginning</b>	<b>10,435,014</b>	<b>9,326,510</b>	<b>1,108,504</b>
<b>Net position - ending</b>	<b>\$ 11,319,433</b>	<b>\$ 10,435,014</b>	<b>\$ 884,419</b>

There are eight basic impacts on revenues and expenses as reflected below:

**Revenues:**

- 1) Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.
- 2) Increase/Decrease in Village Board Approved Rates – while certain tax rates are set by State statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, impact fees, building permit fees, telecommunication taxes and home rule sales tax, etc.).

## Village of Inverness, Illinois

### Management's Discussion and Analysis (Continued)

For the Fiscal Year Ended April 30, 2019

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- 3) Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state share revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- 4) Market Impacts on Investment Income – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

#### Expenses:

- 1) Introduction of New Programs – within the functional expense categories (General Government, Public Safety and Public Works) individual programs may be added or deleted to meet changing community needs.
- 2) Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease staffing. Staffing costs represent approximately 40% of all governmental activities.
- 3) Increases in Contractual Services – the Village relies heavily on contractual agreements for the delivery of services. Scheduled increases for certain public works activities may have an impact on overall expenses based on their significance to basic operational programming.
- 4) Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases. In addition, inflationary factors will impact costs associated with contractual service agreements.

#### Revenues

For the fiscal year ended April 30, 2019, revenues from all governmental activities totaled \$4,789,606. This is a 2.12% increase or \$99,377 greater than the previous year. The increase is attributed to additional income and use taxes and increase in investment income from rising interest rates.

#### Expenses

Total expenses for all governmental activities for the year ended April 30, 2019 were \$3,905,187. This is a 9.03% increase or \$323,462 greater than the previous year. This increase in expenses is the result of the Village's annual road program which led to significant road maintenance during fiscal year 2019.

**Village of Inverness, Illinois**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2019**

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**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

**Governmental Funds**

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

At year-end, governmental funds reported a combined fund balance of \$9,487,241. This is a 1.32% increase from the prior year's ending combined fund balance of \$9,363,811.

Total revenues for Governmental Funds for fiscal year 2019 were \$4,715,482. This is a decrease of \$164,413 over the prior year's revenues. General Fund revenues were \$3,693,521, which was \$128,478 less than the prior year. The decrease is due to reductions in tipping fees charged and building permit fees.

Total expenditures for Governmental Funds for the year ended April 30, 2019, were \$4,592,052, which was a decrease of \$4,868,926 from expenditures of the previous year. The significant decrease in governmental fund expenditures is largely due to the prior year refunding of the Series 2008 General Obligation Bond with the issuance of the Series 2017 Refunding General Obligation Bond. General Fund expenditures were \$3,790,052 compared to FY18 expenditures of \$3,266,539. As mentioned previously, the increase in expenses is associated with the road program which led to significant road maintenance costs. Significant program costs for this year include: \$1,704,119 for police operations, \$168,985 for residential solid waste disposal, \$384,446 for snow and ice control and \$600,985 for general road maintenance activities.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2019

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General Fund Budgetary Highlights  
Year Ended April 30, 2019

<b>General Fund</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over/ Under</b>
Revenues			
Property taxes	\$ 1,937,250	\$ 1,919,075	\$ (18,175)
Other taxes	959,500	1,062,489	102,989
Charges for services	150,000	148,510	(1,490)
Licenses and permits	186,000	176,194	(9,806)
Fines and forfeitures	15,000	17,004	2,004
Franchise fees	175,000	176,370	1,370
Interest	10,000	167,272	157,272
Miscellaneous	10,000	26,607	16,607
<b>Total</b>	<b>3,442,750</b>	<b>3,693,521</b>	<b>250,771</b>
Expenditures	4,307,650	3,790,052	517,598
Excess of expenditures over revenues	(864,900)	(96,531)	768,369
Other financing sources	870,000	200,000	(670,000)
<b>Change in Fund Balance</b>	<b>\$ 5,100</b>	<b>\$ 103,469</b>	<b>\$ 98,369</b>

General Fund Budgetary Highlights

As of April 30, 2019, actual revenues were \$250,771 more than budget projections. Actual expenditures were \$517,598 less than the approved budget. The reason for this is due to increased interest rates and additional income and use taxes received. In addition, the Village was able to reduce costs related to solid waste disposal, snow and ice control and road maintenance costs.

The Village did not revise the total annual operating budget during the year. A schedule showing actual expenditures compared to budget is presented as supplementary information later in this financial report.

**Village of Inverness, Illinois**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2019**

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**Capital Assets**

At the end of fiscal year 2019, the Village had a combined total of capital assets (net of accumulated depreciation) of \$4,786,974 comprised of land, buildings, improvements other than buildings, vehicles and equipment. This amount represents a net decrease (including additions and deletions) of \$30,196.

**Capital Assets at Year-End  
Net of Depreciation  
April 30, 2019 and 2018**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 3,597,208	\$ 3,597,208
Buildings	997,439	1,031,842
Improvements other than building	121,560	134,915
Vehicles and equipment	70,767	53,205
<b>Total</b>	<b>\$ 4,786,974</b>	<b>\$ 4,817,170</b>

**Outstanding Debt**

In December 2008, the Village issued \$9,500,000 in GO Bonds to pay the costs of a system wide repairs and maintenance to the Village's roadway network. In May 2017, the Village issued \$5,070,000 in GO Refunding Bonds (Series 2017) to refund the outstanding balance (\$5,245,000) of the Series 2008 bonds. The Series 2017 Refunding bonds were issued at a premium of \$255,141. The debt service requirements associated with this issue are outlined in Note 8 of this financial report. Property taxes have been pledged to pay principal and interest on these bonds.

## **Village of Inverness, Illinois**

### **Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2019**

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#### **Economic Factors and a Look to the Future**

The Village continues to plan and operate in a fiscally conservative fashion. This organizational philosophy and practice has enabled the Village to maintain a healthy fund balance to address operational and environmental uncertainties. Currently, the unassigned fund balance for all governmental funds is \$7,620,228. This is approximately 166.2% of annual operational expenditures and is consistent with the Village's Investment Policy. Unassigned reserves of this amount should provide the Village with the flexibility to "weather" the uncertainties that are present in the State of Illinois. State revenues account for about 30% of all operating revenues. The potential impact of the State's financial condition on the Village and other local governments has been commented on before. The State's continued inability to solve this financial crisis only heightens this uncertainty. In the event the General Assembly takes steps to reduce or eliminate certain intergovernmental revenues, existing unassigned reserves should be adequate to bridge potential operational deficits in the near term until the Village can adjust to the changing fiscal environment.

Looking forward, the Village will need to explore additional funding sources for future infrastructure maintenance. The net position increases in the past two fiscal years has helped to stabilize the Village's ability to increase infrastructure repairs. In the next five years, the Village will need to reinvest on its existing facilities, including Village Hal Silos, HVAC systems and cedar roof. Existing unassigned reserves should be sufficient to pay for these improvements.

Aside from the above issues, there should be a high degree of operational stability over the next several years that should provide financial stability as well.

#### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report may be directed to the Village Administrator, Village of Inverness, 1400 Baldwin Road, Inverness, Illinois 60067.

## **Basic Financial Statements**

Village of Inverness, Illinois

Statement of Net Position  
April 30, 2019

	Governmental Activities
<b>Assets</b>	
Current	
Cash and investments	\$ 9,622,852
Receivables	
Property taxes	1,286,319
Intergovernmental	257,678
Accrued interest	50
Other	33,838
Total current assets	<u>11,200,737</u>
Noncurrent	
Capital assets (net of accumulated depreciation)	
Land	3,597,208
Buildings	997,439
Improvements other than buildings	121,560
Vehicles and equipment	70,767
Total noncurrent assets	<u>4,786,974</u>
Total assets	<u>15,987,711</u>
<b>Deferred Outflows of Resources</b>	
Pension related amounts	<u>252,411</u>
<b>Liabilities</b>	
Current	
Accounts payable	183,518
Compensated absences	20,955
Deposits payable	261,991
Interest payable	46,625
Bonds payable	690,000
Total current liabilities	<u>1,203,089</u>
Noncurrent	
Net pension liability	439,268
Bonds payable, net of unamortized premium of \$178,930	3,218,930
Total noncurrent liabilities	<u>3,658,198</u>
Total liabilities	<u>4,861,287</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>59,402</u>
<b>Net Position</b>	
Investment in capital assets	4,786,974
Restricted for streets and bridges	296,835
Unrestricted	<u>6,235,624</u>
Total net position	<u>\$ 11,319,433</u>

See Notes to Financial Statements.



Village of Inverness, Illinois

Statement of Activities  
Year Ended April 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government	\$ 632,049	\$ 176,194	\$ -	\$ (455,855)
Public safety	1,738,465	17,004	-	(1,721,461)
Public works	1,450,810	148,510	193,999	(1,108,301)
Interest	83,863	-	-	(83,863)
Total	<u>\$ 3,905,187</u>	<u>\$ 341,708</u>	<u>\$ 193,999</u>	<u>(3,369,480)</u>
General revenues				
Taxes				
Property				
				2,800,516
Personal property replacement				
				4,651
Sales				
				67,898
Income and use				
				989,940
Franchise fees				
				176,370
Investment income				
				187,917
Miscellaneous				
				26,607
Total general revenues				<u>4,253,899</u>
Change in net position				884,419
Net position - beginning				<u>10,435,014</u>
Net position - ending				<u>\$ 11,319,433</u>

See Notes to Financial Statements.

**Village of Inverness, Illinois**

**Balance Sheet - Governmental Funds  
April 30, 2019**

	General Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 8,683,703	\$ 658,691	\$ 280,458	\$ 9,622,852
Receivables				
Property taxes	893,908	392,411	-	1,286,319
Intergovernmental	241,301	-	16,377	257,678
Accrued interest	50	-	-	50
Other receivables	33,338	500	-	33,838
Total assets	<u>\$ 9,852,300</u>	<u>\$ 1,051,602</u>	<u>\$ 296,835</u>	<u>\$ 11,200,737</u>
<b>Liabilities</b>				
Accounts payable	\$ 183,518	\$ -	\$ -	\$ 183,518
Deposits payable	261,991	-	-	261,991
Total liabilities	<u>445,509</u>	<u>-</u>	<u>-</u>	<u>445,509</u>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	881,122	386,865	-	1,267,987
<b>Fund Balances</b>				
Restricted - street and bridge improvements	-	-	296,835	296,835
Restricted - debt service	-	664,737	-	664,737
Assigned				
Solid waste program	572,728	-	-	572,728
Street and bridge improvements	322,713	-	-	322,713
Unassigned	7,630,228	-	-	7,630,228
Total fund balances	<u>8,525,669</u>	<u>664,737</u>	<u>296,835</u>	<u>9,487,241</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,852,300</u>	<u>\$ 1,051,602</u>	<u>\$ 296,835</u>	<u>\$ 11,200,737</u>

See Notes to Financial Statements.

**Village of Inverness, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
April 30, 2019**

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Total fund balances-governmental funds	\$	9,487,241
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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.		4,786,974
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Pension related deferred amounts are not reported in the governmental  
funds since they do not provide or use current financial resources.  
These amounts consist of the following:

Deferred outflows	252,411
Deferred inflows	(59,402)

Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.		1,267,987
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Some liabilities reported in the Statement of Net Position do not  
require the use of current financial resources and, therefore,  
are not reported as liabilities in governmental funds.

These amounts consist of:

Interest payable	(46,625)
Compensated absences	(20,955)
Net pension liability	(439,268)
Unamortized bond premium	(178,930)
Bonds payable	(3,730,000)

Net position of governmental activities	\$	<u>11,319,433</u>
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See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2019

	General Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes				
Property taxes	\$ 1,919,075	\$ 807,317	\$ -	\$ 2,726,392
Sales taxes	67,898	-	-	67,898
Income and use taxes	989,940	-	-	989,940
Replacement taxes	4,651	-	-	4,651
Charges for services	148,510	-	-	148,510
Licenses and permits	176,194	-	-	176,194
Fines and forfeitures	17,004	-	-	17,004
Intergovernmental	-	-	193,999	193,999
Franchise fees	176,370	-	-	176,370
Interest	167,272	30	20,615	187,917
Miscellaneous	26,607	-	-	26,607
<b>Total revenues</b>	<b>3,693,521</b>	<b>807,347</b>	<b>214,614</b>	<b>4,715,482</b>
<b>Expenditures</b>				
Current				
General government	583,215	-	-	583,215
Public safety	1,704,119	-	-	1,704,119
Public works	1,450,810	-	-	1,450,810
Debt service				
Principal retirement	-	670,000	-	670,000
Interest expense	-	132,000	-	132,000
Capital outlay	51,908	-	-	51,908
<b>Total expenditures</b>	<b>3,790,052</b>	<b>802,000</b>	<b>-</b>	<b>4,592,052</b>
Excess (deficiency) of revenues over expenditures	(96,531)	5,347	214,614	123,430
Other financing sources (uses)				
Transfers in	200,000	-	-	200,000
Transfers out	-	-	(200,000)	(200,000)
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>
Net change in fund balances	103,469	5,347	14,614	123,430
Fund balances - beginning	8,422,200	659,390	282,221	9,363,811
Fund balances - ending	\$ 8,525,669	\$ 664,737	\$ 296,835	\$ 9,487,241

See Notes to Financial Statements.

**Village of Inverness, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds to the Statement of Activities  
Year Ended April 30, 2019**

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Net change in fund balances-total governmental funds	\$ 123,430
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Amounts reported for governmental activities in the Statement of  
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. In the current year total capital outlay (\$38,885) was exceeded by depreciation (\$69,081) in the current period.

	(30,196)
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The issuance and refunding of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. These transactions, however, have no effect on net position.

Principal retirement - bonds	670,000
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred inflows of resources	74,124
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Amortization of bond premium	39,762
Decrease in accrued interest	8,375
Increase in compensated absences payable	(3,783)
Changes in net pension liability and related pension amounts	2,707

Change in net position of governmental activities	<u>\$ 884,419</u>
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See Notes to Financial Statements.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The Village is a municipal corporation governed by an elected seven-member board. The financial statements of the Village of Inverness, Illinois (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

#### Reporting Entity

Accounting principles generally accepted in the United States of America require the reporting entity to include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria there are no component units which should be included with the Village's financial statements nor is the Village considered to be a component unit of any other government.

#### Government-wide and Fund Financial Statements

**Government-wide Financial Statements:** The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist only of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Net Position presents the Village's assets, deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets, if any.

**Restricted net position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**Unrestricted net position** consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety and public works) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Fund Financial Statements:** Separate financial statements are provided for governmental funds. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village's major funds include the General Fund and the Bond Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has no enterprise funds.

The Village administers the following major governmental funds:

**General Fund** – This is the Village's primary operating fund. It accounts for all financial resources of the general government. The services which are administered by the Village and accounted for in the general fund include general government, public safety, and public works.

**Bond Fund** – This is the Village's debt service fund and will be used to retire the principal and interest payments on the Series 2017 General Obligation Refunding Bonds. Financing will be provided by a property tax levy.

#### Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

## **Village of Inverness, Illinois**

### **Notes to Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

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

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The Village reports the deferred outflows due to pensions as deferred outflows of resources on the government-wide financial statements.

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period for the governmental funds. Deferred inflows of resources also result when timing requirements relating to imposed tax revenues are not met, as in when property tax receivables are recorded prior to the period the levy is intended to finance. In addition, the Village reports deferred inflows due to pensions on the government-wide financial statements. See Note 11 for pension related disclosures.

##### **Use of Estimates**

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

##### **Joint Venture - Solid Waste Agency of Northern Cook County (SWANCC)**

SWANCC is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board.

##### **Budgets**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

##### **Investments**

Investments are generally reported at fair value based on quoted market prices. Investments in 2a-7 money market funds and 2a-7 like pools (Illinois Funds) are reported at net asset value per share.



## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Capital Assets

Capital assets which include land, buildings, improvements other than buildings, vehicles and equipment are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000, and an estimated useful life of two years or greater. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Infrastructure assets acquired prior to May 1, 2004 are not capitalized as allowed for "Level 3" governments by GASB Statement No. 34.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements other than buildings	15 – 50
Vehicles and equipment	2 – 10

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

##### Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

The Village has the following types of transactions between funds:

**Loans and advances**—amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds.

**Services provided and used**—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position.

**Reimbursements**—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

**Transfers**—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

#### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, including compensated absences and the net pension liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed when incurred.

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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources (if any) is reported as a fund liability of a governmental fund.

The Village accrues accumulated unpaid vacation earned by the employee, which is reported in the government-wide statements. Vacation credit may not be accumulated from year to year. Any employee who does not take all the vacation time to which he or she is entitled in a year will automatically forfeit that vacation and vacation pay. Upon termination, the employee is entitled to the prorated amount of vacation time, calculated at a rate of 1/12 for each month or portion thereof.

#### Fund Balances

Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

**Restricted** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Fund Balances (Continued)

**Assigned** – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board itself; b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The Village's Board has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. However, certain assignments are approved by the Board within the Financial Plan. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved Financial Plan and appropriation.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances (if any) of other governmental funds.

#### Note 2. Legal Compliance and Accountability

##### Budgets

An annual budget is prepared for all Village Funds. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested funding for the next fiscal year.

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

The appropriation ordinance may be amended by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. The appropriation ordinance was not revised or amended during the year.

The budget amounts in these financial statements reflect the Village's financial plan. These budget amounts are less than the legally enacted appropriation ordinance.

#### Note 3. Investments

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet – governmental funds and the statement of net position as "cash and investments." In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. The Village does not have a policy that further limits its permitted deposits and investments. The Village adheres to the State statutes identified above and has not adopted any policies for cash and/or investments addressing custodial risk, interest rate risk or credit risk.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 3. Investments (Continued)

##### *Custodial Credit Risk – Deposits*

Custodial Credit Risk is the risk that in the event of a bank failure, the Village's deposit may not be returned. The Village does not have a policy regarding custodial credit risk. As of April 30, 2019, \$70,550 of the Village's deposits were uninsured and uncollateralized.

##### *Interest Rate Risk.*

As of April 30, 2019, the Village had the following investments and maturities.

Investment Type	Carrying Value
Illinois Funds	<u>\$ 8,191,723</u>
Total	<u>\$ 8,191,723</u>

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments in the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Illinois Funds does meet all the criteria in GASB Statement No. 79, paragraph 4 which allows the reporting of its investments at amortized cost. Investments in Illinois Funds are valued at share price, which is the price the investment could be sold for. There are no limitations or restrictions on withdrawals from the pool.

##### *Credit Risk.*

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The Village does not have an investment policy that further limits its investment options. As of April 30, 2019, the Illinois Funds Investment Pool was rated AAA by Standard & Poor's.

#### Note 4. Receivables - Taxes

Property taxes for 2018 attach as an enforceable lien on January 1, 2018 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2019 and July 1, 2019, and are payable in two installments, on or about March 1, 2019 and August 1, 2019. The County collects such taxes and remits them periodically.

**Village of Inverness, Illinois**

**Notes to Financial Statements**

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**Note 5. Capital Assets**

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Capital assets not being depreciated:				
Land	\$ 3,597,208	\$ -	\$ -	\$ 3,597,208
Capital assets being depreciated:				
Buildings	1,720,158	-	-	1,720,158
Improvements other than buildings	504,430	-	-	504,430
Vehicles and equipment	215,325	38,885	-	254,210
	<u>2,439,913</u>	<u>38,885</u>	<u>-</u>	<u>2,478,798</u>
Less accumulated depreciation for:				
Buildings	688,316	34,403	-	722,719
Improvements other than buildings	369,515	13,355	-	382,870
Vehicles and equipment	162,120	21,323	-	183,443
	<u>1,219,951</u>	<u>69,081</u>	<u>-</u>	<u>1,289,032</u>
Total capital assets being depreciated, net	<u>1,219,962</u>	<u>(30,196)</u>	<u>-</u>	<u>1,189,766</u>
Governmental activities capital assets, net	<u>\$ 4,817,170</u>	<u>\$ (30,196)</u>	<u>\$ -</u>	<u>\$ 4,786,974</u>

Total depreciation of \$69,081 was allocated as follows:

General government	\$ 47,758
Public safety	<u>21,323</u>
	<u>\$ 69,081</u>

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 6. Interfund Activity

Transfers between funds for the year ended April 30, 2019 are shown as follows:

Fund	Detail	Transfer In
General Fund	Street repairs	<u>\$ 200,000</u>

Fund	Detail	Transfer Out
Motor Fuel Tax	Street repairs	<u>\$ 200,000</u>

#### Note 7. 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; natural disasters; and injuries to the Village's employees. These risks, along with medical claims for employees and retirees, are provided for through a combination of purchased coverage and participation in public entity risk pool. The Village currently reports all of its risk management activities in its General Fund.

The Village has joined together with other local governments in Illinois to form the Municipal Insurance Cooperative Association (MICA). MICA is a public entity risk pool operating a common risk management and insurance program for its member governments. MICA maintains \$1,100,000 specific reinsurance contracts for a \$200,000 limit on property claims, \$200,000 limit on liability claims, \$650,000 limit on workers' compensation claims and a \$50,000 limit on crime claims. MICA also maintains a \$11,725,000 reinsurance contract for total loss aggregate of \$12,825,000. The Village pays an annual premium to MICA based upon a risk exposure formula and the Village's prior experience within the pool to cover potential claims from a fully funded loss amount of \$12,975,000. In addition, the Village pays the first \$5,000 for property, liability and crime claims. Amounts paid into the pool in excess of claims for any coverage year are rebated back to members in subsequent periods. The Village records such rebates as miscellaneous revenue in the General Fund in the year in which they are received.

Risks for medical and death benefits for current employees are provided through insurance purchased from private insurance companies.

The Village's employee policy does not offer health insurance to retired employees. However, the Municipal Employee's Continuance Privilege law (215 ILCS 5/367j) requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. The Village has one retiree receiving health insurance pursuant to Municipal Employee's Continuance Privilege law. The Village is not reporting an OPEB Liability as the estimated liability is immaterial based on the small number of employees enrolled in the plan.

There have been no reductions in the Village's insurance coverage for any of its programs since the prior fiscal year. Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

**Village of Inverness, Illinois**

**Notes to Financial Statements**

**Note 8. Long-Term Obligations**

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2019:

	Balance May 1, 2018	Additions	Retirements	Balance April 30, 2019	Due Within One Year
General Obligation Bonds Payable, Series 2017	\$ 4,400,000	\$ -	\$ 670,000	\$ 3,730,000	\$ 690,000
Premium on bonds payable	218,692	-	39,762	178,930	-
Compensated absences payable	17,172	20,955	17,172	20,955	20,955
	<u>\$ 4,635,864</u>	<u>\$ 20,955</u>	<u>\$ 726,934</u>	<u>\$ 3,929,885</u>	<u>\$ 710,955</u>

The following is a summary of debt transactions of the Village for the year ended April 30, 2019:

*General Obligation Bonds*

On May 11, 2017, the Village issued \$5.1 million in general obligation (GO) refunding bonds, series 2017. The series 2017 bonds are due in annual installments of \$670,000 to \$800,000 plus interest at 3.0% through December 1, 2023. The bonds were issued to provide funds to refund the remaining principal outstanding of the 2008 GO Bonds (\$5.2 million), which were originally issued to provide funds for the maintenance of infrastructure.

As of April 30, 2019, debt service requirements to maturity on the outstanding debt, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2020	\$ 690,000	\$ 111,900	\$ 801,900
2021	720,000	91,200	811,200
2022	745,000	69,600	814,600
2023	775,000	47,250	822,250
2024	800,000	24,000	824,000
Total	<u>\$ 3,730,000</u>	<u>\$ 343,950</u>	<u>\$ 4,073,950</u>

## **Village of Inverness, Illinois**

### **Notes to Financial Statements**

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#### **Note 9. Commitments and Contingencies**

##### **Solid Waste Agency of Northern Cook County (SWANCC)**

The Village has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The Village's share of dual costs is expected to be funded through tipping fees paid by refuse haulers.

SWANCC has entered into Solid Waste Disposal Contracts with member municipalities. The Contracts are irrevocable and may not be terminated or amended except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

The Village's contract with the Solid Waste Agency of Northern Cook County provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

##### **Intergovernmental Agreement**

The Village is a member of the Northwest Central Dispatch System (NWCDS) which serves 11 municipalities. NWCDS is a consolidated, multi-jurisdictional emergency communications system that answers emergency telephone calls and dispatches both police and fire/EMS calls for member municipalities.

The Village remitted approximately \$177,030 to NWCDS for the year ended April 30, 2019.

#### **Note 10. Joint Ventures - Solid Waste Agency of Northern Cook County (SWANCC)**

##### **Description of Joint Venture**

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of 23 municipalities. SWANCC is a municipal corporate and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. SWANCC is reported as a nonequity governmental joint venture.

Complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County, 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090.

In accordance with the joint venture agreement, the Village made payments of \$117,594 to SWANCC for the fiscal year.



## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 11. Employee Retirement Systems

##### Illinois Municipal Retirement Fund

###### Plan Description

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer public retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees, except those covered by the police and fire pension plans, hired in positions that meet or exceed the prescribed annual hourly standard, must be enrolled in IMRF as participating members. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

###### 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 10 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 10 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.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 11. Employee Retirement Systems (Continued)

##### Illinois Municipal Retirement Fund (Continued)

###### Employees Covered by Benefit Terms

As of April 30, 2019, the following employees were covered by the benefit terms:

	<u>Membership</u>
Inactive employees or their beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>6</u>
Total membership	<u><u>14</u></u>

###### Contributions

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2019 and 2018 was 13.05 percent and 12.27 percent of annual covered payroll, respectively. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

###### Net Pension Liability

The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

###### Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 11. Employee Retirement Systems (Continued)

##### Illinois Municipal Retirement Fund (Continued)

###### Actuarial Assumptions (continued)

RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	37.00%	7.15%
International equity	18.00%	7.25%
Fixed income	28.00%	3.75%
Real estate	9.00%	6.25%
Alternative investments	7.00%	
Private equity		8.50%
Hedge funds		5.50%
Commodities		3.20%
Cash equivalents	<u>1.00%</u>	2.50%
Total	<u><u>100.00%</u></u>	

The assumptions were changed from the prior year as follows:

- The investment rate of return was changed from 7.50% to 7.25%

###### Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. 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. The single discount rate reflects:

Village of Inverness, Illinois

Notes to Financial Statements

**Note 11. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

Single Discount Rate (Continued)

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 the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, based on the tax of 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) and the resulting single discount rate is 7.25%, which is equal to the long-term rate of return due to the fact that projections estimate net position will be available to pay all future benefits.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at April 30, 2018</b>	\$ 2,163,965	\$ 1,983,231	\$ 180,734
Changes for the year:			
Service cost	30,727	-	30,727
Interest	158,220	-	158,220
Differences between expected and actual experience	(17,965)	-	(17,965)
Changes of assumptions	56,983	-	56,983
Contributions - employer	-	41,373	(41,373)
Contributions - employee	-	15,224	(15,224)
Net investment income (loss)	-	(142,569)	142,569
Benefit payments, including refunds of employee contributions	(139,458)	(139,458)	-
Other changes	-	55,403	(55,403)
Net changes	88,507	(170,027)	258,534
<b>Balances at April 30, 2019</b>	<b>\$ 2,252,472</b>	<b>\$ 1,813,204</b>	<b>\$ 439,268</b>

**Village of Inverness, Illinois**

**Notes to Financial Statements**

**Note 11. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

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 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's net pension liability	\$ 691,397	\$ 439,268	\$ 224,179

Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended April 30, 2019, the Village recognized pension expense of \$25,485. At April 30, 2019, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,452	\$ 19,120
Changes of assumptions	42,270	40,282
Net differences between projected and actual earnings on pension plan investments	151,589	-
Total deferred amounts to be recognized in pension expense in future periods	237,311	59,402
Employer contributions subsequent to the measurement date	15,100	-
Total deferred amounts related to pensions	<u>\$ 252,411</u>	<u>\$ 59,402</u>

Contributions made subsequent to the measurement date will be a reduction in the net pension liability in the subsequent year. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ended April 30,</u>	<u>Amount</u>
2020	\$ 52,224
2021	35,739
2022	31,888
2023	58,058
Total	<u>\$ 177,909</u>

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### **Note 11. Employee Retirement Systems (Continued)**

##### **Illinois Municipal Retirement Fund (Continued)**

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

#### **Note 12. Other Employee Benefits**

The Village has established a Police Pension Fund for sworn officers in accordance with Illinois Compiled Statutes (40 ILCS 5/3 et seq.). At the present time, no officers have applied to participate in the Fund. As an alternative for sworn officers who do not make written application to the Police Pension Fund, the Village has established a section 401(a) savings plan, referred to below.

During fiscal year 2009, in conjunction with establishing a new police department, the Village established a section 401(a) savings plan (Plan) for its qualified police officers. The Plan is a defined contribution retirement savings plan established to provide benefits at retirement to police officers employed by the Village. Full-time police officers hired by the Village that do not make written application to participate in the police pension fund of the Village and subsequently become ineligible for participation may participate in the Village's 401(a) Plan.

As of April 30, 2019, twelve officers were participating in the Plan. The Plan requires an initial and irrevocable election as to mandatory employee contributions (from 0% - 20% of covered payroll) and the Village contributes 10% of covered payroll. Plan provisions and contribution requirements of the Village were established, and may only be amended by the Village Board.

#### **Note 13. New Governmental Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following statements:

GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the Guidance in this Statement. The Village will adopt this Statement for its April 30, 2020 financial statements.

GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The Village will adopt this Statement for its April 30, 2020 financial statements.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### **Note 13. New Governmental Accounting Standards (Continued)**

GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Village will adopt this Statement for its April 30, 2021 financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective for the Village beginning with its year ended April 30, 2020. The objective of this Statement is to provide guidance to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of Construction Period*, will be effective for the Village beginning with its year ending April 30, 2021. The objective of this Statement is to establish accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset on the Statement of Net Position.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, will be effective for the Village beginning with its year ending April 30, 2020. The objective of this Statement is to clarify the accounting and financial reporting requirements for a state or local government's majority equity interest in an organization that remains legally separate after acquisition. Under this statement, a government entity should report its majority equity interest in a legally separate organization as an investment if the equity interest meets the GASB's definition of an investment.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Village beginning with its year ending April 30, 2022. The objective of this Statement is to establish a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

Management has not yet completed its evaluation of the impact, if any, of the provisions of these standards on its financial statements.

**Required Supplementary Information (Unaudited)**



Village of Inverness, Illinois

**Required Supplementary Information - Illinois Municipal Retirement Fund (IMRF)  
Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios**

Fiscal year ending April 30,	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 30,727	\$ 41,668	\$ 41,069	\$ 38,817	\$ 45,409
Interest on the total pension liability	158,220	152,801	148,115	141,124	115,988
Differences between expected and actual experience	(17,965)	79,422	(21,257)	8,488	202,653
Changes in assumptions	56,983	(67,181)	(13,766)	4,438	69,686
Benefit payments	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
<b>Net change in total pension liability</b>	<b>88,507</b>	<b>88,203</b>	<b>56,849</b>	<b>100,298</b>	<b>355,883</b>
<b>Total pension liability—beginning</b>	<b>2,163,965</b>	<b>2,075,762</b>	<b>2,018,913</b>	<b>1,918,615</b>	<b>1,562,732</b>
<b>Total pension liability—ending (a)</b>	<b>\$ 2,252,472</b>	<b>\$ 2,163,965</b>	<b>\$ 2,075,762</b>	<b>\$ 2,018,913</b>	<b>\$ 1,918,615</b>
<b>Plan fiduciary net position</b>					
Contributions - Employer	\$ 41,373	\$ 41,888	\$ 50,821	\$ 38,526	\$ 40,015
Contributions - Employee	15,224	15,263	17,016	16,559	16,550
Net investment income	(142,569)	306,980	116,017	8,255	94,175
Benefit payments	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
Other (Net transfer)	55,403	(12,638)	(4,730)	27,966	42,319
<b>Net change in plan fiduciary net position</b>	<b>(170,027)</b>	<b>232,986</b>	<b>81,812</b>	<b>(1,263)</b>	<b>115,206</b>
<b>Plan fiduciary net position—beginning</b>	<b>1,983,231</b>	<b>1,750,245</b>	<b>1,668,433</b>	<b>1,669,696</b>	<b>1,554,490</b>
<b>Plan fiduciary net position—ending (b)</b>	<b>\$ 1,813,204</b>	<b>\$ 1,983,231</b>	<b>\$ 1,750,245</b>	<b>\$ 1,668,433</b>	<b>\$ 1,669,696</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 439,268</b>	<b>\$ 180,734</b>	<b>\$ 325,517</b>	<b>\$ 350,480</b>	<b>\$ 248,919</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>80.50%</b>	<b>91.65%</b>	<b>84.32%</b>	<b>82.64%</b>	<b>87.03%</b>
<b>Covered payroll</b>	<b>\$ 338,300</b>	<b>\$ 339,174</b>	<b>\$ 378,134</b>	<b>\$ 367,970</b>	<b>\$ 345,765</b>
<b>Net pension liability as a percentage of the covered payroll</b>	<b>129.85%</b>	<b>53.29%</b>	<b>86.09%</b>	<b>95.25%</b>	<b>71.99%</b>

**Note to the Schedule:**

The Village implemented GASB 68 in FY 2016. Information is not available prior to 2015. Additional years will be added to future reporting periods as required to show 10 years of historical data.

**Village of Inverness, Illinois**

**Required Supplementary Information  
Schedule of Employer Contributions**

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2019	\$ 43,347	\$ 43,347	\$ -	\$ 346,674	12.50%
2018	39,289	39,289	-	319,173	12.31%
2017	49,847	49,847	-	381,213	13.08%
2016	42,460	42,460	-	370,293	11.47%

**Notes to the Schedule:**

The Village implemented GASB 68 in FY 2016. Information is not available prior to that period. Additional years will be added to future reporting periods as required to show 10 years of historical data.

**Summary of Actuarial Methods and Assumptions used in Calculation of the 2018 Contribution Rate\***

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Aggregate Entry Age Normal
Actuarial value of assets	5 Year Smoothed Market Value; 20% Corridor
Amortization method	Level Percentage of Payroll Closed
Remaining amortization period	25 year closed period
Investment rate of return	7.50%
Salary increases	3.75% to 14.50%, including inflation
Projected increase in total payroll	3.50%
Inflation rate included	2.75%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match the current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\*Based on the valuation assumptions used in the December 31, 2016 actuarial valuation.

Village of Inverness, Illinois

General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Taxes			
Property taxes	\$ 1,937,250	\$ 1,919,075	\$ (18,175)
Sales taxes	65,000	67,898	2,898
Income and use taxes	890,000	989,940	99,940
Replacement taxes	4,500	4,651	151
Charges for services	150,000	148,510	(1,490)
Licenses and permits	186,000	176,194	(9,806)
Fines and forfeitures	15,000	17,004	2,004
Franchise fees	175,000	176,370	1,370
Interest	10,000	167,272	157,272
Miscellaneous	10,000	26,607	16,607
<b>Total revenues</b>	<b>3,442,750</b>	<b>3,693,521</b>	<b>250,771</b>
<b>Expenditures</b>			
Current			
General government	726,250	583,215	143,035
Public safety	1,788,750	1,704,119	84,631
Public works	1,723,700	1,450,810	272,890
Capital outlay	68,950	51,908	17,042
<b>Total expenditures</b>	<b>4,307,650</b>	<b>3,790,052</b>	<b>517,598</b>
Deficiency of revenues over expenditures	(864,900)	(96,531)	768,369
Other financing sources			
Transfers in	870,000	200,000	(670,000)
<b>Net change in fund balance</b>	<b>\$ 5,100</b>	<b>103,469</b>	<b>\$ 98,369</b>
Fund balance - beginning		8,422,200	
Fund balance - ending		<b>\$ 8,525,669</b>	

**Village of Inverness, Illinois**

**Note to Required Supplementary Information**

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**Note 1. Budgetary Basis of Accounting**

The General Fund's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

## **Other Supplementary Information**

## **Governmental Funds**

## **General Fund**

**Village of Inverness, Illinois**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>General government</b>		
Salaries, full-time staff	\$ 185,000	\$ 179,736
Salaries, part-time staff	20,000	18,008
Salaries, elected officials	53,100	53,020
Employee benefits and other personnel related	26,000	26,119
Dues	3,000	2,584
Legal services	106,000	30,855
Engineering services	-	(6,773)
Accounting services	24,000	27,860
Office supplies and postage	20,500	16,592
Insurance	43,000	25,749
Printing and publishing	1,500	1,180
Telephone	12,500	7,874
Expense and automobile allowance	3,600	3,383
Bonds and insurance	66,000	60,170
Conferences and training	6,500	2,767
Miscellaneous	31,000	16,174
Property maintenance	50,000	60,448
Payroll taxes	20,000	22,450
Unemployment tax	1,500	425
Audit	21,800	21,500
Information technology	31,250	13,094
Total general government	726,250	583,215
<b>Public safety</b>		
Police salaries, full-time	975,000	972,368
Police salaries, part-time	25,000	17,299
Police overtime	2,500	-
Police payroll tax	85,000	70,496
Police pension	100,000	232,437
Police unemployment tax	-	928
Police health insurance	270,000	144,715
Emergency response	50,000	20,759
Police training	6,000	2,470
Police dues	12,000	12,090
Police supplies/services	16,000	7,246
Police uniforms	7,000	7,379
Police office supplies	-	3,988

(Continued)



Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2019

	Original and Final Budget	Actual
<b>Public safety (Continued)</b>		
Police contracts	\$ 168,500	\$ 162,614
Police vehicle maintenance	56,000	37,149
Police telephone	5,000	1,935
Information technology	10,750	10,246
Total public safety	1,788,750	1,704,119
<b>Public works</b>		
Salaries, full-time staff	49,500	48,960
Engineering services	46,200	50,024
Engineering expense	30,000	-
Engineering reimbursable	25,000	27,588
Forestry	63,000	85,536
Stormwater management	90,000	51,391
Solid waste	130,000	117,594
Street and bridge	650,000	600,985
Snow removal	482,000	384,446
Payroll tax	4,000	-
Pension	6,500	7,962
Health Insurance	25,000	19,700
Contract inspections	93,000	54,199
Dues	1,000	360
Training	500	-
Office supplies	3,000	2,065
Remodeling	25,000	-
Total public works	1,723,700	1,450,810
<b>Capital outlay</b>		
General governmental		
Office equipment	4,200	3,031
Building alterations	-	-
Public safety		
Police vehicles	41,000	41,634
Police radios	6,000	3,618
Police office equipment	6,500	3,204
Police other capital	10,000	-
Public Works		
Office equipment	1,250	421
	68,950	51,908
<b>Total expenditures</b>	<b>\$ 4,307,650</b>	<b>\$ 3,790,052</b>

**Nonmajor Governmental Fund – Special Revenue Fund**

**Village of Inverness, Illinois**

**Nonmajor Governmental Fund - Motor Fuel Tax Fund**

**Balance Sheet**

**April 30, 2019**

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**Assets**

Cash and investments	\$ 280,458
Intergovernmental receivables	<u>16,377</u>
Total assets	<u>\$ 296,835</u>

**Liabilities and Fund Balance**

Fund balance - restricted for street and bridge improvements	<u>\$ 296,835</u>
Total liabilities and fund balance	<u>\$ 296,835</u>

Village of Inverness, Illinois

Nonmajor Governmental Fund - Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2019

	Original and Final Budget	Actual
Revenues		
Intergovernmental - motor fuel tax allotments	\$ 195,000	\$ 193,999
Interest	1,000	20,615
Total revenues	<u>196,000</u>	<u>214,614</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	196,000	214,614
Other financing uses		
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>
Net change in fund balance	<u>\$ (4,000)</u>	14,614
Fund balance - beginning		<u>282,221</u>
Fund balance - ending		<u>\$ 296,835</u>

## **Major Debt Service Fund**

Village of Inverness, Illinois

Bond Fund

Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2019

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 802,000	\$ 807,317
Interest	10	30
Total revenues	<u>802,010</u>	<u>807,347</u>
Expenditures		
Debt service		
Principal	670,000	670,000
Interest	132,000	132,000
Issuance costs	500	-
Total expenditures	<u>802,500</u>	<u>802,000</u>
Net change in fund balance	<u>\$ (490)</u>	5,347
Fund balance - beginning		<u>659,390</u>
Fund balance - ending		<u>\$ 664,737</u>

Village of Inverness

**Schedule of Long-term Debt Requirements**  
**General Obligation Refunding Bond, Series 2017**  
**April 30, 2019**

Date of Issue	May 11, 2017
Date of Maturity	December 1, 2023
Amount of Issue	\$5,070,000
Denomination of Bonds	\$5,000
Interest Rates	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	U.S. Bank National Association, Chicago, Illinois

Future Principal and Interest Requirements

Fiscal Year Ending April 30,	Requirements			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2020	690,000	111,900	801,900	2019	55,950	2019	55,950
2021	720,000	91,200	811,200	2020	45,600	2020	45,600
2022	745,000	69,600	814,600	2021	34,800	2021	34,800
2023	775,000	47,250	822,250	2022	23,625	2022	23,625
2024	800,000	24,000	824,000	2023	12,000	2023	12,000
Total	<u>\$ 3,730,000</u>	<u>\$ 343,950</u>	<u>\$ 4,073,950</u>		<u>\$ 171,975</u>		<u>\$ 171,975</u>

**Statistical Section (Unaudited)**



**Village of Inverness, Illinois**

**Net Position  
Last Ten Fiscal Years**

	2010	2011	2012	2013
Governmental activities				
Investment in capital assets	\$ 4,980,978	\$ 4,920,031	\$ 4,901,442	\$ 4,869,369
Restricted	4,685,356	2,879,594	1,383,565	1,025,721
Unrestricted	<u>(1,887,163)</u>	<u>(1,268,140)</u>	<u>(941,217)</u>	<u>(25,861)</u>
Total governmental activities	<u>\$ 7,779,171</u>	<u>\$ 6,531,485</u>	<u>\$ 5,343,790</u>	<u>\$ 5,869,229</u>

Source: The Village's Annual Financial Report

2014	2015	2016	2017	2018	2019
\$ 5,007,248	\$ 4,937,727	\$ 4,894,623	\$ 4,858,086	\$ 4,817,170	\$ 4,786,974
1,106,465	275,793	271,795	278,388	282,221	296,835
547,636	2,423,635	3,572,562	4,190,036	5,335,623	6,235,624
<u>\$ 6,661,349</u>	<u>\$ 7,637,155</u>	<u>\$ 8,738,980</u>	<u>\$ 9,326,510</u>	<u>\$ 10,435,014</u>	<u>\$ 11,319,433</u>

**Village of Inverness, Illinois**

**Changes in Net Position  
Last Ten Fiscal Years**

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities				
General government	\$ 936,934	\$ 910,747	\$ 958,619	\$ 905,429
Public safety	1,416,729	1,477,997	1,505,922	1,560,549
Public works	5,272,411	2,456,936	2,815,825	1,108,385
Interest	355,663	344,674	328,217	314,083
Total governmental activities expenses	7,981,737	5,190,354	5,608,583	3,888,446
<b>Program revenues</b>				
Governmental activities				
Charges for services	393,964	397,210	507,836	528,034
Operating grants and contributions	170,325	205,546	219,618	210,226
Total governmental activities program revenues	564,289	602,756	727,454	738,260
<b>General revenue and other changes in net position</b>				
Governmental activities				
Property taxes	2,524,506	2,469,792	2,702,406	2,708,911
Other taxes	662,669	682,804	793,810	888,949
Annexation fees/grant proceeds	1,500	4,500	10,500	12,000
Franchise fees	123,238	130,623	166,168	154,755
Investments income	38,305	24,275	10,133	11,659
Miscellaneous	30,720	27,945	10,417	10,070
Total governmental activities	3,380,938	3,339,939	3,693,434	3,786,344
<b>Total change in net position</b>	<b>\$ (4,036,510)</b>	<b>\$ (1,247,659)</b>	<b>\$ (1,187,695)</b>	<b>\$ 636,158</b>

Source: The Village's Annual Financial Report

2014	2015	2016	2017	2018	2019
\$ 1,069,534	\$ 884,420	\$ 969,289	\$ 1,052,914	\$ 768,430	\$ 632,049
1,631,912	1,658,237	1,663,732	1,626,253	1,684,226	1,738,465
705,856	808,374	666,747	1,106,794	926,851	1,450,810
286,607	269,073	248,601	228,976	202,218	83,863
3,693,909	3,620,104	3,548,369	4,014,937	3,581,725	3,905,187
466,395	435,625	470,300	381,112	416,428	341,708
242,695	221,818	195,565	193,857	195,152	193,999
709,090	657,443	665,865	574,969	611,580	535,707
2,675,886	2,743,516	2,785,507	2,811,769	2,775,548	2,800,516
912,786	985,749	998,167	960,422	999,887	1,062,489
15,000	18,750	-	-	-	-
159,960	166,425	172,185	177,613	183,110	176,370
6,719	5,474	10,247	37,970	96,008	187,917
6,588	11,968	18,223	39,724	24,096	26,607
3,776,939	3,931,882	3,984,329	4,027,498	4,078,649	4,253,899
\$ 792,120	\$ 969,221	\$ 1,101,825	\$ 587,530	\$ 1,108,504	\$ 884,419

**Village of Inverness, Illinois**

**Fund Balances of Government Funds  
Last Ten Fiscal Years**

	2010	2011	2012	2013
General Fund				
Assigned				
Solid Waste Program	\$ -	\$ -	\$ 511,721	\$ 572,728
Street and bridge improvements	4,649,112	2,813,973	308,582	322,713
Unassigned	4,944,886	5,102,018	5,351,473	5,769,743
Total General Fund	<u>\$ 9,593,998</u>	<u>\$ 7,915,991</u>	<u>\$ 6,171,776</u>	<u>\$ 6,665,184</u>
All other governmental funds				
Restricted - street and bridge improvements	\$ 601,002	\$ 698,413	\$ 627,741	\$ 191,638
Restricted - debt service	418,616	450,128	490,356	539,486
Total All Other Governmental Funds	<u>\$ 1,019,618</u>	<u>\$ 1,148,541</u>	<u>\$ 1,118,097</u>	<u>\$ 731,124</u>
Total Governmental Funds	<u><u>\$ 10,613,616</u></u>	<u><u>\$ 9,064,532</u></u>	<u><u>\$ 7,289,873</u></u>	<u><u>\$ 7,396,308</u></u>

Source: The Village's Annual Financial Report

2014	2015	2016	2017	2018	2019
\$ 572,728	\$ 572,728	\$ 572,728	\$ 572,728	\$ 572,728	\$ 572,728
332,713	322,713	322,713	322,713	322,713	322,713
5,772,649	6,180,972	6,781,337	6,771,229	7,526,759	7,630,228
\$ 6,678,090	\$ 7,076,413	\$ 7,676,778	\$ 7,666,670	\$ 8,422,200	\$ 8,525,669
\$ 253,927	\$ 275,793	\$ 271,795	\$ 278,388	\$ 282,221	\$ 296,835
557,659	594,137	639,786	674,626	659,390	664,737
\$ 811,586	\$ 869,930	\$ 911,581	\$ 953,014	\$ 941,611	\$ 961,572
\$ 7,489,676	\$ 7,946,343	\$ 8,588,359	\$ 8,619,684	\$ 9,363,811	\$ 9,487,241

**Village of Inverness, Illinois**

**Changes in Fund Balances of Government Funds  
Last Ten Fiscal Years**

	2010	2011	2012	2013
Revenues				
Taxes				
Property taxes	\$ 3,035,641	\$ 2,546,186	\$ 2,586,845	\$ 2,669,403
Other taxes	662,669	676,093	-	-
Sales taxes	-	-	53,254	62,829
Income and use taxes	-	-	734,874	817,387
Replacement taxes	-	-	4,986	4,582
Grants	-	5,498	5,457	-
Charges for services	219,879	203,401	257,914	212,296
Licenses and permits	146,337	176,786	230,259	300,093
Fines and forfeitures	27,748	17,023	19,663	15,645
Intergovernmental	170,325	200,048	214,161	210,226
Annexation fees	1,500	4,500	10,500	12,000
Franchise fees	123,238	130,623	166,168	154,755
Interest	38,305	24,275	10,133	11,659
Miscellaneous	30,720	27,945	10,417	10,070
Total revenues	<u>4,456,362</u>	<u>4,012,378</u>	<u>4,304,631</u>	<u>4,480,945</u>
Expenditures				
Current				
General government	875,222	836,155	857,878	833,260
Public safety	1,363,526	1,413,148	1,474,814	1,539,548
Public works	946,100	806,451	638,118	643,356
Debt service				
Principal retirement	478,008	482,271	495,504	520,895
Interest expense	339,962	340,468	325,879	310,439
Issuance costs	-	-	-	-
Capital outlay	4,401,714	1,682,967	2,287,097	527,012
Total expenditures	<u>8,404,532</u>	<u>5,561,460</u>	<u>6,079,290</u>	<u>4,374,510</u>
Excess (deficiency) of revenues over expenditures	<u>(3,948,170)</u>	<u>(1,549,082)</u>	<u>(1,774,659)</u>	<u>106,435</u>
Other financing sources (uses)				
Capital lease issuance	22,851	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Transfers in	-	155,324	170,800	160,000
Transfers out	(155,324)	(170,800)	(160,000)	(149,117)
Total other financing sources (uses)	<u>(132,473)</u>	<u>(15,476)</u>	<u>10,800</u>	<u>10,883</u>
Net change in fund balances	<u>\$ (4,080,643)</u>	<u>\$ (1,564,558)</u>	<u>\$ (1,763,859)</u>	<u>\$ 117,318</u>
Debt service as a percentage of noncapital expenditures	0.257	0.269	0.276	0.276

Source: The Village's Annual Financial Report

2014	2015	2016	2017	2018	2019
\$ 2,658,159	\$ 2,736,441	\$ 2,817,524	\$ 2,856,489	\$ 2,866,046	\$ 2,726,392
-	-	-	-	-	-
69,011	72,262	65,923	75,216	80,825	67,898
836,155	894,911	927,618	780,900	1,013,931	989,940
4,802	5,025	4,626	5,138	4,299	4,651
-	18,750	-	-	-	-
193,150	181,643	173,658	159,886	199,324	148,510
258,264	228,731	259,408	204,528	202,197	176,194
14,981	25,251	37,234	16,698	14,907	17,004
242,695	221,818	195,565	193,857	195,152	193,999
15,000	-	-	-	-	-
159,960	166,425	172,185	177,613	183,110	176,370
6,719	5,474	10,247	37,970	96,008	187,917
6,588	11,964	18,223	39,724	24,096	26,607
4,465,484	4,568,695	4,682,211	4,548,019	4,879,895	4,715,482
908,190	808,542	854,432	909,581	644,255	583,215
1,612,716	1,626,443	1,625,949	1,591,528	1,642,316	1,704,119
696,335	808,374	666,747	1,106,794	926,851	1,450,810
540,000	565,000	590,000	620,000	5,915,000	670,000
294,570	277,830	259,185	238,535	198,886	132,000
-	-	-	-	80,553	-
330,305	15,839	43,882	50,186	53,117	51,908
4,382,116	4,102,028	4,040,195	4,516,624	9,460,978	4,592,052
83,368	466,667	642,016	31,395	(4,581,083)	123,430
-	-	-	-	-	-
-	-	-	-	5,070,000	-
-	-	-	-	255,141	-
149,117	170,000	200,000	200,000	200,000	200,000
(170,000)	(200,000)	(200,000)	(190,000)	(200,000)	(200,000)
(20,883)	(30,000)	-	10,000	5,325,141	-
\$ 62,485	\$ 436,667	\$ 642,016	\$ 41,395	\$ 744,058	\$ 123,430
0.259	0.260	0.270	0.238	0.657	0.176



**Village of Inverness, Illinois**

**Assessed Value and Actual Value of Taxable Property  
Last Ten Levy Years**

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Railroad
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	\$ 492,926,037	\$ 12,072	\$ 12,562,703	\$ 6,279,518	\$ 20,565
2012	454,072,705	11,632	10,261,078	4,946,929	23,269
2013	410,002,108	11,283	8,489,979	4,224,929	28,755
2014	417,253,105	37,849	15,308,017	88,229	29,986
2015	404,370,974	37,296	14,086,158	86,390	36,012
2016	475,502,202	41,530	13,717,350	102,418	36,643
2017	484,587,840	41,864	14,404,571	108,245	37,386
2018	468,997,204	41,288	14,598,941	106,353	40,175

N/A - Information not readily available

Source: Cook County, Office of the County Clerk

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
\$ 628,948,084	3.88	\$ 2,440,318,566	33.333%
569,891,309	4.29	2,444,833,716	33.333%
511,800,895	4.96	2,538,532,439	33.333%
469,315,613	5.42	2,543,690,622	33.333%
422,757,054	6.23	2,633,776,446	33.333%
432,717,186	6.20	2,682,846,553	33.333%
418,616,830	6.48	2,712,637,058	33.333%
489,400,143	5.56	2,721,064,795	33.333%
499,179,906	5.34	2,665,620,698	33.333%
483,783,961	5.51	2,665,649,625	33.333%

**Village of Inverness, Illinois**

**Director and Overlapping Property Tax Rates  
Last Ten Levy Years**

	2009	2010	2011	2012
<b>Tax Rates</b>				
Village of Inverness				
Corporate (Police Protection)	0.253	0.279	0.326	0.355
Debt Service	0.135	0.150	0.170	0.187
Total Village of Inverness	0.388	0.429	0.496	0.542
<b>School Districts</b>				
School District #15	2.307	2.603	2.943	3.269
Palatine Township High School District #211	1.916	2.204	2.482	2.772
Unit School District #220	3.036	3.343	3.788	4.292
Harper Community College District #512	0.258	0.295	0.334	0.373
<b>Fire Protection Districts</b>				
Barrington Countryside Fire Protection District	0.330	0.365	0.418	0.469
Palatine Rural Fire Protection District	0.643	0.742	0.830	0.857
<b>Park Districts</b>				
Barrington Hills Park District				
Palatine Park District	0.408	0.468	0.517	0.574
Inverness Park District	0.132	0.154	0.174	0.195
South Barrington Park District				
<b>Library District</b>				
Barrington Public Library District	0.157	0.172	0.195	0.223
Palatine Public Library District				
<b>County</b>				
County of Cook	0.394	0.423	0.462	0.531
Forest Preserve	0.049	0.051	0.058	0.063
Consolidated Elections	0.021	-	0.025	-
<b>Townships</b>				
Palatine Township	0.103	0.119	0.135	0.145
Barrington Township	0.022	0.023	0.026	0.029
<b>Other Districts</b>				
Northwest Mosquito Abatement District	0.008	0.009	0.010	0.011
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370

Source: Cook County, Office of the County Clerk

Tax Levy Year					
2013	2014	2015	2016	2017	2018
0.413	0.414	0.432	0.369	0.365	0.377
0.210	0.206	0.216	0.186	0.169	0.174
0.623	0.620	0.648	0.556	0.534	0.551
3.849	3.868	4.035	3.543	3.618	3.807
3.197	3.213	3.309	2.871	2.922	3.044
4.807	4.953	5.126	4.538	4.560	4.853
0.444	0.451	0.466	0.416	0.425	0.443
0.530	0.540	0.565	0.482	0.485	0.520
0.991	1.042	1.093	0.949	0.963	1.022
	0.054	0.057	0.048	0.048	0.052
0.680	0.696	0.725	0.648	0.657	0.693
0.222	0.212	0.217	0.190	0.187	0.198
				0.214	0.213
0.248	0.258	0.266	0.231	0.230	0.248
	0.696	0.308	0.268	0.276	0.291
0.560	0.568	0.552	0.533	0.496	0.489
0.069	0.069	0.069	0.063	0.062	0.060
0.031	-	0.034	0.000	0.031	0.000
0.167	0.166	0.173	0.145	0.143	0.146
0.033	0.033	0.034	0.031	0.032	0.033
0.013	0.013	0.011	0.010	0.010	0.011
0.417	0.430	0.426	0.406	0.402	0.396

**Village of Inverness, Illinois**

**Property Tax Assessed Valuations, Rates,  
Extensions and Collections  
April 30, 2019**

Year	2018	2017	2016	2015	2014
Assessed valuation	\$ 483,783,961	\$ 499,179,906	\$ 489,400,143	\$ 418,616,830	\$ 432,717,186
Tax rate per \$100 of assessed valuation					
Corporate	0.3769	0.3653	0.3694	0.4318	0.4232
Bonds	0.1740	0.1687	0.1857	0.2154	0.2061
	0.5509	0.5340	0.5551	0.6472	0.6293
Extensions					
Corporate	1,823,358	1,823,358	1,807,650	1,807,650	1,788,080
Bonds	841,995	842,100	908,875	901,462	891,644
	2,665,353	2,665,458	2,716,525	2,709,112	2,679,724
Collections					
Corporate	964,311	1,787,451	1,802,612	1,789,242	1,762,669
Bonds	436,820	825,517	906,342	892,282	878,973
	1,401,131	2,612,968	2,708,954	2,681,524	2,641,642

Year	2013	2012	2011	2010	2009
Assessed valuation	\$ 422,757,054	\$ 469,315,613	\$ 511,800,895	\$ 569,891,309	\$ 628,948,084
Tax rate per \$100 of assessed valuation					
Corporate	0.4130	0.3553	0.3260	0.2785	0.2530
Bonds	0.2100	0.1867	0.1700	0.1501	0.1350
	0.6230	0.5420	0.4960	0.4286	0.3880
Extensions					
Corporate	1,746,365	1,667,364	1,667,364	1,587,230	1,587,230
Bonds	884,972	876,299	866,271	855,456	849,261
	2,631,337	2,543,663	2,533,635	2,442,686	2,436,491
Collections					
Corporate	1,717,814	1,639,263	1,639,885	1,561,111	1,542,752
Bonds	870,504	861,530	851,994	841,379	825,462
	2,588,318	2,500,793	2,491,879	2,402,490	2,368,214

Source: Office of the Cook County Treasurer

**Village of Inverness, Illinois**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less Resources Restricted to Repayment of GO bonds	Total	Percentage of Assessed Taxable Value of Property	Debt Per Capita
2010	\$ 9,035,000	\$ 418,616	\$ 8,616,384	1.44%	\$ 1,221
2011	8,565,000	450,128	8,114,872	1.50%	1,155
2012	8,075,000	490,356	7,584,644	1.58%	1,083
2013	7,560,000	539,486	7,020,514	1.61%	1,043
2014	7,020,000	557,659	6,462,341	1.66%	934
2015	6,455,000	594,137	5,860,863	1.49%	869
2016	5,865,000	639,786	5,225,214	1.40%	748
2017	5,250,941	674,626	4,576,315	1.07%	680
2018	4,618,692	659,390	3,959,302	0.93%	598
2019	3,908,930	664,737	3,244,193	0.81%	506

Source: The Village's Annual Financial Report

**Village of Inverness, Illinois**

**Direct and Overlapping Governmental Activities Debt  
As of April 30, 2019**

Governmental Unit	Debt	Percentage Debt Applicable to the Village of Inverness	Village of Inverness Share of Debt
Direct bonded debt			
Village of Inverness	<u>\$ 3,908,930</u>	100.00%	<u>\$ 3,908,930</u>
Overlapping bonded debt			
School District #15	44,301,452	9.23%	4,089,024
Palatine Township High School District #211	3,449,170	4.28%	147,624
Unit School District #220	32,117,000	5.58%	1,792,129
Harper Community College District #512	155,687,252	2.56%	3,985,594
Barrington Countryside Fire Protection District	550,000	12.61%	69,355
Palatine Rural Fire Protection District	137,500	76.93%	105,779
Palatine Park District	15,475,000	4.00%	619,000
Inverness Park District	193,000	100.00%	193,000
South Barrington Park District	6,580,000	0.08%	5,264
County of Cook	3,394,694,079	0.31%	10,523,552
Metropolitan Water Reclamation District	<u>3,088,865,000</u>	0.03%	<u>926,660</u>
Total overlapping bonded debt	<u>6,742,049,453</u>		<u>22,456,980</u>
Total direct and overlapping bonded debt	<u>\$ 6,745,958,383</u>		<u>\$ 26,365,910</u>

Source: Cook County, Office of the County Clerk

**Village of Inverness, Illinois**

**Schedule of Legal Debt Margin**

**April 30, 2019**

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The Village is a home-rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:....indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum....shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home-rule municipalities.



## Village of Inverness, Illinois

### Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Household Income	Per Capita Income	Unemployment Rate
2010	7,399	\$ 142,250	\$ 66,744	6.0%
2011	7,417	141,146	73,046	7.1%
2012	7,457	151,707	77,037	8.5%
2013	7,245	152,993	87,199	7.7%
2014	7,516	156,938	91,623	7.4%
2015	7,431	161,838	89,974	5.8%
2016	7,844	172,949	87,950	4.4%
2017	7,723	173,838	85,572	2.3%
2018	7,723	173,838	85,572	2.3%
2019	7,723	173,838	85,572	2.3%

#### Sources:

Population information provided by the U.S. Census Bureau

Per capita information provided by the American Community Survey

Unemployment data provided by Illinois Department of Employment Security (IDES)

**Village of Inverness, Illinois**

**Operating Indicators  
Last Ten Fiscal Years**

	2010	2011	2012	2013
<b>Police Department</b>				
Calls for Service	N/A	N/A	N/A	2,222
Accidents	N/A	N/A	N/A	133
Alarms	N/A	N/A	N/A	442
Arrests	N/A	N/A	N/A	38
Citations	N/A	N/A	N/A	2,110
Fire Assists	N/A	N/A	N/A	414
Patrol Miles	N/A	N/A	N/A	112,844
<b>Building Department</b>				
SF Res. (New, Demo/Rebuild)	N/A	N/A	N/A	-
SF Res. (Add/Alt)	N/A	N/A	N/A	-
Commerical (New, Add, Misc.)	N/A	N/A	N/A	-
Misc. (Deck, Pools, Gen)	N/A	N/A	N/A	-
Engineering Misc	N/A	N/A	N/A	-
Number of Permits (Total)	N/A	N/A	N/A	114
Value of construction	N/A	N/A	N/A	\$ 23,005,969
Total Number of Inspections	N/A	N/A	N/A	613
<b>General Government</b>				
FOIA Requests	N/A	N/A	N/A	-
Regular	N/A	N/A	N/A	-
Average Response Time (days)	N/A	N/A	N/A	-
Commercial	N/A	N/A	N/A	-
Average Response Time (days)	N/A	N/A	N/A	-
Business Licenses	N/A	N/A	N/A	21
Vehicle Stickers Issued	N/A	N/A	N/A	-
Scavenger Licenses Issued	N/A	N/A	N/A	-
Dog Tags Issued	N/A	N/A	N/A	978
Utility Permits Issued	N/A	N/A	N/A	-
Ordinances Adopted	N/A	N/A	N/A	12
Resolutions Adopted	N/A	N/A	N/A	11
<b>Refuse/Recycling/Yard Waste</b>				
Refuse Collected (tons)	N/A	N/A	N/A	2,536.97
Recycling Collected (tons)	N/A	N/A	N/A	1,260.57
Yard Waste Collected (tons)	N/A	N/A	N/A	341.07
<b>Programs</b>				
Salt Purchases (tons)	N/A	N/A	N/A	1,123.89

N/A - Information not readily available

Source: Various Village departments

2014	2015	2016	2017	2018	2019
2,153	2,145	2,047	2,004	1,865	2,024
133	134	149	126	124	146
498	474	448	444	393	412
27	26	34	22	5	7
2,046	2,599	2,634	2,342	2,682	2,475
412	417	424	459	468	460
113,398	36,375	24,264	96,707	106,664	110,019
-	-	-	-	4	3
-	-	-	-	37	35
-	-	-	-	1	-
-	-	-	-	47	47
-	-	-	-	21	21
94	93	114	105	119	106
\$ 16,199,745	\$ 14,920,186	\$ 14,234,693	\$ 7,732,019	\$ 8,451,165	\$ 6,648,747
620	480	530	543	525	573
-	102	108	89	88	119
-	75	82	67	69	101
-	1.47	1.67	1.30	1.39	1.78
-	27	26	22	19	18
-	1.81	6.17	7.77	8.95	8.61
22	23	27	29	34	37
5,986	5,425	5,377	5,413	5,373	5,402
11	9	9	7	6	6
929	881	860	851	862	834
37	46	44	42	30	16
14	12	6	12	13	9
14	16	15	14	13	13
2,636.94	2,711.70	2,707.55	2,574.92	2,526.16	991.01
1,333.36	1,355.92	1,338.15	1,213.79	1,193.92	426.89
428.88	365.07	348.55	337.53	295.34	161.23
1,903.63	908.51	999.67	593.09	1,262.55	1,547.42

**Village of Inverness, Illinois**

**Full-Time Equivalent Employees  
Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elected Officials										
Full-Time	1	1	1	1	1	1	1	1	1	1
Part-Time	7	7	7	7	7	7	7	7	7	7
Administration										
Full-Time	2	2	2	2	2	2	2	2	2	2
Part-Time	2	2	2	2	2	2	2	2	2	1
Building Department										
Full-Time	2	2	2	2	2	2	2	2	1	1
Part-Time	0	0	0	0	0	0	0	0	0	0
Police Department										
Sworn-FT	12	12	12	12	12	12	12	12	12	12
Sworn-PT	2	2	2	2	2	2	2	2	2	2
Nonsworn-FT	1	1	1	1	1	1	1	2	2	2
Nonsworn-PT	0	0	0	0	0	1	1	0	0	0

Source: Village Records

**Village of Inverness, Illinois**

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Vehicles</b>										
Marked Patrol Units	4	4	4	4	4	4	4	4	4	4
Unmarked Patrol Units	2	2	2	2	2	2	2	2	2	3
Civil Vehicle	1	1	1	1	0	0	0	0	0	0
<b>Building/Land</b>										
Village Hall	1	1	1	1	1	1	1	1	1	1
Annex Building/Police Department	1	1	1	1	1	1	1	1	1	1
Veteran's Memorial	1	1	1	1	1	1	1	1	1	1
Vacant Land (acres)	88.15	88.15	88.15	88.15	88.15	88.15	88.15	88.15	88.15	88.15

Data Source: Various Village Departments