



Village of Inverness, Illinois



# Comprehensive Annual Financial Report Fiscal Year 2020

May 1, 2019 to April 30, 2020

# **Village of Inverness, Illinois**

Comprehensive Annual Financial Report  
Fiscal Year Ended April 30, 2020

Prepared by: Sam Trakas, Village Administrator

# Village of Inverness, Illinois

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**Village of Inverness, Illinois**

**Principal Officials**  
**April 30, 2020**

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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 TREASURER**

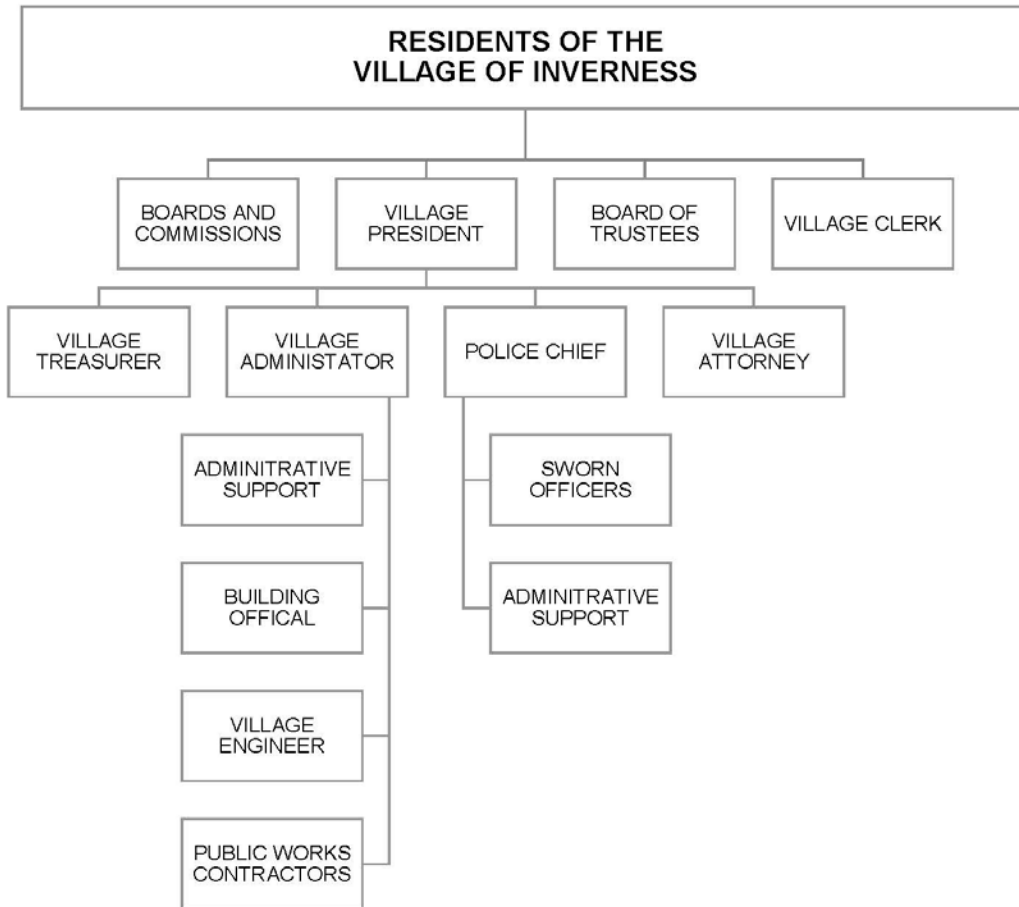
Kenneth Klein

**VILLAGE STAFF**

Sam Trakas, Village Administrator

Bob Haas, Police Chief

VILLAGE OF INVERNESS  
ORGANIZATIONAL CHART





# Village of Inverness

1400 Baldwin Road • Inverness, Illinois 60067  
847/358-7740 • Fax 847/358-8858

October 6, 2020

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

**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, the Comprehensive Annual Financial Report of the Village of Inverness, Illinois (Village) for the fiscal year ended April 30, 2020 is hereby published. The Annual Financial Report is an annual report on the Village's financial position and activity presented in conformance with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants. Management is responsible for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures.

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, 2020 is hereby published to fulfill that requirement.

The Village's financial statements for the year ended April 30, 2020 have been audited by RSM US LLP, Certified Public Accounts. The independent auditors has issued an unmodified ("clean") opinion concluding the financial statements have 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis (MD&A), a narrative introduction, overview and analysis to accompany the basic financial statements 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 are a major source of the Village's general operating revenue. The annual property tax levy is equal to the budgeted 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 Tax accounts for approximately 50% of Village 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% of the net collections of all income tax received from individuals, trusts, and estates, and 6.85% 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 for 30% of Village revenue.

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

#### National and State Economic Conditions

At the end of calendar year 2019, the National and State economies were trending positively, with private-sector industries growing and the unemployment rate decreasing. However, both economies suffered a rapid slowdown due to COVID-19, see below for more information. Presently, there is uncertainty for the future economy due to the current national political climate and uncertainty about the duration and impact of efforts to contain the virus.

**Coronavirus (COVID-19):** As the Village neared the end of Fiscal Year 2020, the events of an epidemic from the coronavirus began to emerge overseas. On March 9, 2020, Illinois Governor Pritzker proclaimed a disaster to assist and coordinate the response to this public health emergency. Shortly after the proclamation, Governor Pritzker began to issue executive orders to reduce the spread of COVID-19 by banning large gatherings, closing schools, and bars and restaurants. A Stay-at-Home order, effective March 21, was issued requiring residents to stay at home, providing social distance requirements and limiting business to only essential businesses and operations. This halt of the State and the local economy began to have short and long-term impact on the Village's finances.

Due to the conservative fiscal management of the Mayor and Village Board, the Village established and maintained a healthy fund balance in the event for such an unplanned and unexpected emergency.

#### **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 accomplishments for this fiscal year.

**Emergency Management and Training:** The events of COVID-19 have shown the importance of Emergency Management and how the Village was prepared or ill-prepared for this type of disaster. For the past several years, the Village, along with our neighboring communities, have been training and preparing for a natural disaster, such as tornado or winter storm, which would impact a specific geographical area. This training relied on the shared support services, from other communities, counties, states, and the federal government.

The Village's previous emergency planning and training assisted the Village in modifying our daily operations to protect our Police Officers, Village Staff, and residents to reduce the spread of COVID-19, without impacting the services provided to our community.

**Neighborhood Storm Water Management Assistance:** The Village Engineer and Village Administrator continue to meet with neighborhood groups to provide assistance in 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. This project was scheduled to be completed in FY 2020; however, due to COVID-19, the project was delayed and is expected to "Go-Live" in January 2021.

**Storm Ready Community:** In the second quarter of FY 20, representatives from National Weather Service, Illinois Emergency Management Agency (IEMA), Illinois Emergency Management Services Association (IESMA), Cook County Department of Homeland Security and Emergency Management visited Inverness, and our Joint Emergency Agency partners to perform the final evaluations in the process for becoming StormReady communities. In October, the National Weather Service certified Inverness as a StormReady Community, along with the other 7 communities.

To be an official, StormReady Community, a national recognition developed by the National Weather Service, a community must:

- Establish a 24-hour warning point and emergency operations center
- Have more than one way to receive severe weather warnings and forecasts and to alert the public
- Create a system that monitors weather conditions locally

- Promote the importance of public readiness through community seminars
- Develop a formal hazardous weather plan, which includes training severe weather spotters and holding emergency exercises.

### **Awards**

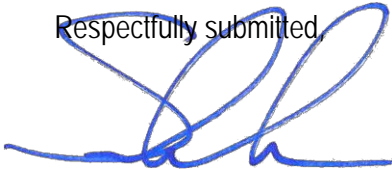
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial (CAFR) reports to encourage local governments to go beyond minimum reporting requirements. In order to be awarded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

The Village of Inverness will be submitting its first CAFR for consideration of the GFOA Certificate of Achievement for Excellence in Financial Reporting award. I believe our current CAFR meets the GFOA Certificate of Achievement program's requirements for consideration for this year's award.

### **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,



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, 2020, 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, 2020, 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), pension information (pages 37 - 38) and budgetary comparison information (page 39) and the notes to the required supplementary information 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 6, 2020

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

## **Village of Inverness, Illinois**

### **Management's Discussion and Analysis For the Fiscal Year Ended April 30, 2020**

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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 \$858,123 or 7.58% as a result of this year's operations. The Village does not conduct any business-type activities.

##### **Revenues**

The governmental activities revenues totaled \$4,823,492.

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

The governmental activities expenses totaled \$3,965,369.

##### **General Fund**

The General Fund reported revenues of \$3,651,375 and expenditures of \$3,816,068, resulting in a net decrease in fund balance of \$164,693, 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, 2020

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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, franchise fees 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 of resources exceed liabilities and deferred inflows of resources. 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 \$12,177,556 as of April 30, 2020. This is an increase of \$858,123 or 7.58% over the prior year.

#### Summary Statement of Net Position As of April 30, 2020 and 2019

	Governmental Activities			
	2020	2019	Change	% Change
Current and other assets	\$ 11,466,046	\$ 11,200,737	\$ 265,309	2.37%
Capital assets	4,708,172	4,786,974	(78,802)	-1.65%
<b>Total assets</b>	<b>16,174,218</b>	<b>15,987,711</b>	<b>186,507</b>	<b>1.17%</b>
<b>Deferred Outflows of Resources</b>	<b>84,437</b>	<b>252,411</b>	<b>(167,974)</b>	<b>-66.55%</b>
Current liabilities	1,287,461	1,203,089	84,372	7.01%
Noncurrent liabilities	2,671,210	3,658,198	(986,988)	-26.98%
<b>Total liabilities</b>	<b>3,958,671</b>	<b>4,861,287</b>	<b>(902,616)</b>	<b>-18.57%</b>
<b>Deferred Inflows of Resources</b>	<b>122,428</b>	<b>59,402</b>	<b>63,026</b>	<b>106.10%</b>
Net Position:				
Investment in capital assets	4,708,172	4,786,974	(78,802)	-1.65%
Restricted	393,356	296,835	96,521	32.52%
Unrestricted	7,076,028	6,235,624	840,404	13.48%
<b>Total net position</b>	<b>\$ 12,177,556</b>	<b>\$ 11,319,433</b>	<b>\$ 858,123</b>	<b>7.58%</b>

## Village of Inverness, Illinois

### Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2020

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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. Additionally, at April 30, 2020, the Village has restricted net position of \$393,356, an increase of \$96,521 compared to the prior year. This amount is restricted for construction and maintenance of streets and bridges and is not available for general use.

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.

At April 30, 2020, the Village reports non-current liabilities of \$2,671,210, a decrease of \$986,988 compared to the prior year. The decrease is largely due to the principal payment of \$690,000 on debt as well as a decrease in the net pension liability of \$227,226 which is measured by an actuarial valuation as of December 31, 2020. That valuation also led to the corresponding decrease of \$167,974 in deferred outflows of resources and increase of \$63,026 in deferred inflows of resources for pension related deferrals.

Village of Inverness, Illinois

Management’s Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2020

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

Summary Statement of Activities  
Years Ended April 30, 2020 and 2019

	Governmental Activities			
	2020	2019	Change	% Change
<b>Revenues</b>				
Program Revenues				
Charges for service	\$ 333,449	\$ 341,708	\$ (8,259)	-2.42%
Grants and contributions				
Operating	274,575	193,999	80,576	41.53%
General Revenue				
Property taxes	2,786,058	2,800,516	(14,458)	-0.52%
Other taxes	1,065,312	1,062,489	2,823	0.27%
Franchise fees	169,645	176,370	(6,725)	-3.81%
Investment income	174,043	187,917	(13,874)	-7.38%
Miscellaneous	20,410	26,607	(6,197)	-23.29%
<b>Total Revenue</b>	<b>4,823,492</b>	<b>4,789,606</b>	<b>33,886</b>	<b>0.71%</b>
<b>Expenses</b>				
General Government	680,789	632,049	48,740	7.71%
Public Safety	1,785,693	1,738,465	47,228	2.72%
Public Works	1,435,374	1,450,810	(15,436)	-1.06%
Interest	63,513	83,863	(20,350)	-24.27%
<b>Total Expenses</b>	<b>3,965,369</b>	<b>3,905,187</b>	<b>60,182</b>	<b>1.54%</b>
<b>Change in Net Position</b>	<b>858,123</b>	<b>884,419</b>	<b>(26,296)</b>	<b>-2.97%</b>
<b>Net position - beginning</b>	<b>11,319,433</b>	<b>10,435,014</b>	<b>884,419</b>	<b>8.48%</b>
<b>Net position - ending</b>	<b>\$ 12,177,556</b>	<b>\$ 11,319,433</b>	<b>\$ 858,123</b>	<b>7.58%</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, 2020

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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, 2020, revenues from all governmental activities totaled \$4,823,492. This is a 0.71% increase or \$33,886 greater than the previous year. The increase is attributed to an increase in the Motor Fuel Tax, allocated by the State of Illinois.

#### Expenses

Total expenses for all governmental activities for the year ended April 30, 2020 were \$3,965,369. This is a 1.54% increase or \$60,182 greater than the previous year. This increase in expenses is the result of the escalation of the Village's general operating costs.

**Village of Inverness, Illinois**

**Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2020**

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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 \$9,629,615. This is a 1.50% increase from the prior year's ending combined fund balance of \$9,487,241.

Total revenues for Governmental Funds for fiscal year 2020 were \$4,760,342. This is an increase of \$44,860 over the prior year revenues. Motor Fuel Taxes (MFT) allotted by the State of Illinois increased \$80,576 compared to fiscal year 2019, offset by a decrease in overall General Fund revenues of \$42,146. The primary increase in Motor Fuel Taxes was the result of the new municipal share of the State's transportation renewal fund receipts which became effective on July 1, 2019. The Village received its first additional allotment from this new fund in September 2019.

The decrease in General Fund revenues were largely due to a decrease in property taxes, franchise fees and interest income which decreased by \$8,613, \$6,725 and \$15,175, respectively. In Fiscal Year 2020, the Illinois Funds, the Village's primary investment portfolio, began to see a rapid decline in the return on investment, from an average monthly yield of 2.25% in FY 19 to a monthly yield in April 2020 of 1.0%.

Total expenditures for Governmental Funds for the year ended April 30, 2020, were \$4,617,968, which was a slight increase of \$25,916 from expenditures of the previous year. The increases in 2020 when compared to 2019 occurred in the following areas; Police safety information technology expenses increased for the replacement of the desktop computers and an update to Windows 10 operating system (\$11,518); increased property maintenance costs due to the repair of the Village Hall sidewalk, lighting, and landscaping (\$20,982) and increased Public Work's street and bridge expenses related to the increased costs incurred for the street maintenance program (\$47,610). General Fund expenses decreased when compared to the prior year, largely due to a purchase of a police vehicles due to the delay in receiving a replacement vehicle (\$31,422) and Bonds and Insurance savings of \$5,960 in the Village's insurance risk pool cooperative.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)  
For the Fiscal Year Ended April 30, 2020

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General Fund Budgetary Highlights  
Year Ended April 30, 2020

<b>General Fund</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Over/ Under</b>
Revenues			
Property taxes	\$ 1,943,500	\$ 1,910,462	\$ (33,038)
Other taxes	968,500	1,065,312	96,812
Charges for services	150,000	143,461	(6,539)
Licenses and permits	183,500	176,934	(6,566)
Fines and forfeitures	15,000	13,054	(1,946)
Franchise fees	175,000	169,645	(5,355)
Interest	50,000	152,097	102,097
Miscellaneous	15,000	20,410	5,410
<b>Total</b>	<b>3,500,500</b>	<b>3,651,375</b>	<b>150,875</b>
Expenditures	4,357,125	3,816,068	541,057
Excess of expenditures over revenues	(856,625)	(164,693)	691,932
Other financing sources	870,000	200,000	(670,000)
<b>Change in Fund Balance</b>	<b>\$ 13,375</b>	<b>\$ 35,307</b>	<b>\$ 21,932</b>

General Fund Budgetary Highlights

As of April 30, 2020, actual revenues were \$150,875 more than budget projections. Actual expenditures were \$541,057 less than the approved budget. The reason for this is due to increased interest rates and additional income and use taxes received. The reduction of actual expenditure compared to the approved budget is related to conservative projection on possible fiscal year expenditures. In addition, during the fourth quarter, the Village suspended several capital improvement projects and purchases due to the unknown impact of COVID-19 on the Village finances.

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, 2020

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#### Capital Assets

At the end of fiscal year 2020, the Village had a combined total of capital assets (net of accumulated depreciation) of \$4,708,172 comprised of land, buildings, improvements other than buildings, vehicles and equipment. This amount represents a net decrease (including additions and deletions) of \$78,802 and is attributable to the annual depreciation amount. Additional information on the Village's capital asset activity is included in Note 4.

#### Capital Assets at Year-End Net of Depreciation April 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Land	\$ 3,597,208	\$ 3,597,208
Buildings	963,036	997,439
Improvements other than building	108,205	121,560
Vehicles and equipment	39,723	70,767
<b>Total</b>	<b>\$ 4,708,172</b>	<b>\$ 4,786,974</b>

#### Outstanding Debt

In December 2008, the Village issued \$9,500,000 in GO Bonds to pay the costs of 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. Additional information on the Village's outstanding debt, including debt service requirements through maturity, are included in Note 7. Property taxes have been pledged to pay principal and interest on these bonds.

#### 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 \$6,665,535. This is approximately 144.3% of annual 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 revenues.

The short- and long-term financial impact of the COVID-19 pandemic and associated stay-at-home order by the Illinois Governor has created an uncertainty on forecasting the impact on the Village's finances. Utilizing State projections, the Village is expecting a decrease of approximately 10% in Income Tax. However, the State Use Tax is expected to increase by over 5%. This increase is attributed to the start of on-line marketplace facilitators (Amazon) requirement to collect the State's 6.25% Use Tax. The COVID-19 pandemic changed the purchasing habits and behaviors of the consumer.

## **Village of Inverness, Illinois**

### **Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2020**

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The State's inability to solve its past financial crisis, and concerns about how the State will address its new future challenges, only intensifies the financial instability of the State of Illinois. 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 in its existing facilities, including Village Hall Silos, HVAC systems and the 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, 2020

	Governmental Activities
<b>Assets</b>	
Current	
Cash and investments	\$ 9,889,590
Receivables	
Property taxes	1,348,278
Intergovernmental	194,283
Accrued interest	50
Other	33,845
Total current assets	<u>11,466,046</u>
Noncurrent	
Capital assets (net of accumulated depreciation)	
Land	3,597,208
Buildings	963,036
Improvements other than buildings	108,205
Vehicles and equipment	39,723
Total noncurrent assets	<u>4,708,172</u>
Total assets	<u>16,174,218</u>
<b>Deferred Outflows of Resources</b>	
Pension related amounts	<u>84,437</u>
<b>Liabilities</b>	
Current	
Accounts payable	153,257
Compensated absences	24,167
Deposits payable	352,037
Interest payable	38,000
Bonds payable	720,000
Total current liabilities	<u>1,287,461</u>
Noncurrent	
Net pension liability	212,042
Bonds payable, net of unamortized premium of \$139,168	2,459,168
Total noncurrent liabilities	<u>2,671,210</u>
Total liabilities	<u>3,958,671</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>122,428</u>
<b>Net Position</b>	
Investment in capital assets	4,708,172
Restricted for streets and bridges	393,356
Unrestricted	<u>7,076,028</u>
Total net position	<u>\$ 12,177,556</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Activities  
Year Ended April 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government	\$ 680,789	\$ 176,934	\$ -	\$ (503,855)
Public safety	1,785,693	13,054	-	(1,772,639)
Public works	1,435,374	143,461	274,575	(1,017,338)
Interest	63,513	-	-	(63,513)
Total	<u>\$ 3,965,369</u>	<u>\$ 333,449</u>	<u>\$ 274,575</u>	<u>(3,357,345)</u>
		General revenues		
		Taxes		
			Property	2,786,058
			Personal property replacement	4,396
			Sales	72,418
			Income and use	988,498
			Franchise fees	169,645
			Investment income	174,043
			Miscellaneous	20,410
			Total general revenues	<u>4,215,468</u>
		Change in net position		858,123
		Net position - beginning		<u>11,319,433</u>
		Net position - ending		<u>\$ 12,177,556</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

Balance Sheet - Governmental Funds  
April 30, 2020

	General Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 8,849,023	\$ 669,155	\$ 371,412	\$ 9,889,590
Receivables				
Property taxes	945,266	403,012	-	1,348,278
Intergovernmental	172,339	-	21,944	194,283
Accrued interest	50	-	-	50
Other receivables	32,845	1,000	-	33,845
Total assets	<u>\$ 9,999,523</u>	<u>\$ 1,073,167</u>	<u>\$ 393,356</u>	<u>\$ 11,466,046</u>
<b>Liabilities</b>				
Accounts payable	\$ 153,257	\$ -	\$ -	\$ 153,257
Deposits payable	352,037	-	-	352,037
Total liabilities	<u>505,294</u>	<u>-</u>	<u>-</u>	<u>505,294</u>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes-unavailable	933,253	397,884	-	1,331,137
<b>Fund Balances</b>				
Restricted - street and bridge improvements	-	-	393,356	393,356
Restricted - debt service	-	675,283	-	675,283
Assigned				
Emergency disaster reserve	1,000,000	-	-	1,000,000
Solid waste program	572,728	-	-	572,728
Street and bridge improvements	322,713	-	-	322,713
Unassigned	6,665,535	-	-	6,665,535
Total fund balances	<u>8,560,976</u>	<u>675,283</u>	<u>393,356</u>	<u>9,629,615</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,999,523</u>	<u>\$ 1,073,167</u>	<u>\$ 393,356</u>	<u>\$ 11,466,046</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, 2020**

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Total fund balances-governmental funds	\$	9,629,615
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.		4,708,172
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 of resources		84,437
Deferred inflows of resources		(122,428)
Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.		1,331,137
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		(38,000)
Compensated absences		(24,167)
Net pension liability		(212,042)
Unamortized bond premium		(139,168)
Bonds payable		(3,040,000)
Net position of governmental activities	<u>\$</u>	<u>12,177,556</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2020

	General Fund	Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes				
Property taxes	\$ 1,910,462	\$ 812,446	\$ -	\$ 2,722,908
Sales taxes	72,418	-	-	72,418
Income and use taxes	988,498	-	-	988,498
Replacement taxes	4,396	-	-	4,396
Charges for services	143,461	-	-	143,461
Licenses and permits	176,934	-	-	176,934
Fines and forfeitures	13,054	-	-	13,054
Intergovernmental	-	-	274,575	274,575
Franchise fees	169,645	-	-	169,645
Interest	152,097	-	21,946	174,043
Miscellaneous	20,410	-	-	20,410
<b>Total revenues</b>	<b>3,651,375</b>	<b>812,446</b>	<b>296,521</b>	<b>4,760,342</b>
<b>Expenditures</b>				
Current				
General government	626,045	-	-	626,045
Public safety	1,733,150	-	-	1,733,150
Public works	1,435,374	-	-	1,435,374
Debt service				
Principal retirement	-	690,000	-	690,000
Interest expense	-	111,900	-	111,900
Capital outlay	21,499	-	-	21,499
<b>Total expenditures</b>	<b>3,816,068</b>	<b>801,900</b>	<b>-</b>	<b>4,617,968</b>
Excess (deficiency) of revenues over expenditures	(164,693)	10,546	296,521	142,374
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>
<b>Net change in fund balances</b>	<b>35,307</b>	<b>10,546</b>	<b>96,521</b>	<b>142,374</b>
Fund balances - beginning	8,525,669	664,737	296,835	9,487,241
<b>Fund balances - ending</b>	<b>\$ 8,560,976</b>	<b>\$ 675,283</b>	<b>\$ 393,356</b>	<b>\$ 9,629,615</b>

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, 2020**

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Net change in fund balances-total governmental funds	\$ 142,374
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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 (\$0) was exceeded by depreciation (\$78,802). (78,802)

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	690,000
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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	63,150
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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	8,625
Increase in compensated absences payable	(3,212)
Changes in net pension liability and related pension amounts	(3,774)

Change in net position of governmental activities	<u>\$ 858,123</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 10 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. SWANCC is governed by a Board of Directors which consists of the Mayor or Board President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board of Directors.

##### **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 Statement of Activities.

**Interfunds**

The Village has the following type of transaction between funds:

**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.

## Village of Inverness, Illinois

### Notes to Financial Statements

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

##### 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 year the debt is issued. 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) 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.

In the governmental funds, it is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. assigned or unassigned) resources are available, followed by assigned fund balances. Unassigned amounts are used only after the other resources have been used.

#### Note 2. 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.

##### *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, 2020, none of the Village's deposits were uninsured and uncollateralized.

##### *Interest Rate Risk.*

As of April 30, 2020, the Village had the following investments and maturities.

Investment Type	Carrying Value
Illinois Funds	<u>\$ 8,552,373</u>

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 2. Investments (Continued)

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, 2020, the Illinois Funds Investment Pool was rated AAAm by Standard & Poor's.

#### Note 3. Receivables - Taxes

Property taxes for 2019 attach as an enforceable lien on January 1, 2019 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, 2020 and July 1, 2020, and are payable in two installments, on or about March 1, 2020 and August 1, 2020. The County collects such taxes and remits them periodically.

#### Note 4. Capital Assets

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

	Balance May 1, 2019	Additions	Deletions	Balance April 30, 2020
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	254,210	-	37,654	216,556
	<u>2,478,798</u>	<u>-</u>	<u>37,654</u>	<u>2,441,144</u>
Less accumulated depreciation for:				
Buildings	722,719	34,403	-	757,122
Improvements other than buildings	382,870	13,355	-	396,225
Vehicles and equipment	183,443	31,044	37,654	176,833
	<u>1,289,032</u>	<u>78,802</u>	<u>37,654</u>	<u>1,330,180</u>
Total capital assets being depreciated, net	<u>1,189,766</u>	<u>(78,802)</u>	<u>-</u>	<u>1,110,964</u>
Governmental activities capital assets, net	<u>\$ 4,786,974</u>	<u>\$ (78,802)</u>	<u>\$ -</u>	<u>\$ 4,708,172</u>

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 4. Capital Assets (Continued)

Total depreciation of \$78,802 was allocated as follows:

General government	\$	47,758
Public safety		31,044
	\$	<u>78,802</u>

#### Note 5. Interfund Activity

Transfers between funds for the year ended April 30, 2020 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 6. 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 IMRF, and thus eligible for this benefit.

**Village of Inverness, Illinois**

**Notes to Financial Statements**

**Note 6. Risk Management (Continued)**

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.

**Note 7. Long-Term Obligations**

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2020:

	Balance May 1, 2019	Additions	Retirements	Balance April 30, 2020	Due Within One Year
General Obligation Bonds Payable, Series 2017	\$ 3,730,000	\$ -	\$ 690,000	\$ 3,040,000	\$ 720,000
Premium on bonds payable	178,930	-	39,762	139,168	-
Compensated absences payable *	20,955	24,167	20,955	24,167	24,167
	<u>\$ 3,929,885</u>	<u>\$ 24,167</u>	<u>\$ 750,717</u>	<u>\$ 3,203,335</u>	<u>\$ 744,167</u>

\* Compensated absences are paid from the general fund.

*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, 2020, debt service requirements to maturity on the outstanding debt, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Bonds		
	Principal	Interest	Total
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>\$ 3,040,000</u>	<u>\$ 232,050</u>	<u>\$ 3,272,050</u>



## **Village of Inverness, Illinois**

### **Notes to Financial Statements**

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#### **Note 8. Commitments and Contingencies**

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

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 contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

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

The Village has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The Village's share of these costs is expected to be funded through tipping fees paid by refuse haulers. In accordance with the agreement, the Village made payments of \$118,174 to SWANCC for the fiscal year.

##### **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 \$152,171 to NWCDS for the year ended April 30, 2020.

#### **Note 9. Joint Venture - Solid Waste Agency of Northern Cook County (SWANCC)**

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 non-equity governmental joint venture.

SWANCC reported Net Position of \$7.6 million as of April 30, 2019 (most recent financial information available) which was a \$500 thousand decrease from the prior year. A copy of their complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County (SWANCC), 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090 or online at [www.swancc.org](http://www.swancc.org).

SWANCC's outstanding bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges, all grants, rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all of its requirements.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 10. 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 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 10. Employee Retirement Systems (Continued)

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

###### Employees Covered by Benefit Terms

As of December 31, 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% 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 are based on an actuarial valuation done by IMRF and the rates for calendar year 2020 and 2019 were 13.51% and 13.05% 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, 2019. 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, 2019:

- 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 3.35% 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 used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

Village of Inverness, Illinois

Notes to Financial Statements

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**Note 10. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

Actuarial Assumptions (continued)

- 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 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%	5.75%
International equity	18.00%	6.50%
Fixed income	28.00%	3.25%
Real estate	9.00%	5.20%
Alternative investments	7.00%	
Private equity		7.60%
Commodities		3.60%
Cash equivalents	<u>1.00%</u>	1.85%
Total	<u><u>100.00%</u></u>	

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 10. Employee Retirement Systems (Continued)**

**Illinois Municipal Retirement Fund (Continued)**

Single Discount Rate (Continued)

1. The long-term expected rate of return (7.25%) 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 (2.75%) 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.

IMRF's fiduciary net position as of December 31, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate and the resulting single discount rate of 7.25%.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at beginning of year</b>	\$ 2,252,472	\$ 1,813,204	\$ 439,268
Changes for the year:			
Service cost	36,594	-	36,594
Interest	159,452	-	159,452
Differences between expected and actual experience	21,633	-	21,633
Contributions - employer	-	45,958	(45,958)
Contributions - employee	-	15,848	(15,848)
Net investment income (loss)	-	373,685	(373,685)
Benefit payments, including refunds of employee contributions	(142,871)	(142,871)	-
Other changes	-	9,414	(9,414)
Net changes	74,808	302,034	(227,226)
<b>Balances at end of year</b>	<b>\$ 2,327,280</b>	<b>\$ 2,115,238</b>	<b>\$ 212,042</b>

**Village of Inverness, Illinois**

**Notes to Financial Statements**

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**Note 10. 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	\$ 470,905	\$ 212,042	\$ (8,891)

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

For the year ended April 30, 2020, the Village recognized pension expense of \$3,774. At April 30, 2020, 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	\$ 41,201	\$ 9,295
Changes of assumptions	27,241	21,614
Net differences between projected and actual earnings on pension plan investments	-	91,519
Total deferred amounts to be recognized in pension expense in future periods	68,442	122,428
Employer contributions subsequent to the measurement date	15,995	-
Total deferred amounts related to pensions	<u>\$ 84,437</u>	<u>\$ 122,428</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>
2021	\$ (7,783)
2022	(11,634)
2023	14,397
2024	(48,966)
Total	<u>\$ (53,986)</u>

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### **Note 10. 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 11. 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, 2020, 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. The Village made contributions of \$86,910 during the fiscal year ended April 30, 2020.

Plan participants and/or their designated beneficiaries are entitled to the sum of total of vested contributions plus earnings upon retirement. The amount paid may be in a lump sum, in the form or required minimum distributions as defined under the plan document, directly rollover to another eligible plan or a monthly annuity contract purchased by an insurance company. Participants are immediately vested in their account balance.

#### **Note 12. New Governmental Accounting Standards**

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

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, delays the implementation dates of some of the pronouncements listed below due to the effects of the COVID-19 pandemic. The footnotes reflect the delayed implementation date. Additionally, implementation guides related to the affected pronouncements have also been delayed. Earlier implementation is still allowed.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the Village with its year ending April 30, 2021. This Statement addresses 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.

## Village of Inverness, Illinois

### Notes to Financial Statements

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#### Note 12. New Governmental Accounting Standards (Continued)

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities, with the focus of the criteria on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund. The requirements of this statement will be effective for the Village with its year ending April 30, 2022.

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, 2024 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, 2021. 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, 2023. 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, 2022. 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, 2024. 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.

GASB Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB statements and other technical pronouncements. The Statement addresses a variety of topics. The Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The Statement will be effective for the Village with its year ending April 30, 2024.



## Village of Inverness, Illinois

### Notes to Financial Statements

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#### **Note 12. New Governmental Accounting Standards (Continued)**

GASB No. 93, *Replacement of Interbank Offered Rates*, establishes how the Village will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the Village with its year ending April 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnerships and provides guidance for accounting and reporting for availability payment arrangements. This statement will be effective for the Village with its year ending April 30, 2024.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement will be effective for the Village with its year ending April 30, 2024.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The statement will be effective for the Village with its year ending April 30, 2023.

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

#### **Note 13. Subsequent Event**

On January 30, 2020, the World Health Organization declared the coronavirus disease (Covid-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of Covid-19 include restrictions on travel, a quarantine of infected people and certain "hot-spot" areas that could have pre-symptomatic or asymptomatic individuals, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, and all States of the United States of America. On March 20, the Governor of Illinois issued a stay-at-home order taking effect on March 21, 2020 and lasting through April 7, 2020 for all residents of the state for all except essential activities. The state's stay-at-home order was extended to April 30, 2020 and further extended until May 29, 2020, at which time all regions within the State of Illinois entered Phase 3 (Recovery) of the state's "Restore Illinois" five-phase plan. As of June 26, 2020, the State has now gone to Phase 4 (Revitalization) of reopening the economy in which all gatherings of up to 50 people are allowed, restaurants and bars reopen, travel resumes and child care and schools reopen under guidance from the Illinois Department of Public Health. Phase 5 (Illinois Restored) will not occur until a vaccine or highly effective treatment is widely available or the elimination of any new cases over a sustained period of time are reported. The Village continues to operate in Phase 4 of the "Restore Illinois" plan through the date of this report.

**Village of Inverness, Illinois**

**Notes to Financial Statements**

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**Note 13. Subsequent Event (Continued)**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Village. To date, the Village, as with most local governments in the State and Country, is experiencing declining revenue, and significant changes in the fair value of assets. In response to the declining revenue, the Village has taken corrective actions by establishing an assignment of funds for emergency use within the general fund for fiscal year 2020.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including expected credit losses on receivables and investments; Net Pension and OPEB liabilities and related deferred assets and liabilities; and contingent obligations.

**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,	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>						
Service cost	\$ 36,594	\$ 30,727	\$ 41,668	\$ 41,069	\$ 38,817	\$ 45,409
Interest on the total pension liability	159,452	158,220	152,801	148,115	141,124	115,988
Differences between expected and actual experience	21,633	(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	(142,871)	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
<b>Net change in total pension liability</b>	<b>74,808</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>2,252,472</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>\$ 2,327,280</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	\$ 45,958	\$ 41,373	\$ 41,888	\$ 50,821	\$ 38,526	\$ 40,015
Contributions - Employee	15,848	15,224	15,263	17,016	16,559	16,550
Net investment income	373,685	(142,569)	306,980	116,017	8,255	94,175
Benefit payments	(142,871)	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
Other (Net transfer)	9,414	55,403	(12,638)	(4,730)	27,966	42,319
<b>Net change in plan fiduciary net position</b>	<b>302,034</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>1,813,204</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>\$ 2,115,238</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>\$ 212,042</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>90.89%</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>\$ 352,165</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>60.21%</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.

Significant Changes in Assumptions:

- 2018 IMRF decreased the long-term rate of return by a quarter point from 7.50% to 7.25%
- 2017 IMRF updated the actuarial assumptions used in the 2017 valuation results based on an experience study completed in 2017. A summary of the changes include; a decrease in wage growth and price inflation by a quarter point, decreases in the salary increase assumption and updated mortality tables based on plan experience.

**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
2020	\$ 46,853	\$ 46,853	\$ -	\$ 354,854	13.20%
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 2019 Contribution Rate\***

Valuation Date

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions

Actuarial cost method

Aggregate Entry Age Normal

Amortization method

Level Percentage of Payroll Closed

Remaining amortization period

24 year closed period

Actuarial value of assets

5 Year Smoothed Market Value; 20% Corridor

Wage growth

3.25%

Price inflation

2.50%

Salary increases

3.75% to 14.25%, including inflation

Investment rate of return

7.50%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality

For non-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 RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match the 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 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes

The assumptions in the funding valuation noted above were updated based on an experience study completed in 2017. A summary of the changes include; a decrease in wage growth and price inflation by a quarter point, decreases in the salary increase assumption and updated mortality tables based on plan experience.

There were no benefit changes during the year.

\*Based on the valuation assumptions used in the December 31, 2017 actuarial valuation.

Village of Inverness, Illinois

General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Taxes			
Property taxes	\$ 1,943,500	\$ 1,910,462	\$ (33,038)
Sales taxes	65,000	72,418	7,418
Income and use taxes	900,000	988,498	88,498
Replacement taxes	3,500	4,396	896
Charges for services	150,000	143,461	(6,539)
Licenses and permits	183,500	176,934	(6,566)
Fines and forfeitures	15,000	13,054	(1,946)
Franchise fees	175,000	169,645	(5,355)
Interest	50,000	152,097	102,097
Miscellaneous	15,000	20,410	5,410
<b>Total revenues</b>	<b>3,500,500</b>	<b>3,651,375</b>	<b>150,875</b>
<b>Expenditures</b>			
Current			
General government	715,475	626,045	89,430
Public safety	1,779,000	1,733,150	45,850
Public works	1,797,700	1,435,374	362,326
Capital outlay	64,950	21,499	43,451
<b>Total expenditures</b>	<b>4,357,125</b>	<b>3,816,068</b>	<b>541,057</b>
Deficiency of revenues over expenditures	(856,625)	(164,693)	691,932
Other financing sources			
Transfers in	870,000	200,000	(670,000)
<b>Net change in fund balance</b>	<b>\$ 13,375</b>	<b>35,307</b>	<b>\$ 21,932</b>
Fund balance - beginning		8,525,669	
Fund balance - ending		<b>\$ 8,560,976</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.

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 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.

## **Other Supplementary Information**



## **Governmental Funds**

## **General Fund**

Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2020

	Original and Final Budget	Actual
General government		
Salaries, full-time staff	\$ 190,000	\$ 183,534
Salaries, part-time staff	20,000	13,554
Salaries, elected officials	53,500	53,370
Employee benefits and other personnel related	28,000	21,843
Dues	3,275	2,803
Legal services	90,000	28,600
Accounting services	27,500	29,270
Office supplies and postage	20,500	15,612
Insurance	43,000	24,775
Printing and publishing	1,500	493
Telephone	12,500	9,492
Expense and automobile allowance	3,600	3,600
Bonds and insurance	61,100	54,210
Conferences and training	6,000	589
Miscellaneous	31,000	22,838
Property maintenance	50,000	81,430
Payroll taxes	22,000	22,973
Unemployment tax	-	362
Audit	22,000	22,000
Information technology	30,000	34,697
Total general government	<u>715,475</u>	<u>626,045</u>
Public safety		
Police salaries, full-time	970,000	967,334
Police salaries, part-time	25,000	17,634
Police overtime	2,500	-
Police payroll tax	83,000	69,846
Police pension	247,500	268,917
Police unemployment tax	2,000	1,197
Police health insurance	147,500	140,187
Expense allowance	-	3,088
Emergency response	30,000	29,054
Police training	6,000	2,038
Police dues	13,000	10,858
Police supplies/services	16,000	8,440
Police uniforms	8,000	4,994
Police office supplies	-	1,992

(Continued)

Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2020

	Original and Final Budget	Actual
Public safety (Continued)		
Police contracts	\$ 168,500	\$ 154,077
Police vehicle maintenance	45,000	29,893
Police telephone	5,000	1,837
Information technology	10,000	21,764
Total public safety	<u>1,779,000</u>	<u>1,733,150</u>
Public works		
Salaries, full-time staff	51,000	50,184
Engineering services	46,200	46,176
Engineering expense	30,000	890
Engineering reimbursable	25,000	20,613
Forestry	45,000	14,062
Stormwater management	90,000	43,222
Solid waste	130,000	118,174
Street and bridge	690,000	648,603
Snow removal	480,000	387,382
Payroll tax	4,000	-
Pension	7,000	10,140
Health Insurance	25,000	20,991
Contract inspections	80,000	70,187
Dues	1,000	310
Training	500	-
Office supplies	3,000	4,440
Remodeling	90,000	-
Total public works	<u>1,797,700</u>	<u>1,435,374</u>
Capital outlay		
General governmental		
Office equipment	4,200	3,215
Public safety		
Police vehicles	40,000	10,212
Police radios	6,000	4,269
Police office equipment	6,500	3,074
Police other capital	7,000	-
Public Works		
Office equipment	1,250	729
	<u>64,950</u>	<u>21,499</u>
Total expenditures	<u>\$ 4,357,125</u>	<u>\$ 3,816,068</u>

**Nonmajor Governmental Fund – Special Revenue Fund**

**Village of Inverness, Illinois**

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

**Balance Sheet**  
**April 30, 2020**

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**Assets**

Cash and investments	\$ 371,412
Intergovernmental receivables	<u>21,944</u>
Total assets	<u>\$ 393,356</u>

**Liabilities and Fund Balance**

Fund balance - restricted for street and bridge improvements	<u>\$ 393,356</u>
Total liabilities and fund balance	<u>\$ 393,356</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, 2020**

	Original and Final Budget	Actual
Revenues		
Intergovernmental - motor fuel tax allotments	\$ 195,000	\$ 274,575
Interest	1,000	21,946
Total revenues	<u>196,000</u>	<u>296,521</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	196,000	296,521
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>	96,521
Fund balance - beginning		<u>296,835</u>
Fund balance - ending		<u>\$ 393,356</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, 2020**

	Original and Final Budget	Actual
<hr/>		
Revenues		
Taxes		
Property taxes	\$ 801,900	\$ 812,446
Interest	10	-
Total revenues	<hr/> 801,910	<hr/> 812,446
Expenditures		
Debt service		
Principal	801,900	690,000
Interest	-	111,900
Miscellaneous	500	-
Total expenditures	<hr/> 802,400	<hr/> 801,900
Net change in fund balance	<hr/> <u>\$ (490)</u>	10,546
Fund balance - beginning		<hr/> 664,737
Fund balance - ending		<hr/> <u>\$ 675,283</u>

**Village of Inverness**

**Schedule of Long-term Debt Requirements  
General Obligation Refunding Bond, Series 2017  
April 30, 2020**

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
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>\$ 3,040,000</u>	<u>\$ 232,050</u>	<u>\$ 3,272,050</u>		<u>\$ 116,025</u>		<u>\$ 116,025</u>

**Statistical Section (Unaudited)**

## Statistical Section

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This part of the Village's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

### Contents

	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	47 - 54
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	55 - 60
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	61 - 63
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	64 - 65
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	66 - 69

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**Village of Inverness, Illinois**

**Net Position  
Last Ten Fiscal Years**

	2011	2012	2013	2014
Governmental activities				
Investment in capital assets	\$ 4,920,031	\$ 4,901,442	\$ 4,869,369	\$ 5,007,248
Restricted	2,879,594	1,383,565	1,025,721	1,106,465
Unrestricted	(1,268,140)	(941,217)	(25,861)	547,636
Total governmental activities	<u>\$ 6,531,485</u>	<u>\$ 5,343,790</u>	<u>\$ 5,869,229</u>	<u>\$ 6,661,349</u>

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 4,937,727	\$ 4,894,623	\$ 4,858,086	\$ 4,817,170	\$ 4,786,974	\$ 4,708,172
275,793	271,795	278,388	282,221	296,835	393,356
2,423,635	3,572,562	4,190,036	5,335,623	6,235,624	7,076,028
<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>	<u>\$ 12,177,556</u>

**Village of Inverness, Illinois**

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

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
General government	\$ 910,747	\$ 958,619	\$ 905,429	\$ 1,069,534
Public safety	1,477,997	1,505,922	1,560,549	1,631,912
Public works	2,456,936	2,815,825	1,108,385	705,856
Interest	344,674	328,217	314,083	286,607
Total governmental activities expenses	5,190,354	5,608,583	3,888,446	3,693,909
<b>Program revenues</b>				
Governmental activities				
Charges for services	397,210	507,836	528,034	466,395
Operating grants and contributions	205,546	219,618	210,226	242,695
Total governmental activities program revenues	602,756	727,454	738,260	709,090
<b>General revenue and other changes in net position</b>				
Governmental activities				
Property taxes	2,469,792	2,702,406	2,708,911	2,675,886
Other taxes	682,804	793,810	888,949	912,786
Annexation fees/grant proceeds	4,500	10,500	12,000	15,000
Franchise fees	130,623	166,168	154,755	159,960
Investments income	24,275	10,133	11,659	6,719
Miscellaneous	27,945	10,417	10,070	6,588
Total governmental activities	3,339,939	3,693,434	3,786,344	3,776,939
<b>Total change in net position</b>	<b>\$ (1,247,659)</b>	<b>\$ (1,187,695)</b>	<b>\$ 636,158</b>	<b>\$ 792,120</b>

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 884,420	\$ 969,289	\$ 1,052,914	\$ 768,430	\$ 632,049	\$ 680,789
1,658,237	1,663,732	1,626,253	1,684,226	1,738,465	1,785,693
808,374	666,747	1,106,794	926,851	1,450,810	1,435,374
269,073	248,601	228,976	202,218	83,863	63,513
3,620,104	3,548,369	4,014,937	3,581,725	3,905,187	3,965,369
435,625	470,300	381,112	416,428	341,708	333,449
221,818	195,565	193,857	195,152	193,999	274,575
657,443	665,865	574,969	611,580	535,707	608,024
2,743,516	2,785,507	2,811,769	2,775,548	2,800,516	2,786,058
985,749	998,167	960,422	999,887	1,062,489	1,065,312
18,750	-	-	-	-	-
166,425	172,185	177,613	183,110	176,370	169,645
5,474	10,247	37,970	96,008	187,917	174,043
11,968	18,223	39,724	24,096	26,607	20,410
3,931,882	3,984,329	4,027,498	4,078,649	4,253,899	4,215,468
\$ 969,221	\$ 1,101,825	\$ 587,530	\$ 1,108,504	\$ 884,419	\$ 858,123



**Village of Inverness, Illinois**

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

	2011	2012	2013	2014
General Fund				
Assigned				
Emergency disaster reserve	\$ -	\$ -	\$ -	\$ -
Solid Waste Program	-	511,721	572,728	572,728
Street and bridge improvements	2,813,973	308,582	322,713	332,713
Unassigned	5,102,018	5,351,473	5,769,743	5,772,649
<b>Total General Fund</b>	<b>\$ 7,915,991</b>	<b>\$ 6,171,776</b>	<b>\$ 6,665,184</b>	<b>\$ 6,678,090</b>
All other governmental funds				
Restricted - street and bridge improvements	\$ 698,413	\$ 627,741	\$ 191,638	\$ 253,927
Restricted - debt service	450,128	490,356	539,486	557,659
<b>Total All Other Governmental Funds</b>	<b>\$ 1,148,541</b>	<b>\$ 1,118,097</b>	<b>\$ 731,124</b>	<b>\$ 811,586</b>
<b>Total Governmental Funds</b>	<b>\$ 9,064,532</b>	<b>\$ 7,289,873</b>	<b>\$ 7,396,308</b>	<b>\$ 7,489,676</b>

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
572,728	572,728	572,728	572,728	572,728	572,728
322,713	322,713	322,713	322,713	322,713	322,713
6,180,972	6,781,337	6,771,229	7,526,759	7,630,228	6,665,535
<u>\$ 7,076,413</u>	<u>\$ 7,676,778</u>	<u>\$ 7,666,670</u>	<u>\$ 8,422,200</u>	<u>\$ 8,525,669</u>	<u>\$ 8,560,976</u>
\$ 275,793	\$ 271,795	\$ 278,388	\$ 282,221	\$ 296,835	\$ 393,356
594,137	639,786	674,626	659,390	664,737	675,283
<u>\$ 869,930</u>	<u>\$ 911,581</u>	<u>\$ 953,014</u>	<u>\$ 941,611</u>	<u>\$ 961,572</u>	<u>\$ 1,068,639</u>
<u>\$ 7,946,343</u>	<u>\$ 8,588,359</u>	<u>\$ 8,619,684</u>	<u>\$ 9,363,811</u>	<u>\$ 9,487,241</u>	<u>\$ 9,629,615</u>

**Village of Inverness, Illinois**

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

	2011	2012	2013	2014
<b>Revenues</b>				
Taxes				
Property taxes	\$ 2,546,186	\$ 2,586,845	\$ 2,669,403	\$ 2,658,159
Other taxes	676,093	-	-	-
Sales taxes	-	53,254	62,829	69,011
Income and use taxes	-	734,874	817,387	836,155
Replacement taxes	-	4,986	4,582	4,802
Grants	5,498	5,457	-	-
Charges for services	203,401	257,914	212,296	193,150
Licenses and permits	176,786	230,259	300,093	258,264
Fines and forfeitures	17,023	19,663	15,645	14,981
Intergovernmental	200,048	214,161	210,226	242,695
Annexation fees	4,500	10,500	12,000	15,000
Franchise fees	130,623	166,168	154,755	159,960
Interest	24,275	10,133	11,659	6,719
Miscellaneous	27,945	10,417	10,070	6,588
<b>Total revenues</b>	<b>4,012,378</b>	<b>4,304,631</b>	<b>4,480,945</b>	<b>4,465,484</b>
<b>Expenditures</b>				
Current				
General government	836,155	857,878	833,260	908,190
Public safety	1,413,148	1,474,814	1,539,548	1,612,716
Public works	806,451	638,118	643,356	696,335
Debt service				
Principal retirement	482,271	495,504	520,895	540,000
Interest expense	340,468	325,879	310,439	294,570
Issuance costs	-	-	-	-
Capital outlay	1,682,967	2,287,097	527,012	330,305
<b>Total expenditures</b>	<b>5,561,460</b>	<b>6,079,290</b>	<b>4,374,510</b>	<b>4,382,116</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,549,082)</b>	<b>(1,774,659)</b>	<b>106,435</b>	<b>83,368</b>
<b>Other financing sources (uses)</b>				
Capital lease issuance	-	-	-	-
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Transfers in	155,324	170,800	160,000	149,117
Transfers out	(170,800)	(160,000)	(149,117)	(170,000)
<b>Total other financing sources (uses)</b>	<b>(15,476)</b>	<b>10,800</b>	<b>10,883</b>	<b>(20,883)</b>
<b>Net change in fund balances</b>	<b>\$ (1,564,558)</b>	<b>\$ (1,763,859)</b>	<b>\$ 117,318</b>	<b>\$ 62,485</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.269</b>	<b>0.276</b>	<b>0.276</b>	<b>0.259</b>

Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 2,736,441	\$ 2,817,524	\$ 2,856,489	\$ 2,866,046	\$ 2,726,392	\$ 2,722,908
-	-	-	-	-	-
72,262	65,923	75,216	80,825	67,898	72,418
894,911	927,618	780,900	1,013,931	989,940	988,498
5,025	4,626	5,138	4,299	4,651	4,396
18,750	-	-	-	-	-
181,643	173,658	159,886	199,324	148,510	143,461
228,731	259,408	204,528	202,197	176,194	176,934
25,251	37,234	16,698	14,907	17,004	13,054
221,818	195,565	193,857	195,152	193,999	274,575
-	-	-	-	-	-
166,425	172,185	177,613	183,110	176,370	169,645
5,474	10,247	37,970	96,008	187,917	174,043
11,964	18,223	39,724	24,096	26,607	20,410
4,568,695	4,682,211	4,548,019	4,879,895	4,715,482	4,760,342
808,542	854,432	909,581	644,255	583,215	626,045
1,626,443	1,625,949	1,591,528	1,642,316	1,704,119	1,733,150
808,374	666,747	1,106,794	926,851	1,450,810	1,435,374
565,000	590,000	620,000	5,915,000	670,000	690,000
277,830	259,185	238,535	198,886	132,000	111,900
-	-	-	80,553	-	-
15,839	43,882	50,186	53,117	51,908	21,499
4,102,028	4,040,195	4,516,624	9,460,978	4,592,052	4,617,968
466,667	642,016	31,395	(4,581,083)	123,430	142,374
-	-	-	-	-	-
-	-	-	5,070,000	-	-
-	-	-	255,141	-	-
170,000	200,000	200,000	200,000	200,000	200,000
(200,000)	(200,000)	(190,000)	(200,000)	(200,000)	(200,000)
(30,000)	-	10,000	5,325,141	-	-
\$ 436,667	\$ 642,016	\$ 41,395	\$ 744,058	\$ 123,430	\$ 142,374
0.260	0.270	0.238	0.657	0.176	0.174

**Village of Inverness, Illinois**

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

Levy Year	Residential Property	Farm	Commercial Property	Industrial Property	Railroad
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
2019	N/A	N/A	N/A	N/A	N/A

N/A - Information not readily available

Source: Cook County, Office of the County Clerk

(1) Rate per \$100 of Assessed Value

Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 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	5.55	2,716,660,194	33.333%
499,179,906	5.34	2,665,620,698	33.333%
483,783,961	5.51	2,665,165,841	33.333%
492,937,605	5.51	2,716,086,204	33.333%

**Village of Inverness, Illinois**

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

	2010	2011	2012	2013
<b>Tax Rates</b>				
<b>Direct Rates:</b>				
Village of Inverness				
Corporate (Police Protection)	0.279	0.326	0.355	0.413
Debt Service	0.150	0.170	0.187	0.210
<b>Total Village of Inverness</b>	<b>0.429</b>	<b>0.496</b>	<b>0.542</b>	<b>0.623</b>
<b>Overlapping Rates:</b>				
<b>School Districts</b>				
School District #15	2.603	2.943	3.269	3.849
Palatine Township High School District #211	2.204	2.482	2.772	3.197
Unit School District #220	3.343	3.788	4.292	4.807
Harper Community College District #512	0.295	0.334	0.373	0.444
<b>Fire Protection Districts</b>				
Barrington Countryside Fire Protection District	0.365	0.418	0.469	0.530
Palatine Rural Fire Protection District	0.742	0.830	0.857	0.991
<b>Park Districts</b>				
Barrington Hills Park District				
Palatine Park District	0.468	0.517	0.574	0.680
Inverness Park District	0.154	0.174	0.195	0.222
South Barrington Park District				
<b>Library District</b>				
Barrington Public Library District	0.172	0.195	0.223	0.248
Palatine Public Library District				
<b>County</b>				
County of Cook	0.423	0.462	0.531	0.560
Forest Preserve	0.051	0.058	0.063	0.069
Consolidated Elections	-	0.025	-	0.031
<b>Townships</b>				
Palatine Township	0.119	0.135	0.145	0.167
Barrington Township	0.023	0.026	0.029	0.033
<b>Other Districts</b>				
Northwest Mosquito Abatement District	0.009	0.010	0.011	0.013
Metropolitan Water Reclamation District	0.274	0.320	0.370	0.417
<b>Total Overlapping Rates</b>	<b>11.245</b>	<b>12.717</b>	<b>14.173</b>	<b>16.258</b>
<b>Grand Total</b>	<b>11.674</b>	<b>13.213</b>	<b>14.715</b>	<b>16.881</b>

Source: Cook County, Office of the County Clerk

Tax Levy Year					
2014	2015	2016	2017	2018	2019
0.414	0.432	0.369	0.365	0.377	0.378
0.206	0.216	0.186	0.169	0.174	0.173
0.620	0.648	0.555	0.534	0.551	0.551
3.868	4.035	3.543	3.618	3.807	3.486
3.213	3.309	2.871	2.922	3.044	2.749
4.953	5.126	4.538	4.560	4.853	4.669
0.451	0.466	0.416	0.425	0.443	0.403
0.540	0.565	0.482	0.485	0.520	0.541
1.042	1.093	0.949	0.963	1.022	1.003
0.054	0.057	0.048	0.048	0.052	0.055
0.696	0.725	0.648	0.657	0.693	0.633
0.212	0.217	0.190	0.187	0.198	0.196
			0.214	0.213	0.217
0.258	0.266	0.231	0.230	0.248	2.440
0.696	0.308	0.268	0.276	0.291	0.344
0.568	0.552	0.533	0.496	0.489	0.454
0.069	0.069	0.063	0.062	0.060	0.006
-	0.034	0.000	0.031	0.000	0.030
0.166	0.173	0.145	0.143	0.146	0.134
0.033	0.034	0.031	0.032	0.033	0.033
0.013	0.011	0.010	0.010	0.011	0.010
0.430	0.426	0.406	0.402	0.396	0.389
17.262	17.466	15.372	15.761	16.519	17.792
17.882	18.114	15.927	16.295	17.070	18.343



**Village of Inverness, Illinois**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Levy Year	Fiscal Year Collected	Total Levy	Collected within the Fiscal Year after the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	2020	\$ 2,714,515	\$ 1,380,753	50.87%	N/A	\$ 1,380,753	50.87%
2018	2019	2,665,353	1,412,906	53.01%	\$ 1,232,154	2,645,060	99.24%
2017	2018	2,665,458	1,450,525	54.42%	1,193,509	2,644,034	99.20%
2016	2017	2,716,525	1,392,194	51.25%	1,295,193	2,687,387	98.93%
2015	2016	2,709,112	1,346,010	49.68%	1,320,272	2,666,282	98.42%
2014	2015	2,679,724	1,286,447	48.01%	1,348,171	2,634,618	98.32%
2013	2014	2,631,337	1,261,985	45.95%	1,323,463	2,585,448	98.26%
2012	2013	2,543,663	1,209,002	47.10%	1,290,265	2,499,267	98.25%
2011	2012	2,533,635	1,198,043	47.29%	1,293,834	2,491,877	98.35%
2010	2011	2,442,686	1,111,714	45.51%	1,291,467	2,403,181	98.38%

Source: Cook County Treasurer's Office

**Village of Inverness, Illinois**

**Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2019			2010		
	EAV	Rank	% of Total Equalized Assessed Valuation	EAV	Rank	% of Total Equalized Assessed Valuation
Inverness Real Estate	\$ 11,832,839	1	2.4%	\$ 9,528,890	1	1.7%
Inverness Golf Course	4,077,399	2	0.8%	4,841,007	2	0.8%
Individual Residence (a)	2,006,319	3	0.4%	2,566,355	4	0.5%
Individual Residence (b)	1,483,501	4	0.3%	1,982,755	5	0.3%
Individual Residence (c)	861,260	5	0.2%	935,133	6	0.2%
Individual Residence (d)	698,295	6	0.1%			
Individual Residence (e)	669,737	7	0.1%			
Individual Residence (f)	624,874	8	0.1%			
Individual Residence (g)	601,488	9	0.1%			
Individual Residence (h)	559,023	10	0.1%			
KB Home, Inc.				3,166,478	3	0.6%
Individual Residence (i)				905,285	7	0.2%
Toll II II, L.P.				773,104	8	0.1%
Individual Residence (j)				733,703	9	0.1%
Society for the Preservation of Human Dignity				711,350	10	0.1%
<b>Total</b>	<b>\$ 23,414,735</b>		<b>4.8%</b>	<b>\$ 26,144,060</b>		<b>4.6%</b>
Village of Inverness Equalized Assessed Valuation	<b>\$ 492,937,605</b>		<b>100.0%</b>	<b>\$ 569,891,309</b>		<b>100.0%</b>

Source: Cook County Clerk's Office

**Village of Inverness, Illinois**

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

Fiscal Year	General Obligation Bonds	Less: Debt Service Fund	Total Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (1)	Percentage of Personal Income (2)	Debt Per Capita (2)
2011	\$ 8,565,000	\$ 450,128	\$ 8,114,872	1.50%	1.42%	\$ 1,095
2012	8,075,000	490,356	7,584,644	1.58%	1.48%	1,020
2013	7,560,000	539,486	7,020,514	1.61%	1.50%	937
2014	7,020,000	557,659	6,462,341	1.66%	1.53%	856
2015	6,455,000	594,137	5,860,863	1.49%	1.35%	771
2016	5,865,000	639,786	5,225,214	1.40%	1.25%	689
2017	5,250,941	674,626	4,576,315	1.07%	0.94%	606
2018	4,618,692	659,390	3,959,302	0.93%	0.79%	528
2019	3,908,930	664,737	3,244,193	0.81%	0.67%	437
2020	3,179,168	675,283	2,503,885	0.64%	0.51%	339

Source: The Village's Annual Financial Report

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) Additional demographic information is available in the schedule of Demographic and Economic Statistics

**Village of Inverness, Illinois**

**Direct and Overlapping Governmental Activities Debt  
As of April 30, 2020**

Governmental Unit	General Obligation Debt Outstanding	Percentage Applicable to the Village	Village Share of Debt
Direct bonded debt			
Village of Inverness	<u>\$ 3,179,168</u>	100.00%	<u>\$ 3,179,168</u>
Overlapping bonded debt			
School District #15	40,234,171	8.43%	3,391,741
Palatine Township High School District #211	-	4.28%	-
Unit School District #220	28,425,752	5.42%	1,540,676
Harper Community College District #512	134,849,515	2.30%	3,101,539
Barrington Countryside Fire Protection District	-	12.61%	-
Palatine Rural Fire Protection District	125,000	75.77%	94,713
Palatine Park District	21,111,650	3.83%	808,576
Inverness Park District	148,500	100.00%	148,500
South Barrington Park District	5,830,000	0.05%	2,915
County of Cook	3,387,834,079	0.30%	10,163,502
Metropolitan Water Reclamation District	<u>4,342,044,000</u>	0.04%	<u>1,736,818</u>
Total overlapping bonded debt	<u>7,960,602,667</u>		<u>20,988,979</u>
Total direct and overlapping bonded debt	<u><u>\$ 7,963,781,835</u></u>		<u><u>\$ 24,168,147</u></u>

Source: Cook County, Office of the County Clerk

**Village of Inverness, Illinois**

**Schedule of Legal Debt Margin**

**April 30, 2020**

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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
2011	7,408	\$ 141,146	\$ 73,046	7.1%
2012	7,435	151,707	77,037	8.5%
2013	7,496	152,993	87,199	7.7%
2014	7,553	156,938	91,623	7.4%
2015	7,597	161,838	89,974	5.8%
2016	7,583	172,949	87,950	4.4%
2017	7,556	173,838	85,572	2.3%
2018	7,494	180,541	85,572	2.3%
2019	7,426	180,541	85,572	2.3%
2020	7,376	180,541	73,058	N/A

#### 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**

**Principal Employers  
April 30, 2020**

Employer	Type of Business	Employees	Percentage of Total Population
Inverness Health and Rehab	Nursing and Convalescent Homes	120	1.63%
Comfort Keepers	Home Health Service	75	1.02%
Inverness Golf Club	Golf Courses	50	0.68%
Holy Family Catholic Church	Churches	27	0.37%
Palatine Rural Fire Protection District	Fire Departments	20	0.27%
Burton Financial Management	Financial Advisory Services	18	0.24%
Hammond Group Ltd	Manufacturers-Agents and Representatives	15	0.20%
HNI Truck Group	Trucking	13	0.18%
Hovde Financial Inc	Financial Advisory Services	10	0.14%
Industrial Insurance	Insurance	10	0.14%
			4.85%

Source:Village Records

\* Historical information from nine years ago is not readily available

**Village of Inverness, Illinois**

**Operating Indicators  
Last Ten Fiscal Years**

	2011	2012	2013	2014
<b>Police Department</b>				
Calls for Service	N/A	N/A	2,222	2,153
Accidents	N/A	N/A	133	133
Alarms	N/A	N/A	442	498
Arrests	N/A	N/A	38	27
Citations	N/A	N/A	2,110	2,046
Fire Assists	N/A	N/A	414	412
Patrol Miles	N/A	N/A	112,844	113,398
<b>Building Department</b>				
SF Res. (New, Demo/Rebuild)	N/A	N/A	-	-
SF Res. (Add/Alt)	N/A	N/A	-	-
Commerical (New, Add, Misc.)	N/A	N/A	-	-
Misc. (Deck, Pools, Gen)	N/A	N/A	-	-
Engineering Misc	N/A	N/A	-	-
Number of Permits (Total)	N/A	N/A	114	94
Value of construction	N/A	N/A	\$ 23,005,969	\$ 16,199,745
Total Number of Inspections	N/A	N/A	613	620
<b>General Government</b>				
FOIA Requests	N/A	N/A	-	-
Regular	N/A	N/A	-	-
Average Response Time (days)	N/A	N/A	-	-
Commercial	N/A	N/A	-	-
Average Response Time (days)	N/A	N/A	-	-
Business Licenses	N/A	N/A	21	22
Vehicle Stickers Issued	N/A	N/A	-	5,986
Scavenger Licenses Issued	N/A	N/A	-	11
Dog Tags Issued	N/A	N/A	978	929
Utility Permits Issued	N/A	N/A	-	37
Ordinances Adopted	N/A	N/A	12	14
Resolutions Adopted	N/A	N/A	11	14
<b>Refuse/Recycling/Yard Waste</b>				
Refuse Collected (tons)	N/A	N/A	2,536.97	2,636.94
Recycling Collected (tons)	N/A	N/A	1,260.57	1,333.36
Yard Waste Collected (tons)	N/A	N/A	341.07	428.88
<b>Programs</b>				
Salt Purchases (tons)	N/A	N/A	1,123.89	1,903.63

N/A - Information not readily available

Source: Various Village departments



2015	2016	2017	2018	2019	2020
2,145	2,047	2,004	1,865	2,024	1,784
134	149	126	124	146	105
474	448	444	393	412	374
26	34	22	5	7	5
2,599	2,634	2,342	2,682	2,475	2,328
417	424	459	468	460	478
36,375	24,264	96,707	106,664	110,019	96,092
-	-	-	4	3	4
-	-	-	37	35	41
-	-	-	1	-	2
-	-	-	47	47	63
-	-	-	21	21	39
93	114	105	119	106	149
\$ 14,920,186	\$ 14,234,693	\$ 7,732,019	\$ 8,451,165	\$ 6,648,747	\$ 8,347,264
480	530	543	525	573	716
102	108	89	88	119	99
75	82	67	69	101	77
1.47	1.67	1.30	1.39	1.78	2.14
27	26	22	19	18	22
1.81	6.17	7.77	8.95	8.61	8.36
23	27	29	34	37	38
5,425	5,377	5,413	5,373	5,402	4,243
9	9	7	6	6	5
881	860	851	862	834	8,166
46	44	42	30	16	-
12	6	12	13	9	6
16	15	14	13	13	16
2,711.70	2,707.55	2,574.92	2,526.16	2,611.67	2,761.55
1,355.92	1,338.15	1,213.79	1,193.92	1,153.30	1,163.24
365.07	348.55	337.53	295.34	302.28	384.79
908.51	999.67	593.09	1,262.55	1,547.42	1,455.73

**Village of Inverness, Illinois**

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1	2
Building Department										
Full-Time	2	2	2	2	2	2	2	1	1	2
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	2	2	2	1
Nonsworn-PT	0	0	0	0	1	1	0	0	0	0

Source: Village Records

**Village of Inverness, Illinois**

**Capital Asset Statistics by Category  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<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	3	2
Civil Vehicle	1	1	1	0	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