

Annual Comprehensive Financial Report Fiscal Year 2022

May 1, 2021 to April 30, 2022



Village of Inverness, Illinois

Village of Inverness, Illinois

Annual Comprehensive Financial Report
Fiscal Year Ended April 30, 2022

Prepared by: Sam Trakas, Village Administrator

Village of Inverness, Illinois

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Village of Inverness

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

September 27, 2022

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

PRESIDENT

John A. Tatooles

I am pleased to submit the Annual Financial Report of the Village of Inverness, Illinois (Village) for the fiscal year ended April 30, 2022.

BOARD OF TRUSTEES

Russell P. Fitton
Chuck Fritz
Richard C. Gallagher
Terrence H. Kral
Hugh Masterson
Laurie C. White

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.

CLERK

POLICE DEPARTMENT

847/358-7766
847/258-8774

**EMERGENCY
RESPONSE**
9-1-1

**BUILDING AND
ENGINEERING**

847/358-7960
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WEB ADDRESS

www.inverness-il.gov

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Inverness' financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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 Annual Comprehensive Financial Report of the Village of Inverness, Illinois, for the fiscal year ended April 30, 2022 is hereby published to fulfill that requirement.

The Village's financial statement for the year ended April 30, 2022 has been audited by RSM US LLP, Certified Public Accountants. The independent auditor has issued an unmodified ("clean") opinion concluding the financial statements are presented fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Inverness, Illinois, as of April 30, 2022, 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 statement immediately follows the independent auditor's report.

Profile of the Village of Inverness

The Village of Inverness was incorporated in 1962. It is an affluent residential community located in northwestern Cook County approximately 30 miles from the City of Chicago's "Loop". It comprises an area of approximately 6.5 square miles and has a current population of 7,616 according to the 2020 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 Inverness 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 Inverness Fire Protection District, 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 Information

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.

Major Initiatives and Accomplishments

During Fiscal Year 2022, the Village undertook or continued several major initiatives, including:

- Continued daily operational adjustments to address COVID-19 restriction and employee protections.
- Re-establishing investment in the maintenance of Village facilities, including such projects as basement waterproofing, window repairs, and exterior painting.
- Completed the annual street resurfacing programs.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Village of Inverness for its annual comprehensive financial report for the fiscal year ended April 30, 2021. This was the 2nd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Inverness
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2021

Christopher P. Morill

Executive Director/CEO

Village of Inverness, Illinois

Principal Officials
April 30, 2022



VILLAGE OFFICIALS

PRESIDENT

John A. Tatooles

BOARD OF TRUSTEES

Russell P. Fitton

Chuck Fritz

Richard C. Gallagher

Terrence H. Kral

Hugh G Masterson

Laurie C. White

CLERK

Vacant

VILLAGE TREASURER

Kenneth Klein

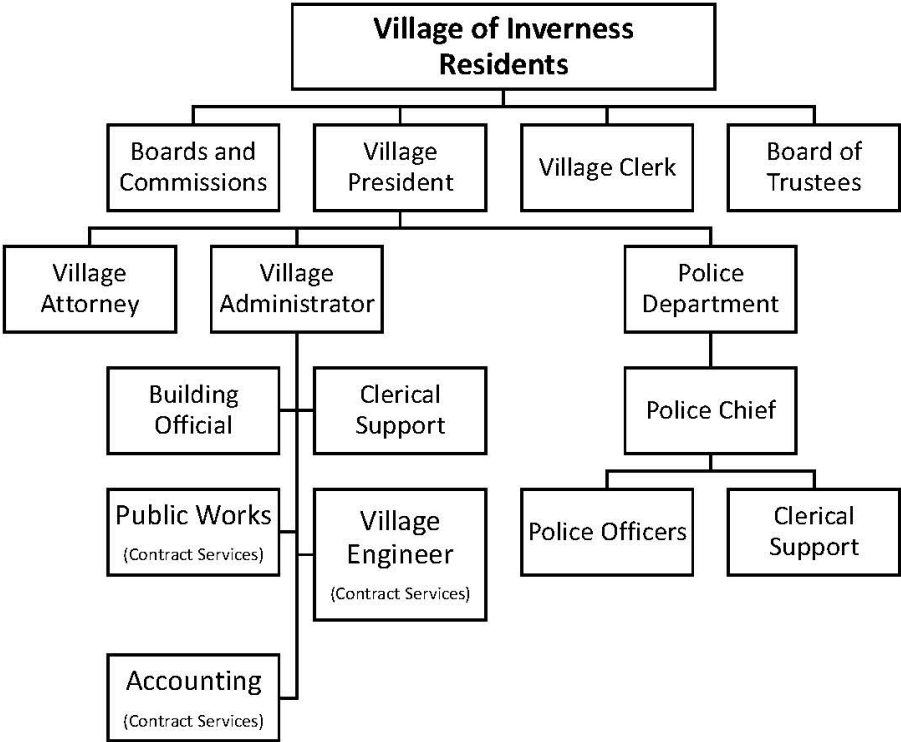
VILLAGE STAFF

Sam Trakas, Village Administrator

Bob Haas, Police Chief



VILLAGE OF INVERNESS ORGANIZATION CHART



Independent Auditor's Report

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, and each major fund of the Village of Inverness, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Village, as of April 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-12), pension information (pages 38-40) and budgetary comparison information (41-42) and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of expenditures – budget to actual, schedule of revenues, expenditures and changes in fund balance – budget to actual, and the schedule of long-term requirements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 schedule of expenditures – budget to actual, schedule of revenues, expenditures and changes in fund balance – budget to actual, and the schedule of long-term requirements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory and Statistical Sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Schaumburg, Illinois
September 27, 2022

Management's Discussion and Analysis

Village of Inverness, Illinois

Management's Discussion and Analysis For the Fiscal Year Ended April 30, 2022

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 \$2,074,353 or 14.91% as a result of this year's operations. The Village does not conduct any business-type activities.

Revenues

The governmental activities revenues totaled \$6,224,720.

Cost of Village Programs

The governmental activities expenses totaled \$4,150,367.

General Fund

The General Fund reported revenues of \$4,875,848 and expenditures of \$4,253,207, resulting in a net increase in fund balance of \$622,641, with no transfers performed.

USING THIS ANNUAL REPORT

Historically, the primary focus of local government financial statements was summarized by fund type and presented on a current financial resource basis. Currently, the financial statements are presented from two perspectives: government-wide and by individual 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, 2022

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 individual 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 \$15,982,440 as of April 30, 2022. This is an increase of \$2,074,353 or 14.91% over the prior year.

Summary Statement of Net Position As of April 30, 2022 and 2021

	Governmental Activities			
	2022	2021	Change	% Change
Current and other assets	\$ 13,712,518	\$ 12,414,373	\$ 1,298,145	10.46%
Other noncurrent assets	246,058	-	246,058	100.00%
Capital assets	4,665,240	4,680,117	(14,877)	-0.32%
Total assets	18,623,816	17,094,490	1,529,326	8.95%
Deferred Outflows of Resources	109,931	59,015	50,916	86.28%
Current liabilities	1,485,693	1,342,962	142,731	10.63%
Noncurrent liabilities	859,643	1,690,134	(830,491)	-49.14%
Total liabilities	2,345,336	3,033,096	(687,760)	-22.68%
Deferred Inflows of Resources	405,971	212,322	193,649	91.21%
Net Position:				
Investment in capital assets	4,665,240	4,680,117	(14,877)	-0.32%
Restricted	1,389,540	1,000,985	388,555	38.82%
Unrestricted	9,927,660	8,226,985	1,700,675	20.67%
Total net position	\$ 15,982,440	\$ 13,908,087	\$ 2,074,353	14.91%

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2022

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, 2022, the Village has restricted net position of \$1,389,540 an increase of \$388,555 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 position.
- 6) Reduction of Capital Assets through Depreciation – which will reduce capital assets and investment in capital assets, net of debt.

At April 30, 2022, the Village reports non-current liabilities of \$859,643, a decrease of \$830,491 compared to the prior year. The decrease is largely due to the principal payment of \$745,000 on debt as well as a decrease in the net pension liability of \$15,728 due to the resulting net pension asset of \$246,058, which is measured by an actuarial valuation as of December 31, 2021. That valuation also led to the corresponding increase of \$50,916 in deferred outflows of resources and increase of \$193,649 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, 2022

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

Summary Statement of Activities
Years Ended April 30, 2022 and 2021

	Governmental Activities			
	2022	2021	Change	% Change
Revenues				
Program Revenues				
Charges for service	\$ 616,063	\$ 498,577	\$ 117,486	23.56%
Grants and contributions				
Operating	864,084	372,505	491,579	131.97%
Grants and contributions				
Capital	162,541	325,082	(162,541)	-50.00%
General Revenue				
Property taxes	2,846,231	2,784,521	61,710	2.22%
Other taxes	1,685,507	1,410,070	275,437	19.53%
Investment income	10,605	24,751	(14,146)	-57.15%
Miscellaneous	39,689	12,984	26,705	205.68%
Total Revenue	6,224,720	5,428,490	796,230	14.67%
Expenses				
General Government	613,863	622,272	(8,409)	-1.35%
Public Safety	1,772,311	1,647,139	125,172	7.60%
Public Works	1,743,669	1,386,110	357,559	25.80%
Interest	20,524	42,438	(21,914)	-51.64%
Total Expenses	4,150,367	3,697,959	452,408	12.23%
Change in Net Position	2,074,353	1,730,531	343,822	19.87%
Net position - beginning	13,908,087	12,177,556	1,730,531	14.21%
Net position - ending	\$ 15,982,440	\$ 13,908,087	\$ 2,074,353	14.91%

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, 2022

- 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 has increased during calendar year 2022, the long-term effects of these increases are still unknown. 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, 2022, revenues from all governmental activities totaled \$6,224,720. This is a 14.67% increase or \$796,230 greater than the previous year. The increase is attributed to an increase in Building Permit Fee revenue and the first half allocation of the American Rescue Plan Act.

Expenses

Total expenses for all governmental activities for the year ended April 30, 2022 were \$4,150,367. This is a 12.23% increase or \$452,408 greater than the previous year. This increase in expenses is the result of the continued expansion of the annual road program, building inspection contractual services, and re-investment in Village facilities.

Village of Inverness, Illinois

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2022**

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 \$11,634,732. This is a 9.88% increase from the prior year's ending combined fund balance of \$10,588,349.

Total revenues for Governmental Funds for fiscal year 2022 were \$6,114,190. This is an increase of \$646,879 over the prior year revenues. Building Permit Fee Revenue increased by \$117,000 compared fiscal year 2021. The Village received the first half installment of the American Rescue Plan Act in the amount of \$501,880.

Total expenditures for Governmental Funds for the year ended April 30, 2022, were \$5,067,807, which was an increase of \$559,230 from expenditures of the previous year. This is a 12.40% increase over the prior year expenditures. The increase in fiscal year 2022 when compared to 2021 occurred in the following areas: an increase in property maintenance due to investment in Village facilities, such as basement waterproofing and window repairs (\$50,000), increase in building inspection contractual services due to an increase in building permit applications (\$57,000), and increasing the annual road maintenance program (\$200,000).

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2022

General Fund Budgetary Highlights
Year Ended April 30, 2022

General Fund	Original and Final Budget	Actual	Over/ Under
Revenues			
Property taxes	\$ 1,928,500	\$ 1,967,185	\$ 38,685
Other taxes	1,049,500	1,685,507	636,007
Charges for services	145,000	143,164	(1,836)
Licenses and permits	170,000	286,710	116,710
Fines and forfeitures	11,000	14,729	3,729
Intergovernmental	450,000	558,782	108,782
Franchise fees	140,000	171,460	31,460
Interest	50,000	8,622	(41,378)
Miscellaneous	15,000	39,689	24,689
Total	3,959,000	4,875,848	916,848
Expenditures	4,452,100	4,253,207	198,893
Excess of expenditures over revenues	(493,100)	622,641	1,115,741
Other financing sources	200,000	-	(200,000)
Change in Fund Balance	\$ (293,100)	\$ 622,641	\$ 915,741

General Fund Budgetary Highlights

As of April 30, 2022, actual revenues were \$916,848 more than budget projections. Actual expenditures were (\$198,893) less than the approved budget. Due to the ongoing uncertainty in the state and national economy, the Village's budget was developed utilizing very conservative projections related to revenues.

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, 2022

Capital Assets

At the end of fiscal year 2022, the Village had a combined total of capital assets (net of accumulated depreciation) of \$4,665,240 comprised of land, buildings, improvements other than buildings, vehicles and equipment. This amount represents a net decrease (including additions and deletions) of (\$14,877) and is attributable to the annual depreciation amount offset by the purchase of vehicles for \$76,887. Additional information on the Village's capital asset activity is included in Note 4.

Capital Assets at Year-End Net of Depreciation April 30, 2022 and 2021

	Governmental Activities	
	2022	2021
Land	\$ 3,597,208	\$ 3,597,208
Buildings	894,230	928,633
Improvements other than building	82,048	94,850
Vehicles and equipment	91,754	59,426
Total	\$ 4,665,240	\$ 4,680,117

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. At April 30, 2022, the Village has a total of \$1.6 million in outstanding debt. Additional information on the Village's outstanding debt, including debt service requirements through maturity, are included in Note 6. Property taxes have been pledged to pay principal and interest on these bonds.

Economic Factors and a Look to the Future

- The unassigned fund balance for all governmental funds is \$7,584,369. This is approximately 149.66% of annual expenditures and is consistent with the Village's Investment Policy.
- Sales tax revenues are expected to increase due to changes from new legislation. Effective January 1, 2021, the new sales tax legislation requires eligible remote retailers and marketplace facilitators to collect and remit the state and locally imposed sales taxes for the jurisdictions where the product is delivered.
- Unemployment rate for the Chicago-Naperville-Arlington Heights, IL Metropolitan Statistical Area continue to trend downward, from 7.9% (May 2021) to 4.2 (May 2022).
- In 2019, the State of Illinois passed legislation to invest \$33.2 billion into the state's aging transportation system, creating jobs and promoting economic growth. In FY 2022, the Village received 2 of the 6 installments of \$81,270 each. For FY 2023, the Village is expected to receive the last remaining installment for \$81,270.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2022

- In March 2021, President Biden, Jr. signed the American Rescue Plan (ARP) Act which provides \$1.9 trillion in economic stimulus and COVID-19 relief. \$65.1 billion was allocated to municipalities for eligible costs. The Village of Inverness received approximately \$501,880 during FY 2022 and is expected to receive the similar amount in FY 2023.
- The Village relies approximately 50% of its general operating revenues on property tax. Historically, the tax levy is based on the total expenditures of the Police Department. On November 9, 2021, the Village Board approved a 2021 Tax Levy of \$1,793,500, payable in 2022. The 2022 Tax Levy, payable in 2023, will be \$1,793,500, identical to the previous two years.

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, 2022

	Governmental Activities
Assets	
Current	
Cash and investments	\$ 11,827,982
Receivables	
Property taxes	1,347,129
Intergovernmental	500,290
Accrued interest	50
Other	37,067
Total current assets	<u>13,712,518</u>
Noncurrent	
Net pension asset	246,058
Capital assets (net of accumulated depreciation)	
Land	3,597,208
Buildings	894,230
Improvements other than buildings	82,048
Vehicles and equipment	91,754
Total noncurrent assets	<u>4,911,298</u>
Total assets	<u>18,623,816</u>
Deferred Outflows of Resources	
Pension related amounts	<u>109,931</u>
Liabilities	
Current	
Accounts payable	197,882
Compensated absences	16,066
Deposits payable	477,058
Interest payable	19,687
Bonds payable	775,000
Total current liabilities	<u>1,485,693</u>
Noncurrent	
Bonds payable, net of unamortized premium of \$59,643	<u>859,643</u>
Total noncurrent liabilities	<u>859,643</u>
Total liabilities	<u>2,345,336</u>
Deferred Inflows of Resources	
Pension related amounts	<u>405,971</u>
Net Position	
Investment in capital assets	4,665,240
Restricted for streets and bridges	1,389,540
Unrestricted	<u>9,927,660</u>
Total net position	<u>\$ 15,982,440</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Activities
Year Ended April 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 613,863	\$ 458,170	\$ 501,880	\$ -	\$ 346,187
Public safety	1,772,311	14,729	652	-	(1,756,930)
Public works	1,743,669	143,164	361,552	162,541	(1,076,412)
Interest	20,524	-	-	-	(20,524)
Total	\$ 4,150,367	\$ 616,063	\$ 864,084	\$ 162,541	(2,507,679)
General revenues					
Taxes					
Property					
Sales					
Income and use					
Personal property replacement					
Investment income					
Miscellaneous					
Total general revenues					
Change in net position					2,074,353
Net position - beginning					13,908,087
Net position - ending					\$ 15,982,440

See Notes to Financial Statements.

Village of Inverness, Illinois

Balance Sheet - Governmental Funds
April 30, 2022

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 9,707,682	\$ 755,588	\$ 1,364,712	\$ 11,827,982
Receivables				
Property taxes	938,306	408,823	-	1,347,129
Intergovernmental	394,191	-	106,099	500,290
Accrued interest	50	-	-	50
Other receivables	35,067	2,000	-	37,067
Total assets	<u>\$ 11,075,296</u>	<u>\$ 1,166,411</u>	<u>\$ 1,470,811</u>	<u>\$ 13,712,518</u>
Liabilities				
Accounts payable	\$ 197,882	\$ -	\$ -	\$ 197,882
Deposits payable	477,058	-	-	477,058
Total liabilities	<u>674,940</u>	<u>-</u>	<u>-</u>	<u>674,940</u>
Deferred Inflows of Resources				
Deferred property taxes - unavailable	920,546	401,029	-	1,321,575
Deferred other taxes - unavailable	-	-	81,271	81,271
Total deferred inflows of resources	<u>920,546</u>	<u>401,029</u>	<u>81,271</u>	<u>1,402,846</u>
Fund Balances				
Restricted - street and bridge improvements	-	-	1,389,540	1,389,540
Restricted - debt service	-	765,382	-	765,382
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	7,584,369	-	-	7,584,369
Total fund balances	<u>9,479,810</u>	<u>765,382</u>	<u>1,389,540</u>	<u>11,634,732</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,075,296</u>	<u>\$ 1,166,411</u>	<u>\$ 1,470,811</u>	<u>\$ 13,712,518</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, 2022**

Total fund balances - governmental funds	\$ 11,634,732
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,665,240
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Pension related deferred amounts are not reported in the governmental
funds since they do not provide or use current financial resources.

These amounts consist of the following:

Deferred outflows of resources	109,931
Deferred inflows of resources	(405,971)

Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	1,402,846
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Some assets and liabilities reported in the Statement of Net Position do not
require the use of current financial resources and, therefore,
are not reported as assets and liabilities in governmental funds.

These amounts consist of:

Interest payable	(19,687)
Compensated absences	(16,066)
Net pension asset	246,058
Unamortized bond premium	(59,643)
Bonds payable	(1,575,000)

Net position of governmental activities	<u>\$ 15,982,440</u>
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See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2022

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues				
Taxes				
Property taxes	\$ 1,967,185	\$ 849,787	\$ -	\$ 2,816,972
Sales taxes	211,075	-	-	211,075
Income and use taxes	1,462,018	-	-	1,462,018
Personal property replacement taxes	12,414	-	-	12,414
Charges for services	143,164	-	-	143,164
Licenses and permits	286,710	-	-	286,710
Fines and forfeitures	14,729	-	-	14,729
Intergovernmental	558,782	-	386,572	945,354
Franchise fees	171,460	-	-	171,460
Interest	8,622	-	1,983	10,605
Miscellaneous	39,689	-	-	39,689
Total revenues	4,875,848	849,787	388,555	6,114,190
Expenditures				
Current				
General government	704,899	-	-	704,899
Public safety	1,662,138	-	-	1,662,138
Public works	1,743,669	-	-	1,743,669
Debt service				
Principal retirement	-	745,000	-	745,000
Interest expense	-	69,600	-	69,600
Capital outlay	142,501	-	-	142,501
Total expenditures	4,253,207	814,600	-	5,067,807
Net change in fund balances	622,641	35,187	388,555	1,046,383
Fund balances - beginning	8,857,169	730,195	1,000,985	10,588,349
Fund balances - ending	\$ 9,479,810	\$ 765,382	\$ 1,389,540	\$ 11,634,732

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, 2022**

Net change in fund balances - total governmental funds	\$ 1,046,383
--------------------------------------------------------	--------------

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 (\$76,887) was exceeded by depreciation (\$91,764). (14,877)

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	745,000
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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	110,530
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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	39,763
Decrease in accrued interest	9,313
Increase in compensated absences payable	19,188
Changes in net pension liability and related pension amounts	119,053

Change in net position of governmental activities	<u>\$ 2,074,353</u>
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See Notes to Financial Statements.

Village of Inverness, Illinois

Notes to Financial Statements

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

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.

Motor Fuel Tax Fund – This is the Village's special revenue fund and will be used to account for maintenance of streets and bridges.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent the consumption of net position that applies to future 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 represent an acquisition of net position or fund balance that applies to future 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. Refer to Note 9 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

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 had no transactions between funds for the fiscal year ended April 30, 2022.

Village of Inverness, Illinois

Notes to Financial Statements

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

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, 2022, \$3,579 of the Village's deposits were uninsured and uncollateralized.

Interest Rate Risk.

As of April 30, 2022, the Village had the following investments and maturities.

Investment Type	Carrying Value
Illinois Funds	\$ 10,432,030

Village of Inverness, Illinois

Notes to Financial Statements

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, 2022, the Illinois Funds Investment Pool was rated AAAm by Standard & Poor's.

Note 3. Receivables - Taxes

Property taxes for 2021 attach as an enforceable lien on January 1, 2021 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, 2022 and July 1, 2022, and are payable in two installments, on or about March 1, 2022 and August 1, 2022. 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, 2021	Additions	Deletions	Balance April 30, 2022
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	246,897	76,887	7,164	316,620
	<u>2,471,485</u>	<u>76,887</u>	<u>7,164</u>	<u>2,541,208</u>
Less accumulated depreciation for:				
Buildings	791,525	34,403	-	825,928
Improvements other than buildings	409,580	12,802	-	422,382
Vehicles and equipment	187,471	44,559	7,164	224,866
	<u>1,388,576</u>	<u>91,764</u>	<u>7,164</u>	<u>1,473,176</u>
Total capital assets being depreciated, net	<u>1,082,909</u>	<u>(14,877)</u>	<u>-</u>	<u>1,068,032</u>
Governmental activities capital assets, net	<u>\$ 4,680,117</u>	<u>\$ (14,877)</u>	<u>\$ -</u>	<u>\$ 4,665,240</u>

Village of Inverness, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Total depreciation of \$91,764 was allocated as follows:

General government	\$ 47,205
Public safety	44,559
	<u>\$ 91,764</u>

Note 5. 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 whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA also has a third-party administrator that works on behalf of the MICA members to administer claims. The Village pays an annual contribution to MICA based upon the Village's share of liability exposure and prior experience within the pool to cover potential claims to the total loss aggregate. 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 years 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 currently does not have any retirees participating. 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.

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

Village of Inverness, Illinois

Notes to Financial Statements

Note 6. Long-Term Obligations

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2022:

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022	Due Within One Year
General Obligation Bonds Payable, Series 2017	\$ 2,320,000	\$ -	\$ 745,000	\$ 1,575,000	\$ 775,000
Premium on bonds payable	99,406	-	39,763	59,643	-
Compensated absences payable *	35,254	-	19,188	16,066	16,066
	<u>\$ 2,454,660</u>	<u>\$ -</u>	<u>\$ 803,951</u>	<u>\$ 1,650,709</u>	<u>\$ 791,066</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 to finance repair and maintenance of roads and related drainage improvements within the Village.

As of April 30, 2022, debt service requirements to maturity on the outstanding debt, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 775,000	\$ 47,250	\$ 822,250
2024	800,000	24,000	824,000
Total	<u>\$ 1,575,000</u>	<u>\$ 71,250</u>	<u>\$ 1,646,250</u>

Village of Inverness, Illinois

Notes to Financial Statements

Note 7. 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 \$6.6 million as of April 30, 2022, which was a \$98 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.

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.

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 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 \$152,984 to SWANCC for the fiscal year.

Intergovernmental Agreement

The Village is a member of the Northwest Central Dispatch System (NWCDS) which serves 12 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 \$151,260 to NWCDS for the year ended April 30, 2022.

Village of Inverness, Illinois

Notes to Financial Statements

Note 9. 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 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

Note 9. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2021, 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 rates are based on an actuarial valuation done by IMRF and the rates for calendar year 2022 and 2021 were 10.31% and 12.69% 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 (Asset)

The Village's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) 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, 2021:

- 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 2.25%.
- Salary Increases were expected to be 2.85% to 13.75%, 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 2020 valuation according to an experience study from years 2017 to 2019.
- The Pub-2010 rates for Mortality (for non-disabled retirees) were used with, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and fully generational projection scale MP-2020.

Village of Inverness, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (continued)

- For Disabled Retirees, Pub-2010 rates were used with, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, Pub-2010 rates were used with, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- 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	39.00%	1.90%
International equity	15.00%	3.15%
Fixed income	25.00%	-0.60%
Real estate	10.00%	3.30%
Alternative investments	10.00%	
Private equity		5.50%
Commodities		1.70%
Cash equivalents	<u>1.00%</u>	-0.90%
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 9. 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 (1.84%) based on an index of 20-year general obligation bonds with an average AA credit rating 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, 2021 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 (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at beginning of year	\$ 2,404,006	\$ 2,388,278	\$ 15,728
Changes for the year:			
Service cost	36,033	-	36,033
Interest	169,887	-	169,887
Differences between expected and actual experience	32,012	-	32,012
Changes of assumptions	-	-	-
Contributions - employer	-	44,943	(44,943)
Contributions - employee	-	15,937	(15,937)
Net investment income (loss)	-	427,490	(427,490)
Benefit payments, including refunds of employee contributions	(157,509)	(157,509)	-
Other changes	-	11,348	(11,348)
Net changes	80,423	342,209	(261,786)
Balances at end of year	\$ 2,484,429	\$ 2,730,487	\$ (246,058)

Village of Inverness, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), 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 (asset)	\$ 25,407	\$ (246,058)	\$ (473,105)

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

For the year ended April 30, 2022, the Village recognized pension expense (revenue) of (\$119,053). At April 30, 2022, 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	\$ 38,596	\$ -
Changes of assumptions	434	-
Net differences between projected and actual earnings on pension plan investments	58,056	405,971
Total deferred amounts to be recognized in pension expense in future periods	97,086	405,971
Employer contributions subsequent to the measurement date	12,845	-
Total deferred amounts related to pensions	\$ 109,931	\$ 405,971

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>
2023	\$ (57,465)
2024	(121,291)
2025	(78,643)
2026	(51,486)
Total	\$ (308,885)

Village of Inverness, Illinois

Notes to Financial Statements

Note 9. 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 10. 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, 2022, fourteen 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 \$89,739 during the fiscal year ended April 30, 2022.

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.

During fiscal year 2019, the Village established a section 457 savings plan (Plan).

As of April 30, 2022, twenty employees, which includes fourteen officers, were participating in the Plan. The Village made contributions of \$154,924 during the fiscal year ended April 30, 2022.

Village of Inverness, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards

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

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, 2023 financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Village beginning with its year ending April 30, 2023. 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, 2023.

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.

Village of Inverness, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement were effective on different timelines as requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance, requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The statement will be effective for the Village in various periods as noted above, including its year ending April 30, 2024 and April 30, 2025.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The statement will be effective for the Village with its year ending April 30, 2025.

GASB Statement No. 101, *Compensated Absences*, will be effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the Village with its year ending April 30, 2025.

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

Village of Inverness, Illinois

Notes to Financial Statements

Note 12. Subsequent Event

Delay in 2nd Installation of Property Tax Bill

Pursuant to State Statute, Cook County Property tax bill's first installment, which is equal to 55% of the prior year's total taxes, must be mailed in January. The second installment, to be mailed out by June 30, seeks the remaining amount of taxes due. For nearly a decade, the second installment bills have been mailed out on time.

The Cook County Treasurer has stated that the Tax Year 2021 Second Installment Property Tax due date has yet to be determined. The delays in issuance of the tax bills may create difficulties for public schools, municipalities, and other local taxing districts that depend on property tax revenue. Fortunately, the Village of Inverness, with the existing healthy fund balance, will be able to handle the gap in receipt of the property tax revenue, without the need to borrow money to meet payroll and cover other expenses.

Required Supplementary Information (Unaudited)

Village of Inverness, Illinois

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

Fiscal year ending April 30,	2022	2021	2020
Total pension liability			
Service cost	\$ 36,033	\$ 37,681	\$ 36,594
Interest on the total pension liability	169,887	164,787	159,452
Differences between expected and actual experience	32,012	19,760	21,633
Changes in assumptions	-	888	-
Benefit payments	(157,509)	(146,390)	(142,871)
Net change in total pension liability	80,423	76,726	74,808
Total pension liability—beginning	2,404,006	2,327,280	2,252,472
Total pension liability—ending (a)	\$ 2,484,429	\$ 2,404,006	\$ 2,327,280
Plan fiduciary net position			
Contributions - Employer	\$ 44,943	\$ 48,446	\$ 45,958
Contributions - Employee	15,937	16,137	15,848
Net investment income	427,490	321,749	373,685
Benefit payments	(157,509)	(146,390)	(142,871)
Other (Net transfer)	11,348	33,098	9,414
Net change in plan fiduciary net position	342,209	273,040	302,034
Plan fiduciary net position—beginning	2,388,278	2,115,238	1,813,204
Plan fiduciary net position—ending (b)	\$ 2,730,487	\$ 2,388,278	\$ 2,115,238
Net pension liability (asset) - ending (a) - (b)	\$ (246,058)	\$ 15,728	\$ 212,042
Plan fiduciary net position as a percentage of the total pension liability	109.90%	99.35%	90.89%
Covered payroll	\$ 354,161	\$ 358,588	\$ 352,165
Net pension liability as a percentage of the covered payroll	-69.48%	4.39%	60.21%

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:

- 2020 - IMRF decreased the inflation rate by a quarter point from 2.50% to 2.25%
- 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.

	2019	2018	2017	2016	2015
\$	30,727	\$ 41,668	\$ 41,069	\$ 38,817	\$ 45,409
	158,220	152,801	148,115	141,124	115,988
	(17,965)	79,422	(21,257)	8,488	202,653
	56,983	(67,181)	(13,766)	4,438	69,686
	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
	88,507	88,203	56,849	100,298	355,883
	2,163,965	2,075,762	2,018,913	1,918,615	1,562,732
\$	2,252,472	\$ 2,163,965	\$ 2,075,762	\$ 2,018,913	\$ 1,918,615
\$	41,373	\$ 41,888	\$ 50,821	\$ 38,526	\$ 40,015
	15,224	15,263	17,016	16,559	16,550
	(142,569)	306,980	116,017	8,255	94,175
	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
	55,403	(12,638)	(4,730)	27,966	42,319
	(170,027)	232,986	81,812	(1,263)	115,206
	1,983,231	1,750,245	1,668,433	1,669,696	1,554,490
\$	1,813,204	\$ 1,983,231	\$ 1,750,245	\$ 1,668,433	\$ 1,669,696
\$	439,268	\$ 180,734	\$ 325,517	\$ 350,480	\$ 248,919
	80.50%	91.65%	84.32%	82.64%	87.03%
\$	338,300	\$ 339,174	\$ 378,134	\$ 367,970	\$ 345,765
	129.85%	53.29%	86.09%	95.25%	71.99%

Village of Inverness, Illinois

**Required Supplementary Information
Schedule of Employer Contributions - Illinois Municipal Retirement Fund (IMRF)**

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2022	\$ 44,943	\$ 44,943	\$ -	\$ 370,679	12.12%
2021	46,104	46,104	-	347,787	13.26%
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 2021 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	Non-Taxing bodies; 10-year rolling period
	Taxing bodies (Regular, SLEP and ECO groups): 22-year closed period
	Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
	SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were finance over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one employer was financed over 28 years).
Actuarial value of assets	5 Year Smoothed Market Value; 20% Corridor
Wage growth	3.25%
Price inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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, IMRF specific mortality rates were 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, IMRF specific mortality rates 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 There were no benefit changes during the year.

*Based on the valuation assumptions used in the December 31, 2019 actuarial valuation.

Village of Inverness, Illinois

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes			
Property taxes	\$ 1,928,500	\$ 1,967,185	\$ 38,685
Sales taxes	65,000	211,075	146,075
Income and use taxes	981,000	1,462,018	481,018
Personal property replacement taxes	3,500	12,414	8,914
Charges for services	145,000	143,164	(1,836)
Licenses and permits	170,000	286,710	116,710
Fines and forfeitures	11,000	14,729	3,729
Intergovernmental	450,000	558,782	108,782
Franchise fees	140,000	171,460	31,460
Interest	50,000	8,622	(41,378)
Miscellaneous	15,000	39,689	24,689
Total revenues	3,959,000	4,875,848	916,848
Expenditures			
Current			
General government	785,450	704,899	80,551
Public safety	1,684,500	1,662,138	22,362
Public works	1,837,950	1,743,669	94,281
Capital outlay	144,200	142,501	1,699
Total expenditures	4,452,100	4,253,207	198,893
Deficiency of revenues over expenditures	(493,100)	622,641	1,115,741
Other financing sources			
Transfers in	200,000	-	(200,000)
Net change in fund balance	\$ (293,100)	622,641	\$ 915,741
Fund balance - beginning		8,857,169	
Fund balance - ending		\$ 9,479,810	

Village of Inverness, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental - motor fuel tax allotments	\$ 355,000	\$ 386,572	\$ 31,572
Interest	1,000	1,983	983
Total revenues	<u>356,000</u>	<u>388,555</u>	<u>32,555</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	356,000	388,555	32,555
Other financing uses			
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Total other financing uses	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	<u>\$ 156,000</u>	388,555	<u>\$ 232,555</u>
Fund balance - beginning		<u>1,000,985</u>	
Fund balance - ending		<u>\$ 1,389,540</u>	

Village of Inverness, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

The Village's budget, including the general fund and motor fuel tax fund, 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, 2022**

	Original and Final Budget	Actual
General government		
Salaries, full-time staff	\$ 240,000	\$ 244,265
Salaries, part-time staff	20,000	-
Salaries, elected officials	53,500	52,320
Employee benefits and other personnel related	41,500	43,836
Dues	3,500	3,683
Legal services	80,000	29,195
Accounting services	27,500	29,027
Office supplies and postage	20,500	11,476
Insurance	63,000	52,366
Printing and publishing	1,500	765
Telephone	12,500	9,615
Expense and automobile allowance	3,600	450
Bonds and insurance	61,100	54,511
Conferences and training	5,000	1,251
Miscellaneous	26,000	8,010
Property maintenance	50,000	102,695
Payroll taxes	23,500	22,310
Unemployment tax	-	555
Audit	22,750	23,500
Information technology	30,000	15,069
Total general government	785,450	704,899
Public safety		
Police salaries, full-time	965,000	945,490
Police salaries, part-time	20,000	29,880
Police payroll tax	85,000	72,835
Police pension	100,000	251,777
Police unemployment tax	-	1,431
Police health insurance	235,000	99,623
Expense allowance	-	1,758
Emergency response	30,000	35,702
Police training	5,000	2,350
Police dues	18,000	18,798
Police supplies/services	15,000	17,970
Police uniforms	8,000	4,436

(Continued)

Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2022

	Original and Final Budget	Actual
Public safety (Continued)		
Police contracts	\$ 155,000	\$ 130,214
Police vehicle maintenance	35,000	36,680
Police telephone	3,500	1,732
Information technology	10,000	11,462
Total public safety	<u>1,684,500</u>	<u>1,662,138</u>
Public works		
Salaries, full-time staff	53,000	52,212
Engineering services	46,200	46,176
Engineering expense	25,000	-
Engineering reimbursable	25,000	25,600
Forestry	15,000	51,022
Stormwater management	35,000	46,692
Solid waste	130,000	152,984
Street and bridge	835,000	793,450
Snow removal	470,000	426,576
Pension	8,250	9,703
Health Insurance	23,500	23,377
Contract inspections	80,000	113,991
Dues	500	320
Training	500	-
Office supplies	6,000	1,566
Remodeling	85,000	-
Total public works	<u>1,837,950</u>	<u>1,743,669</u>
Capital outlay		
General governmental		
Office equipment	4,200	2,942
Public safety		
Police vehicles	87,000	94,149
Police radios	35,000	37,249
Police office equipment	5,000	1,219
Police other capital	12,000	6,661
Public works		
Office equipment	1,000	281
	<u>144,200</u>	<u>142,501</u>
Total expenditures	<u>\$ 4,452,100</u>	<u>\$ 4,253,207</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, 2022**

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 814,600	\$ 849,787
Total revenues	<u>814,600</u>	<u>849,787</u>
Expenditures		
Debt service		
Principal	745,000	745,000
Interest	69,600	69,600
Miscellaneous	500	-
Total expenditures	<u>815,100</u>	<u>814,600</u>
Net change in fund balance	<u>\$ (500)</u>	35,187
Fund balance - beginning		<u>730,195</u>
Fund balance - ending		<u>\$ 765,382</u>

Village of Inverness, Illinois

Schedule of Long-term Debt Requirements
General Obligation Refunding Bond, Series 2017
April 30, 2022

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
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>\$ 1,575,000</u>	<u>\$ 71,250</u>	<u>\$ 1,646,250</u>		<u>\$ 35,625</u>		<u>\$ 35,625</u>

Statistical Section (Unaudited)

Statistical Section

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>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	48 - 55
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	56 - 61
Debt Capacity 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.	62 - 64
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	65 - 66
Operating Information 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.	67 - 70

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**

	2013	2014	2015	2016
Governmental activities				
Investment in capital assets	\$ 4,869,369	\$ 5,007,248	\$ 4,937,727	\$ 4,894,623
Restricted	1,025,721	1,106,465	275,793	271,795
Unrestricted	(25,861)	547,636	2,423,635	3,572,562
Total governmental activities	<u>\$ 5,869,229</u>	<u>\$ 6,661,349</u>	<u>\$ 7,637,155</u>	<u>\$ 8,738,980</u>

Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 4,858,086	\$ 4,817,170	\$ 4,786,974	\$ 4,708,172	\$ 4,680,117	\$ 4,665,240
278,388	282,221	296,835	393,356	1,000,985	1,389,540
4,190,036	5,335,623	6,235,624	7,076,028	8,226,985	9,927,660
\$ 9,326,510	\$ 10,435,014	\$ 11,319,433	\$ 12,177,556	\$ 13,908,087	\$ 15,982,440

Village of Inverness, Illinois

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

	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 905,429	\$ 1,069,534	\$ 884,420	\$ 969,289
Public safety	1,560,549	1,631,912	1,658,237	1,663,732
Public works	1,108,385	705,856	808,374	666,747
Interest	314,083	286,607	269,073	248,601
Total governmental activities expenses	3,888,446	3,693,909	3,620,104	3,548,369
Program revenues				
Governmental activities				
Charges for services	682,789	626,355	602,050	642,485
Operating grants and contributions	210,226	242,695	221,818	195,565
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	893,015	869,050	823,868	838,050
General revenue and other changes in net position				
Governmental activities				
Property taxes	2,708,911	2,675,886	2,743,516	2,785,507
Other taxes	888,949	912,786	985,749	998,167
Annexation fees/grant proceeds	12,000	15,000	18,750	-
Investments income	11,659	6,719	5,474	10,247
Miscellaneous	10,070	6,588	11,968	18,223
Total governmental activities	3,631,589	3,616,979	3,765,457	3,812,144
Total change in net position	\$ 636,158	\$ 792,120	\$ 969,221	\$ 1,101,825

Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 1,052,914	\$ 768,430	\$ 632,049	\$ 680,789	\$ 622,272	\$ 613,863
1,626,253	1,684,226	1,738,465	1,785,693	1,647,139	1,772,311
1,106,794	926,851	1,450,810	1,435,374	1,386,110	1,743,669
228,976	202,218	83,863	63,513	42,438	20,524
4,014,937	3,581,725	3,905,187	3,965,369	3,697,959	4,150,367
558,725	599,538	518,078	503,094	498,577	616,063
193,857	195,152	193,999	274,575	372,505	864,084
-	-	-	-	325,082	162,541
752,582	794,690	712,077	777,669	1,196,164	1,642,688
2,811,769	2,775,548	2,800,516	2,786,058	2,784,521	2,846,231
960,422	999,887	1,062,489	1,065,312	1,410,070	1,685,507
-	-	-	-	-	-
37,970	96,008	187,917	174,043	24,751	10,605
39,724	24,096	26,607	20,410	12,984	39,689
3,849,885	3,895,539	4,077,529	4,045,823	4,232,326	4,582,032
\$ 587,530	\$ 1,108,504	\$ 884,419	\$ 858,123	\$ 1,730,531	\$ 2,074,353

Village of Inverness, Illinois

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

	2013	2014	2015	2016
General Fund				
Assigned				
Emergency disaster reserve	\$ -	\$ -	\$ -	\$ -
Solid Waste Program	572,728	572,728	572,728	572,728
Street and bridge improvements	322,713	332,713	322,713	322,713
Unassigned	5,769,743	5,772,649	6,180,972	6,781,337
Total General Fund	6,665,184	6,678,090	7,076,413	7,676,778
All other governmental funds				
Restricted - street and bridge improvements	191,638	253,927	275,793	271,795
Restricted - debt service	539,486	557,659	594,137	639,786
Total All Other Governmental Funds	731,124	811,586	869,930	911,581
Total Governmental Funds	\$ 7,396,308	\$ 7,489,676	\$ 7,946,343	\$ 8,588,359

Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 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
6,771,229	7,526,759	7,630,228	6,665,535	6,961,728	7,584,369
7,666,670	8,422,200	8,525,669	8,560,976	8,857,169	9,479,810
278,388	282,221	296,835	393,356	1,000,985	1,389,540
674,626	659,390	664,737	675,283	730,195	765,382
953,014	941,611	961,572	1,068,639	1,731,180	2,154,922
\$ 8,619,684	\$ 9,363,811	\$ 9,487,241	\$ 9,629,615	\$ 10,588,349	\$ 11,634,732

Village of Inverness, Illinois

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

	2013	2014	2015	2016
Revenues				
Taxes				
Property taxes	\$ 2,669,403	\$ 2,658,159	\$ 2,736,441	\$ 2,817,524
Sales taxes	62,829	69,011	72,262	65,923
Income and use taxes	817,387	836,155	894,911	927,618
Personal property replacement taxes	4,582	4,802	5,025	4,626
Charges for services	212,296	193,150	181,643	173,658
Licenses and permits	300,093	258,264	228,731	259,408
Fines and forfeitures	15,645	14,981	25,251	37,234
Intergovernmental	210,226	242,695	240,568	195,565
Annexation fees	12,000	15,000	-	-
Franchise fees	154,755	159,960	166,425	172,185
Interest	11,659	6,719	5,474	10,247
Miscellaneous	10,070	6,588	11,964	18,223
Total revenues	4,480,945	4,465,484	4,568,695	4,682,211
Expenditures				
Current				
General government	833,260	908,190	808,542	854,432
Public safety	1,539,548	1,612,716	1,626,443	1,625,949
Public works	643,356	696,335	808,374	666,747
Debt service				
Principal retirement	520,895	540,000	565,000	590,000
Interest expense	310,439	294,570	277,830	259,185
Issuance costs	-	-	-	-
Capital outlay	527,012	330,305	15,839	43,882
Total expenditures	4,374,510	4,382,116	4,102,028	4,040,195
Excess (deficiency) of revenues over expenditures	106,435	83,368	466,667	642,016
Other financing sources (uses)				
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Transfers in	160,000	149,117	170,000	200,000
Transfers out	(149,117)	(170,000)	(200,000)	(200,000)
Total other financing sources (uses)	10,883	(20,883)	(30,000)	-
Net change in fund balances	\$ 117,318	\$ 62,485	\$ 436,667	\$ 642,016
Debt service as a percentage of noncapital expenditures	0.276	0.259	0.260	0.270

Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022
\$ 2,856,489	\$ 2,866,046	\$ 2,726,392	\$ 2,722,908	\$ 2,823,342	\$ 2,816,972
75,216	80,825	67,898	72,418	103,469	211,075
780,900	1,013,931	989,940	988,498	1,301,261	1,462,018
5,138	4,299	4,651	4,396	5,340	12,414
159,886	199,324	148,510	143,461	142,726	143,164
204,528	202,197	176,194	176,934	177,977	286,710
16,698	14,907	17,004	13,054	12,429	14,729
193,857	195,152	193,999	274,575	697,587	945,354
-	-	-	-	-	-
177,613	183,110	176,370	169,645	165,445	171,460
37,970	96,008	187,917	174,043	24,751	10,605
39,724	24,096	26,607	20,410	12,984	39,689
4,548,019	4,879,895	4,715,482	4,760,342	5,467,311	6,114,190
909,581	644,255	583,215	626,045	644,425	704,899
1,591,528	1,642,316	1,704,119	1,733,150	1,604,296	1,662,138
1,106,794	926,851	1,450,810	1,435,374	1,386,110	1,743,669
620,000	5,915,000	670,000	690,000	720,000	745,000
238,535	198,886	132,000	111,900	91,200	69,600
-	80,553	-	-	-	-
50,186	53,117	51,908	21,499	62,546	142,501
4,516,624	9,460,978	4,592,052	4,617,968	4,508,577	5,067,807
31,395	(4,581,083)	123,430	142,374	958,734	1,046,383
-	5,070,000	-	-	-	-
-	255,141	-	-	-	-
200,000	200,000	200,000	200,000	-	-
(190,000)	(200,000)	(200,000)	(200,000)	-	-
10,000	5,325,141	-	-	-	-
\$ 41,395	\$ 744,058	\$ 123,430	\$ 142,374	\$ 958,734	\$ 1,046,383
0.238	1.928	0.215	0.211	0.223	0.198

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
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	471,014,659	45,363	21,833,720	-	43,863
2020	471,014,659	45,363	21,833,720	-	43,863
2021	N/A	N/A	N/A	N/A	N/A

N/A - As of the issuance of this report, and as noted in Note 12, Cook County has not yet released the final 2021 property tax information.

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
\$ 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%
492,937,605	5.63	2,775,238,716	33.333%
N/A	N/A	N/A	N/A

Village of Inverness, Illinois

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

	2012	2013	2014	2015
Tax Rates				
Direct Rates:				
Village of Inverness				
Corporate (Police Protection)	0.355	0.413	0.414	0.432
Debt Service	0.187	0.210	0.206	0.216
Total Village of Inverness	0.542	0.623	0.620	0.648
Overlapping Rates:				
School Districts				
School District #15	3.269	3.849	3.868	4.035
Palatine Township High School District #211	2.772	3.197	3.213	3.309
Unit School District #220	4.292	4.807	4.953	5.126
Harper Community College District #512	0.373	0.444	0.451	0.466
Fire Protection Districts				
Barrington Countryside Fire Protection District	0.469	0.530	0.540	0.565
Palatine Rural Fire Protection District	0.857	0.991	1.042	1.093
Park Districts				
Barrington Hills Park District	0.000	0.000	0.054	0.057
Palatine Park District	0.574	0.680	0.696	0.725
Inverness Park District	0.195	0.222	0.212	0.217
South Barrington Park District	0.000	0.000	0.000	0.000
Library District				
Barrington Public Library District	0.223	0.248	0.258	0.266
Palatine Public Library District	0.000	0.000	0.696	0.308
County				
County of Cook	0.531	0.560	0.568	0.552
Forest Preserve	0.063	0.069	0.069	0.069
Consolidated Elections	0.000	0.031	0.000	0.034
Townships				
Palatine Township	0.145	0.167	0.166	0.173
Barrington Township	0.029	0.033	0.033	0.034
Other Districts				
Northwest Mosquito Abatement District	0.011	0.013	0.013	0.011
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426
Total Overlapping Rates	14.173	16.258	17.262	17.466
Grand Total	14.715	16.881	17.882	18.114

N/A - As of the issuance of this report, and as noted in Note 12, Cook County has not yet released the final 2021 property tax information.

Source: Cook County, Office of the County Clerk

Tax Levy Year					
2016	2017	2018	2019	2020	2021
0.369	0.365	0.377	0.378	0.385	N/A
0.186	0.169	0.174	0.173	0.178	N/A
0.555	0.534	0.551	0.551	0.563	N/A
3.543	3.618	3.807	3.486	3.564	N/A
2.871	2.922	3.044	2.749	2.787	N/A
4.538	4.560	4.853	4.669	4.888	N/A
0.416	0.425	0.443	0.403	0.409	N/A
0.482	0.485	0.520	0.541	0.573	N/A
0.949	0.963	1.022	1.003	1.055	N/A
0.048	0.048	0.052	0.055	0.061	N/A
0.648	0.657	0.693	0.633	0.650	N/A
0.190	0.187	0.198	0.196	0.192	N/A
0.000	0.214	0.213	0.217	0.230	N/A
0.231	0.230	0.248	2.440	0.253	N/A
0.268	0.276	0.291	0.344	0.353	N/A
0.533	0.496	0.489	0.454	0.453	N/A
0.063	0.062	0.060	0.006	0.058	N/A
0.000	0.031	0.000	0.030	0.000	N/A
0.145	0.143	0.146	0.134	0.130	N/A
0.031	0.032	0.033	0.033	0.034	N/A
0.010	0.010	0.011	0.010	0.010	N/A
0.406	0.402	0.396	0.389	0.378	N/A
15.372	15.761	16.519	17.792	16.078	N/A
15.927	16.295	17.070	18.343	16.641	N/A

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
2021	2022	\$ 2,710,668	\$ 1,433,205	52.87%	N/A	\$ 1,302,973	48.07%
2020	2021	2,702,635	1,302,973	50.87%	1,387,652	2,690,625	99.56%
2019	2020	2,714,515	1,380,753	50.87%	1,320,016	2,684,916	98.91%
2018	2019	2,665,353	1,412,906	53.01%	1,223,874	2,645,060	99.24%
2017	2018	2,665,458	1,450,525	54.42%	1,171,727	2,644,034	99.20%
2016	2017	2,716,525	1,392,194	51.25%	1,283,115	2,687,387	98.93%
2015	2016	2,709,112	1,346,010	49.68%	1,319,573	2,666,282	98.42%
2014	2015	2,679,724	1,286,447	48.01%	1,346,553	2,634,618	98.32%
2013	2014	2,631,337	1,261,985	45.95%	1,323,389	2,585,448	98.26%
2012	2013	2,543,663	1,209,002	47.10%	1,289,594	2,499,267	98.25%

Source: Cook County Treasurer's Office

Village of Inverness, Illinois

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

Taxpayer	2020*			2011		
	EAV	Rank	% of Total Equalized Assessed Valuation	EAV	Rank	% of Total Equalized Assessed Valuation
Inverness Real Estate	\$ 5,672,243	1	1.2%	\$ 6,925,067	1	1.4%
Inverness Golf Course	4,470,998	2	0.9%	3,771,681	2	0.7%
Individual Residence (a)	1,999,133	3	0.4%	2,262,567	3	0.4%
Individual Residence (b)	1,332,457	4	0.3%	1,732,289	4	0.3%
Individual Residence (c)	644,935	5	0.1%			
Individual Residence (d)	621,881	6	0.1%			
Individual Residence (e)	581,243	7	0.1%			
Individual Residence (f)	576,466	8	0.1%			
Individual Residence (g)	555,518	9	0.1%			
Individual Residence (h)	522,523	10	0.1%			
Maison Du Comte, inc				1,238,407	5	0.2%
Individual Residence (i)				1,099,714	6	0.2%
Society for the Preservation of Human Dignity				1,010,147	7	0.2%
Individual Residence (j)				940,349	8	0.2%
Individual Residence (k)				835,771	9	0.2%
MEI Reality, LTD				769,286	10	0.2%
Total	\$ 16,977,397		3.5%	\$ 20,585,278		4.0%
Village of Inverness Equalized Assessed Valuation	\$ 480,639,288		100.0%	\$ 511,800,895		100.0%

* As of the issuance of this report, and as noted in Note 12, Cook County has not yet released the final 2021 property tax information. Therefore, we have carried forward the information from the prior year report.

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)
2013	\$ 7,560,000	\$ -	\$ 7,560,000	1.61%	1.16%	1,009
2014	7,020,000	-	7,020,000	1.66%	1.01%	929
2015	6,455,000	-	6,455,000	1.49%	0.94%	850
2016	5,865,000	-	5,865,000	1.40%	0.88%	773
2017	5,250,941	-	5,250,941	1.07%	0.81%	695
2018	4,618,692	-	4,618,692	0.93%	0.72%	616
2019	3,908,930	-	3,908,930	0.81%	0.62%	526
2020	3,179,168	-	3,179,168	0.64%	0.51%	431
2021	2,419,406	-	2,419,406	0.49%	0.38%	318
2022	1,634,643	-	1,634,643	N/A	0.25%	205

N/A - Information not readily available

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, 2022**

Governmental Unit	General Obligation Debt Outstanding	Percentage Applicable to the Village	Village Share of Debt
Direct bonded debt			
Village of Inverness	\$ 1,634,643	100.00%	\$ 1,634,643
Overlapping bonded debt			
Palatine CCSD #15 School District	52,112,700	8.43%	4,393,101
Barrington #220 School District	114,976,806	5.42%	6,231,743
Harper Community College District #512	285,565,330	2.30%	6,568,003
Inverness Fire Protection District	2,426,702	75.77%	1,838,712
Palatine Park District	18,057,433	3.83%	691,600
Inverness Park District	52,000	100.00%	52,000
South Barrington Park District	5,255,812	0.05%	2,628
County of Cook	3,171,802,750	0.30%	9,515,408
Metropolitan Water Reclamation District	4,599,784,000	0.04%	1,839,914
Total overlapping bonded debt	8,250,033,533		31,133,109
Total direct and overlapping bonded debt	\$ 8,251,668,176		\$ 32,767,752

Village of Inverness, Illinois

Schedule of Legal Debt Margin

April 30, 2022

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 Rates	
				Chicago Metropolitan Area	State of Illinois
2013	7,245	152,993	87,199	9.60%	9.30%
2014	7,516	156,938	91,623	7.80%	7.60%
2015	7,431	161,838	89,974	6.20%	6.00%
2016	7,844	172,949	87,950	6.20%	6.10%
2017	7,723	173,838	85,572	4.80%	4.90%
2018	7,747	180,541	83,058	4.00%	4.30%
2019	7,633	192,576	84,219	4.00%	4.10%
2020	7,616	192,576	82,512	18.40%	17.40%
2021	7,616	192,576	82,512	7.10%	6.60%
2022	7,959	185,558	82,512	4.60%	4.60%

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)
- Chicago-Naperville-Arlington Heights Metropolitan Division

Village of Inverness, Illinois

**Principal Employers
April 30, 2022**

Employer	Type of Business	Employees	Percentage of Total Population
Inverness Health and Rehab	Nursing and Convalescent Homes	130	1.71%
Comfort Keepers	Home Health Service	75	0.98%
Inverness Golf Club	Golf Courses	50	0.66%
Holy Family Catholic Church	Churches	24	0.32%
Village of Inverness	Municipalities	20	0.26%
Inverness Fire Protection District	Fire Departments	18	0.24%
Burton Financial Management	Financial Advisory Services	15	0.20%
Cor Strategies. Inc.	Consulting	15	0.20%
HNI Truck Group	Trucking	13	0.17%
Hammon Group Ltd	Manufacturers-Agents & Representatives	10	0.13%
			4.86%

Source:Village Records

* Historical information from nine years ago is not readily available

Village of Inverness, Illinois

**Operating Indicators
Last Ten Fiscal Years**

	2013	2014	2015	2016
Police Department				
Calls for Service	2,222	2,153	2,145	2,047
Accidents	133	133	134	149
Alarms	442	498	474	448
Arrests	38	27	26	34
Citations	2,110	2,046	2,599	2,634
Fire Assists	414	412	417	424
Patrol Miles	112,844	113,398	36,375	24,264
Building Department				
SF Res. (New, Demo/Rebuild)	-	-	-	-
SF Res. (Add/Alt)	-	-	-	-
Commerical (New, Add, Misc.)	-	-	-	-
Misc. (Deck, Pools, Gen)	-	-	-	-
Engineering Misc	-	-	-	-
Number of Permits (Total)	114	94	93	114
Value of construction	\$ 23,005,969	\$ 16,199,745	\$ 14,920,186	\$ 14,234,693
Total Number of Inspections	613	620	480	530
General Government				
FOIA Requests	-	-	102	108
Regular	-	-	75	82
Average Response Time (days)	-	-	1.47	1.67
Commercial	-	-	27	26
Average Response Time (days)	-	-	1.81	6.17
Business Licenses	21	22	23	27
Vehicle Stickers Issued	-	5,986	5,425	5,377
Scavenger Licenses Issued	-	11	9	9
Dog Tags Issued	978	929	881	860
Utility Permits Issued	-	37	46	44
Ordinances Adopted	12	14	12	6
Resolutions Adopted	11	14	16	15
Refuse/Recycling/Yard Waste				
Refuse Collected (tons)	2,536.97	2,636.94	2,711.70	2,707.55
Recycling Collected (tons)	1,260.57	1,333.36	1,355.92	1,338.15
Yard Waste Collected (tons)	341.07	428.88	365.07	348.55
Programs				
Salt Purchases (tons)	1,123.89	1,903.63	908.51	999.67

Source: Various Village departments

2017	2018	2019	2020	2021	2022
2,004	1,865	2,024	1,784	1,864	1,958
126	124	146	105	49	99
444	393	412	374	337	342
22	5	7	5	-	3
2,342	2,682	2,475	2,328	1,370	1,391
459	468	460	478	524	658
96,707	106,664	110,019	96,092	50,916	94,492
-	4	3	4	-	9
-	37	35	41	46	23
-	1	-	2	2	3
-	47	47	63	59	53
-	21	21	39	29	46
105	119	106	149	136	134
\$ 7,732,019	\$ 8,451,165	\$ 6,648,747	\$ 8,347,264	\$ 4,779,328	\$ 13,152,808
543	525	573	716	707	653
89	88	119	99	105	76
67	69	101	77	92	55
1.30	1.39	1.78	2.14	2.37	2.82
22	19	18	22	14	21
7.77	8.95	8.61	8.36	8.77	16.48
29	34	37	38	33	354
5,413	5,373	5,402	4,243	5,054	4,860
7	6	6	5	6	5
851	862	834	8,166	785	734
42	30	16	-	5	18
12	13	9	6	9	9
14	13	13	16	9	15
2,574.92	2,526.16	2,611.67	2,761.55	2,301.21	2,627.35
1,213.79	1,193.92	1,153.30	1,163.24	951.45	999.28
337.53	295.34	302.28	384.79	328.77	299.05
593.09	1,262.55	1,547.42	1,455.73	450.09	1,139.09

Village of Inverness, Illinois

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	8
Administration										
Full-Time	2	2	2	2	2	2	2	2	3	3
Part-Time	2	2	2	2	2	2	1	1	0	0
Building Department										
Full-Time	2	2	2	2	2	1	1	2	1	1
Part-Time	0	0	0	0	0	0	0	0	0	0
Police Department										
Sworn-FT	12	12	12	12	12	12	12	12	12	11
Sworn-PT	2	2	2	2	2	2	2	2	1	1
Nonsworn-FT	1	1	1	1	2	2	2	1	1	1
Nonsworn-PT	0	0	1	1	0	0	0	0	1	1

Source: Village Records

Village of Inverness, Illinois

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vehicles										
Marked Patrol Units	4	4	4	4	4	4	4	4	5	6
Unmarked Patrol Units	2	2	2	2	2	2	3	2	2	3
Civil Vehicle	1	0	0	0	0	0	0	0	0	0
Building/Land										
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