

Annual Comprehensive Financial Report Fiscal Year 2023

May 1, 2022 to April 30, 2023



Village of Inverness, Illinois

Village of Inverness, Illinois

Annual Comprehensive Financial Report
Fiscal Year Ended April 30, 2023

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

October 26, 2023

Honorable Village President Tatoes
Member of the Board of Trustees
Residents of the Village of Inverness

PRESIDENT

John A. Tatoes

BOARD OF TRUSTEES

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

CLERK

Krissy Viox

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9-1-1

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WEB ADDRESS

www.inverness-il.gov

I am delighted to present the Annual Comprehensive Financial Report for the Village of Inverness, Illinois (Village) for the fiscal year concluding on April 30, 2023.

The Annual Comprehensive Financial Report is an annual document detailing the Village's financial status and transactions. It adheres to generally accepted accounting principles (GAAP) and has been subjected to an audit in accordance with generally accepted auditing standards (GAAS) by an independent team of certified public accountants.

This report primarily comprises the Village management's assertions concerning its financial matters. As such, the management assumes full accountability for the accuracy and completeness of all the information presented herein. To ensure the validity of these assertions, the Village's management has implemented a robust internal control framework designed to safeguard the Village's assets and gather reliable data for the preparation of the Village of Inverness' financial statements, adhering to the generally accepted accounting principles in the United States of America. It's important to note that these internal controls are designed to offer reasonable, rather than absolute, assurance that the financial statements are free from material errors. As a part of the management team, we confidently state that, to the best of our knowledge and belief, this financial report is comprehensive and trustworthy in all substantial aspects.

By state law, every general-purpose local government is mandated to publish a complete set of audited financial statements within six months after the conclusion of each fiscal year. Thus, we are publishing the Annual Comprehensive Financial Report for the Village of Inverness, Illinois, for the fiscal year ending April 30, 2023, to fulfill this legal obligation.

The financial statements for the year ending April 30, 2023, have been audited by RSM US LLP, Certified Public Accountants. The independent auditor has provided an unmodified ("clean") opinion, affirming that the financial statements accurately represent the financial position of the Village of Inverness, Illinois, as of April 30, 2023, and the changes in its financial position for the year ended, in accordance with generally accepted accounting principles 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 officially incorporated in 1962. This picturesque residential community is nestled in the northwestern part of Cook County, located approximately 30 miles away from downtown Chicago's bustling "Loop." It encompasses an area of roughly 6.5 square miles and had a population of 7,616 as per the 2020 Census. Inverness shares its borders with neighboring communities: Barrington to the north, Palatine to the east, Hoffman Estates to the south, and Barrington Hills to the west.

The Village is governed by a Board of Trustees, comprising the President and six Trustees, all of whom are elected at-large for overlapping four-year terms. The Board of Trustees appoints a Village Administrator to execute their legislative and policy decisions, overseeing the day-to-day management of the Village. As a home-rule municipality, Inverness offers its residents essential services, including police protection, road maintenance, and other public works-related activities.

Additionally, the Village is serviced by various other governmental entities. It falls under the jurisdiction of two distinct townships, providing limited services depending on the specific location within Inverness. The eastern half of the Village falls within Palatine Township, while the western portion is situated in Barrington Township.

For fire protection and emergency medical services, Inverness relies on the Inverness Fire Protection District and the Barrington Countryside Fire Protection District, contingent on the area of residence. Residents residing in the eastern two-thirds of the Village benefit from the services of the Inverness Fire Protection District, which maintains a fire station conveniently situated in the Village at the intersection of Palatine and Ela Roads. Meanwhile, those residing in the western third of the Village are served by Barrington Countryside, with fire stations located in neighboring Barrington Hills and Barrington.

Financial Information

The Village operates according to the Annual Appropriation Ordinance, which must receive approval from the corporate authorities during the first quarter of each fiscal year. This ordinance forms the cornerstone of the Village's financial planning and control.

The budgeting process kicks off in February of every year. During this period, each department submits their expenditure requests for the forthcoming fiscal year, including any proposed initiatives or projects. The financial plan is constructed by considering the anticipated expenses and revenues for the fiscal year. Subsequently, the proposed financial plan undergoes a thorough review by both the Financial Committee and the Village Board before obtaining final approval.

Major Initiatives and Accomplishments

Throughout Fiscal Year 2023, the Village embarked on or continued with various significant endeavors, including:

- Utilization of American Rescue Plan Act Funds: The Village allocated funds from the American Rescue Plan Act to reinvest in the maintenance of its facilities. This encompassed essential projects such as the repair of the Village Hall Silo and the replacement of Cedar Shake Roofs on both buildings.
- Successful Completion of Annual Street Resurfacing Programs: The Village successfully executed its annual street resurfacing programs, enhancing the quality and condition of its roadways.

Awards

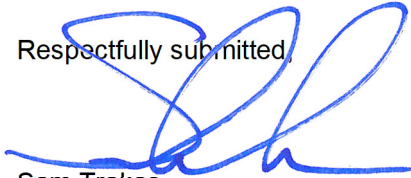
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Village of Inverness for its annual comprehensive financial report for the fiscal year ended April 30, 2022. This was the 3rd consecutive year that 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 wish to extend my sincere appreciation to the Mayor, the Board of Trustees, the Finance Committee, the Village Treasurer, and the entire Village Staff for their exemplary leadership and unwavering support in overseeing and conducting the Village's financial operations with a sense of responsibility and a commitment to progress. Your dedication is truly commendable and invaluable to the community.

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, 2022

Christopher P. Morill

Executive Director/CEO

Village of Inverness, Illinois

Principal Officials
April 30, 2023



VILLAGE OFFICIALS

PRESIDENT

John A. Tatooles

BOARD OF TRUSTEES

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Kenneth Klein

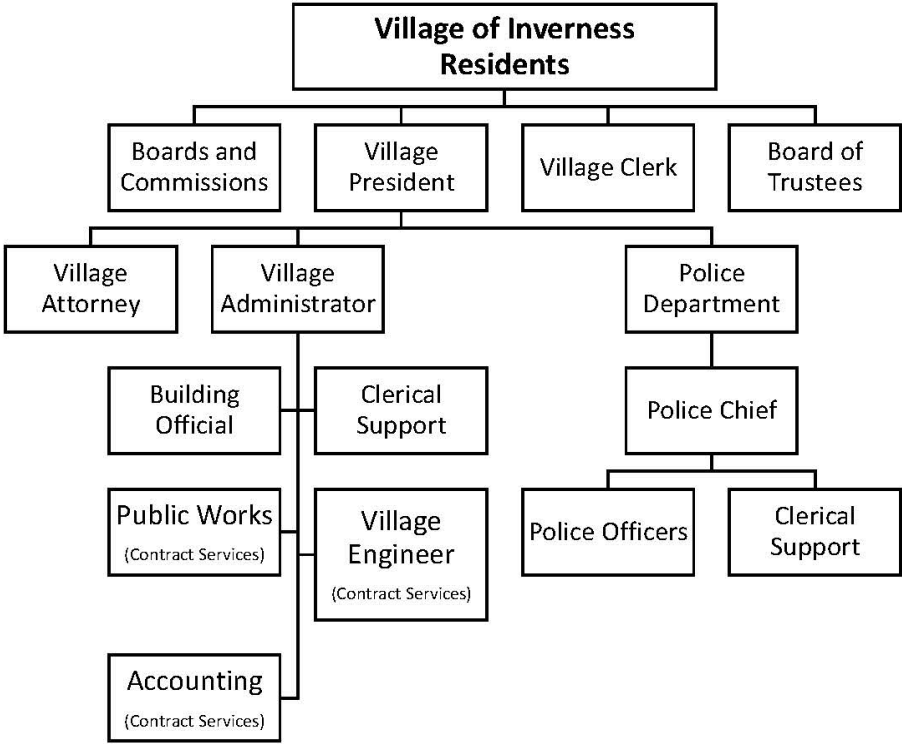
VILLAGE STAFF

Sam Trakas, Village Administrator

Bob Haas, Police Chief



VILLAGE OF INVERNESS ORGANIZATION CHART



Independent Auditor's Report



Independent Auditor's Report

RSM US LLP

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, 2023, 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, 2023, 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 37-39) and budgetary comparison information (40-41) 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
October 26, 2023

Management's Discussion and Analysis

Village of Inverness, Illinois

Management's Discussion and Analysis For the Fiscal Year Ended April 30, 2023

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 \$1,884,227 or 11.79% as a result of this year's operations. The Village does not conduct any business-type activities.

Revenues

The governmental activities revenues totaled \$6,277,886.

Cost of Village Programs

The governmental activities expenses totaled \$4,393,659.

General Fund

The General Fund reported revenues of \$4,989,338 and expenditures of \$5,203,312, resulting in a net decrease in fund balance of (\$213,974), 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, 2023

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 \$17,866,667 as of April 30, 2023. This is an increase of \$1,884,227 or 11.79% over the prior year.

Summary Statement of Net Position As of April 30, 2023 and 2022

	Governmental Activities			
	2023	2022	Change	% Change
Current and other assets	\$ 14,356,549	\$ 13,712,518	\$ 644,031	4.70%
Other noncurrent assets	-	246,058	(246,058)	-100.00%
Capital assets	5,496,159	4,665,240	830,919	17.81%
Total assets	19,852,708	18,623,816	1,228,892	6.60%
Deferred Outflows of Resources	504,508	109,931	394,577	358.93%
Current liabilities	1,898,924	1,485,693	413,231	27.81%
Noncurrent liabilities	320,137	859,643	(539,506)	-62.76%
Total liabilities	2,219,061	2,345,336	(126,275)	-5.38%
Deferred Inflows of Resources	271,488	405,971	(134,483)	-33.13%
Net Position:				
Investment in capital assets	5,191,377	4,665,240	526,137	11.28%
Restricted	1,850,809	1,389,540	461,269	33.20%
Unrestricted	10,824,481	9,927,660	896,821	9.03%
Total net position	\$ 17,866,667	\$ 15,982,440	\$ 1,884,227	11.79%

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2023

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, 2023, the Village has restricted net position of \$1,850,809 an increase of \$461,269 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, 2023, the Village reports non-current liabilities of \$320,137, a decrease of \$539,506 compared to the prior year. The decrease is largely due to the principal payment of \$775,000 on debt which was slightly offset by an increase in the net pension liability of \$300,256 due to the net loss on investments, which is measured by an actuarial valuation as of December 31, 2022. That valuation also led to the corresponding increase of \$394,577 in deferred outflows of resources and decrease of \$134,483 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, 2023**

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

**Summary Statement of Activities
Years Ended April 30, 2023 and 2022**

	Governmental Activities			
	2023	2022	Change	% Change
Revenues				
Program Revenues				
Charges for service	\$ 555,543	\$ 616,063	\$ (60,520)	-9.82%
Grants and contributions				
Operating	826,098	876,498	(50,400)	-5.75%
Grants and contributions				
Capital	-	162,541	(162,541)	-100.00%
General Revenue				
Property taxes	2,785,374	2,846,231	(60,857)	-2.14%
Other taxes	1,746,109	1,673,093	73,016	4.36%
Investment income	333,694	10,605	323,089	3046.57%
Miscellaneous	31,068	39,689	(8,621)	-21.72%
Total Revenue	6,277,886	6,224,720	53,166	0.85%
Expenses				
General Government	815,030	613,863	201,167	32.77%
Public Safety	1,808,313	1,772,311	36,002	2.03%
Public Works	1,771,965	1,743,669	28,296	1.62%
Interest	(1,649)	20,524	(22,173)	-108.03%
Total Expenses	4,393,659	4,150,367	243,292	5.86%
Change in Net Position	1,884,227	2,074,353	(190,126)	-9.17%
Net position - beginning	15,982,440	13,908,087	2,074,353	14.91%
Net position - ending	\$ 17,866,667	\$ 15,982,440	\$ 1,884,227	11.79%

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, 2023

- 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, 2023, revenues from all governmental activities totaled \$6,277,886. This is a (.85%) increase or \$53,166 more than the previous year. The increase is largely attributed to increased investment income resulting from increased interest rates in the market offset by decreases in grant revenues, both capital and operating related to federal and state programs as well as smaller decreases in Building Permit Fee revenues due to decreased construction activity and property tax revenues.

Expenses

Total expenses for all governmental activities for the year ended April 30, 2023 were \$4,393,659. This is a 5.86% increase or \$243,292 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 the spending of funds received as a result of the American Rescue Plan.

Village of Inverness, Illinois

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2023**

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 \$11,871,501. This is a 2.03% increase from the prior year's ending combined fund balance of \$11,634,732.

Total revenues for the General Fund for fiscal year 2023 were \$4,989,338. This is an increase of \$113,490 over the prior year revenues. Interest income increased by \$253,000 compared to fiscal year 2022. Property tax revenues decreased by \$91,000 compared to fiscal year 2022. Interest income increased as a result of the Federal Fund Rate increasing from a range in fiscal year 2022 of 0.25% to 1.00%, compared to fiscal year 2023 of 1.00% to 5.00%. Property tax revenues decreased as a result of a delay pushing back the property taxes first installment bills (percent of the previous year's total amount) along with the Village having no increase in the levy compared to fiscal year 2022.

Total revenues for the Bond Fund for fiscal year 2023 were \$812,274. This is a decrease of \$37,513 compared to the prior year revenues. Property tax revenues decreased as a result of a delay and receiving payments late along with the Village having no increase in the levy compared to fiscal year 2022.

Total expenditures for the General Fund for the year ended April 30, 2023, were \$5,203,312, which was an increase of \$950,105 from expenditures of the previous year. This is a 22.34% increase over the prior year expenditures. The increase in fiscal year 2023 when compared to 2022 occurred mainly as result of the Village expending funds from the American Rescue Plan Act. The Village incurred expenditures of \$930,000 to use for improvements to the Village Hall.

Total expenditures for the Bond Fund for the year ended April 30, 2023 were \$822,800, which was an increase of \$8,200 from expenditures of the previous year. This is a 1.01% increase over the prior year expenditures. The increase in fiscal year 2023 when compared to 2022 is a result of the increased payments against the Village's 2017 Bonds in accordance with the maturity schedule.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2023

General Fund Budgetary Highlights
Year Ended April 30, 2023

General Fund	Original Budget	Final Budget	Actual	Over/Under
Revenues				
Property taxes	\$ 1,928,500	\$ 1,928,500	\$ 1,876,824	\$ (51,676)
Other taxes	1,253,500	1,253,500	1,746,109	492,609
Charges for services	145,000	145,000	153,284	8,284
Licenses and permits	186,000	186,000	227,098	41,098
Fines and forfeitures	12,000	12,000	1,491	(10,509)
Intergovernmental	506,880	506,880	518,161	11,281
Franchise fees	125,000	125,000	173,670	48,670
Interest	25,000	25,000	261,633	236,633
Miscellaneous	15,000	15,000	31,068	16,068
Total	4,196,880	4,196,880	4,989,338	792,458
Expenditures	5,408,600	5,430,600	5,203,312	227,288
Excess of expenditures over revenues	(1,211,720)	(1,233,720)	(213,974)	1,019,746
Other financing sources	200,000	200,000	-	(200,000)
Change in Fund Balance	\$ (1,011,720)	\$ (1,033,720)	\$ (213,974)	\$ 819,746

General Fund Budgetary Highlights

As of April 30, 2023, actual revenues were \$792,458 more than budget projections. Actual expenditures were \$277,288 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 revised the operating budget during the year to transfer budget appropriation amongst various corporate objects. 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, 2023

Capital Assets

At the end of fiscal year 2023, the Village had a combined total of capital assets (net of accumulated depreciation) of \$5,496,159 comprised of land, construction in progress, buildings, improvements other than buildings, vehicles and equipment. This amount represents a net increase (including additions and deletions) of \$830,919 and is attributable to the Village Hall Roof and Silo Improvements of \$929,131 offset by annual depreciation of \$98,212. Additional information on the Village's capital asset activity is included in Note 4.

Capital Assets at Year-End Net of Depreciation April 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Land	\$ 3,597,208	\$ 3,597,208
Construction in progress	598,473	-
Buildings	1,180,052	894,230
Improvements other than building	69,796	82,048
Vehicles and equipment	50,630	91,754
Total	\$ 5,496,159	\$ 4,665,240

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, 2023, the Village has a total of \$800,000 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.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2023

Economic Factors and a Look to the Future

- The unassigned fund balance for all governmental funds is \$7,370,395. This is approximately 122.31% of annual expenditures and is consistent with the Village's Investment Policy.
- Several relevant economic indicators predict that the growth in real disposable income will rise from 1.0% to 2.3% in the calendar year 2024, signaling stronger economic fundamentals. (source: IML's September 2023 *Review Magazine*)
- The e-commerce sector continues its expansion, demonstrating the growth potential of Village sales tax revenue. Growth in sales tax revenue is possible due to legislation mandating that eligible remote retailers and marketplace facilitators collect and remit state and local sales taxes for the areas where the products are delivered.
- The unemployment rate in the Chicago-Naperville-Arlington Heights, IL Metropolitan Statistical Area is on a consistent downward trend, decreasing from 4.5% in May 2022 to 3.2% in May 2023.
- In fiscal year 2024, the Village is set to make its final payment for the General Obligation Bonds, Series 2017. This will result in the Village becoming entirely debt-free. The cost savings from these bond payments will be considered for potential use in expanding the annual road program or reducing real estate taxes for property owners.

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, 2023

	Governmental Activities
Assets	
Current	
Cash and investments	\$ 12,511,521
Receivables	
Property taxes	1,427,164
Intergovernmental	381,278
Accrued interest	50
Other	36,536
Total current assets	<u>14,356,549</u>
Noncurrent	
Capital assets (net of accumulated depreciation)	
Land	3,597,208
Construction in progress	598,473
Buildings	1,180,052
Improvements other than buildings	69,796
Vehicles and equipment	50,630
Total noncurrent assets	<u>5,496,159</u>
Total assets	<u>19,852,708</u>
Deferred Outflows of Resources	
Pension related amounts	<u>504,508</u>
Liabilities	
Current	
Accounts payable	547,114
Compensated absences	21,727
Deposits payable	520,083
Interest payable	10,000
Bonds payable	800,000
Total current liabilities	<u>1,898,924</u>
Noncurrent	
Net pension liability	300,256
Bonds payable, net of unamortized premium of \$59,643	19,881
Total noncurrent liabilities	<u>320,137</u>
Total liabilities	<u>2,219,061</u>
Deferred Inflows of Resources	
Pension related amounts	<u>271,488</u>
Net Position	
Investment in capital assets	5,191,377
Restricted for streets and bridges	1,850,809
Unrestricted	<u>10,824,481</u>
Total net position	<u>\$ 17,866,667</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

Statement of Activities
Year Ended April 30, 2023

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities						
General government	\$ 815,030	\$ 400,768	\$ 518,154	\$ -	\$ 103,892	
Public safety	1,808,313	1,491	7	-	(1,806,815)	
Public works	1,771,965	153,284	307,937	-	(1,310,744)	
Interest and amortization	(1,649)	-	-	-	1,649	
Total	<u>\$ 4,393,659</u>	<u>\$ 555,543</u>	<u>\$ 826,098</u>	<u>\$ -</u>	<u>(3,012,018)</u>	
General revenues						
Taxes						
Property						
Sales						
Income and use						
Investment income						
Miscellaneous						
Total general revenues						
Change in net position						
Net position - beginning						
Net position - ending						

See Notes to Financial Statements.

Village of Inverness, Illinois

**Balance Sheet - Governmental Funds
April 30, 2023**

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 9,937,782	\$ 749,988	\$ 1,823,751	\$ 12,511,521
Receivables				
Property taxes	994,243	432,921	-	1,427,164
Intergovernmental	354,220	-	27,058	381,278
Accrued interest	50	-	-	50
Other receivables	34,536	2,000	-	36,536
Total assets	<u>\$ 11,320,831</u>	<u>\$ 1,184,909</u>	<u>\$ 1,850,809</u>	<u>\$ 14,356,549</u>
Liabilities				
Accounts payable	\$ 547,114	\$ -	\$ -	\$ 547,114
Deposits payable	520,083	-	-	520,083
Total liabilities	<u>1,067,197</u>	<u>-</u>	<u>-</u>	<u>1,067,197</u>
Deferred Inflows of Resources				
Deferred property taxes - unavailable	987,798	430,053	-	1,417,851
Deferred other taxes - unavailable	-	-	-	-
Total deferred inflows of resources	<u>987,798</u>	<u>430,053</u>	<u>-</u>	<u>1,417,851</u>
Fund Balances				
Restricted - street and bridge improvements	-	-	1,850,809	1,850,809
Restricted - debt service	-	754,856	-	754,856
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	7,370,395	-	-	7,370,395
Total fund balances	<u>9,265,836</u>	<u>754,856</u>	<u>1,850,809</u>	<u>11,871,501</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,320,831</u>	<u>\$ 1,184,909</u>	<u>\$ 1,850,809</u>	<u>\$ 14,356,549</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, 2023**

Total fund balances - governmental funds	\$ 11,871,501
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.	5,496,159
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	504,508
Deferred inflows of resources	(271,488)
Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	1,417,851
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	(10,000)
Compensated absences	(21,727)
Net pension liability	(300,256)
Unamortized bond premium	(19,881)
Bonds payable	(800,000)
	<hr/>
Net position of governmental activities	<u><u>\$ 17,866,667</u></u>

See Notes to Financial Statements.

Village of Inverness, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended April 30, 2023**

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues				
Taxes				
Property taxes	\$ 1,876,824	\$ 812,274	\$ -	\$ 2,689,098
Sales taxes	235,147	-	-	235,147
Income and use taxes	1,510,962	-	-	1,510,962
Charges for services	153,284	-	-	153,284
Licenses and permits	227,098	-	-	227,098
Fines and forfeitures	1,491	-	-	1,491
Intergovernmental	518,161	-	389,208	907,369
Franchise fees	173,670	-	-	173,670
Interest	261,633	-	72,061	333,694
Miscellaneous	31,068	-	-	31,068
Total revenues	4,989,338	812,274	461,269	6,262,881
Expenditures				
Current				
General government	735,027	-	-	735,027
Public safety	1,761,665	-	-	1,761,665
Public works	1,771,965	-	-	1,771,965
Debt service				
Principal retirement	-	775,000	-	775,000
Interest expense	-	47,800	-	47,800
Capital outlay	934,655	-	-	934,655
Total expenditures	5,203,312	822,800	-	6,026,112
Net change in fund balances	(213,974)	(10,526)	461,269	236,769
Fund balances - beginning	9,479,810	765,382	1,389,540	11,634,732
Fund balances - ending	\$ 9,265,836	\$ 754,856	\$ 1,850,809	\$ 11,871,501

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, 2023**

Net change in fund balances - total governmental funds	\$ 236,769
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. In the current year total capital outlay (\$929,131) exceeded depreciation (\$98,212).

	830,919
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The issuance and refunding of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. These transactions, however, have no effect on net position.

Principal retirement - bonds	775,000
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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	15,005
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Amortization of bond premium	39,762
Decrease in accrued interest	9,687
Increase in compensated absences payable	(5,661)
Changes in net pension liability and related pension amounts	<u>(17,254)</u>

Change in net position of governmental activities	<u>\$ 1,884,227</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 assets 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 assets 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, 2023.

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. The Village's deposits were properly insured and collateralized as of April 30, 2023.

Interest Rate Risk.

As of April 30, 2023, the Village had the following investments and maturities.

Investment Type	Carrying Value
Illinois Funds	<u>\$ 11,178,294</u>

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, 2023, the Illinois Funds Investment Pool was rated AAAm by Standard & Poor's.

Note 3. Receivables - Taxes

Property taxes for 2022 attach as an enforceable lien on January 1, 2022 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, 2023 and July 1, 2023, and are payable in two installments, on or about March 1, 2023 and August 1, 2023. 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, 2022	Additions	Deletions	Balance April 30, 2023
Capital assets not being depreciated:				
Land	\$ 3,597,208	\$ -	\$ -	\$ 3,597,208
Construction in progress	-	598,473	-	598,473
	<u>3,597,208</u>	<u>598,473</u>	<u>-</u>	<u>4,195,681</u>
Capital assets being depreciated:				
Buildings	1,720,158	330,658	-	2,050,816
Improvements other than buildings	504,430	-	-	504,430
Vehicles and equipment	316,620	-	-	316,620
	<u>2,541,208</u>	<u>330,658</u>	<u>-</u>	<u>2,871,866</u>
Less accumulated depreciation for:				
Buildings	825,928	44,836	-	870,764
Improvements other than buildings	422,382	12,252	-	434,634
Vehicles and equipment	224,866	41,124	-	265,990
	<u>1,473,176</u>	<u>98,212</u>	<u>-</u>	<u>1,571,388</u>
Total capital assets being depreciated, net	<u>1,068,032</u>	<u>232,446</u>	<u>-</u>	<u>1,300,478</u>
Governmental activities capital assets, net	<u>\$ 4,665,240</u>	<u>\$ 830,919</u>	<u>\$ -</u>	<u>\$ 5,496,159</u>

Village of Inverness, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Total depreciation of \$98,212 was allocated as follows:

General government	\$ 57,088
Public safety	41,124
	<u>\$ 98,212</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, 2023:

	Balance May 1, 2022	Additions	Retirements	Balance April 30, 2023	Due Within One Year
General Obligation Bonds Payable, Series 2017	\$ 1,575,000	\$ -	\$ 775,000	\$ 800,000	\$ 800,000
Premium on bonds payable	59,643	-	39,762	19,881	-
Compensated absences payable *	16,066	5,661	-	21,727	21,727
	<u>\$ 1,650,709</u>	<u>\$ 5,661</u>	<u>\$ 814,762</u>	<u>\$ 841,608</u>	<u>\$ 821,727</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. The costs were not capitalized by the Village.

As of April 30, 2023, debt service requirements to maturity on the outstanding debt, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2024	\$ 800,000	\$ 24,000	\$ 824,000
Total	<u>\$ 800,000</u>	<u>\$ 24,000</u>	<u>\$ 824,000</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 \$6.9 million as of April 30, 2023, which was a \$305 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 \$148,440 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 \$121,542 to NWCDS for the year ended April 30, 2023.

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). The Village participates in the Regular Plan only.

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, 2022, 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 2023 and 2022 were 7.79% and 10.31% 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, 2022. 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, 2022:

- 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:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	35.50%	6.50%
International equity	18.00%	7.60%
Fixed income	25.50%	4.90%
Real estate	10.50%	6.20%
Alternative investments	9.50%	
Private equity		9.90%
Commodities		6.25%
Cash equivalents	<u>1.00%</u>	4.00%
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 (4.05%) 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, 2022 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	\$ 2,484,429	\$ 2,730,487	\$ (246,058)
Changes for the year:			
Service cost	37,091	-	37,091
Interest	175,906	-	175,906
Differences between expected and actual experience	18,272	-	18,272
Changes of assumptions	-	-	-
Contributions - employer	-	38,979	(38,979)
Contributions - employee	-	17,013	(17,013)
Net investment income (loss)	-	(381,738)	381,738
Benefit payments, including refunds of employee contributions	(153,370)	(153,370)	-
Other changes	-	10,701	(10,701)
Net changes	77,899	(468,415)	546,314
Balances at end of year	\$ 2,562,328	\$ 2,262,072	\$ 300,256

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)	\$ 577,647	\$ 300,256	\$ 68,368

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

For the year ended April 30, 2023, the Village recognized pension expense (revenue) of \$17,254. At April 30, 2023, 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	\$ 33,213	\$ -
Changes of assumptions	207	-
Net differences between projected and actual earnings on pension plan investments	461,245	271,488
Total deferred amounts to be recognized in pension expense in future periods	494,665	271,488
Employer contributions subsequent to the measurement date	9,843	-
Total deferred amounts related to pensions	<u>\$ 504,508</u>	<u>\$ 271,488</u>

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

<u>Year Ended April 30,</u>	<u>Amount</u>
2024	\$ (1,060)
2025	41,587
2026	67,339
2027	115,311
Total	<u>\$ 223,177</u>

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, 2023, thirteen 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 \$96,637 during the fiscal year ended April 30, 2023.

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, 2023, thirteen employees, which includes eleven officers, were participating in the Plan. The Village made contributions of \$207,503 during the fiscal year ended April 30, 2023.

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 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. 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.

Village of Inverness, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

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.

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 2022 Second Installment Property Taxes are expected to be available to property owners by November 1, 2023, with a due date of December 1, 2023. 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,	2023	2022	2021
Total pension liability			
Service cost	\$ 37,091	\$ 36,033	\$ 37,681
Interest on the total pension liability	175,906	169,887	164,787
Differences between expected and actual experience	18,272	32,012	19,760
Changes in assumptions	-	-	888
Benefit payments	(153,370)	(157,509)	(146,390)
Net change in total pension liability	77,899	80,423	76,726
Total pension liability—beginning	2,484,429	2,404,006	2,327,280
Total pension liability—ending (a)	\$ 2,562,328	\$ 2,484,429	\$ 2,404,006
Plan fiduciary net position			
Contributions - Employer	\$ 38,979	\$ 44,943	\$ 48,446
Contributions - Employee	17,013	15,937	16,137
Net investment income	(381,738)	427,490	321,749
Benefit payments	(153,370)	(157,509)	(146,390)
Other (Net transfer)	10,701	11,348	33,098
Net change in plan fiduciary net position	(468,415)	342,209	273,040
Plan fiduciary net position—beginning	2,730,487	2,388,278	2,115,238
Plan fiduciary net position—ending (b)	\$ 2,262,072	\$ 2,730,487	\$ 2,388,278
Net pension liability (asset) - ending (a) - (b)	\$ 300,256	\$ (246,058)	\$ 15,728
Plan fiduciary net position as a percentage of the total pension liability	88.28%	109.90%	99.35%
Covered payroll	\$ 378,069	\$ 354,161	\$ 358,588
Net pension liability as a percentage of the covered payroll	79.42%	-69.48%	4.39%

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.

	2020	2019	2018	2017	2016	2015
\$	36,594	\$ 30,727	\$ 41,668	\$ 41,069	\$ 38,817	\$ 45,409
	159,452	158,220	152,801	148,115	141,124	115,988
	21,633	(17,965)	79,422	(21,257)	8,488	202,653
	-	56,983	(67,181)	(13,766)	4,438	69,686
	(142,871)	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
	74,808	88,507	88,203	56,849	100,298	355,883
	2,252,472	2,163,965	2,075,762	2,018,913	1,918,615	1,562,732
\$	2,327,280	\$ 2,252,472	\$ 2,163,965	\$ 2,075,762	\$ 2,018,913	\$ 1,918,615
\$	45,958	\$ 41,373	\$ 41,888	\$ 50,821	\$ 38,526	\$ 40,015
	15,848	15,224	15,263	17,016	16,559	16,550
	373,685	(142,569)	306,980	116,017	8,255	94,175
	(142,871)	(139,458)	(118,507)	(97,312)	(92,569)	(77,853)
	9,414	55,403	(12,638)	(4,730)	27,966	42,319
	302,034	(170,027)	232,986	81,812	(1,263)	115,206
	1,813,204	1,983,231	1,750,245	1,668,433	1,669,696	1,554,490
\$	2,115,238	\$ 1,813,204	\$ 1,983,231	\$ 1,750,245	\$ 1,668,433	\$ 1,669,696
\$	212,042	\$ 439,268	\$ 180,734	\$ 325,517	\$ 350,480	\$ 248,919
	90.89%	80.50%	91.65%	84.32%	82.64%	87.03%
\$	352,165	\$ 338,300	\$ 339,174	\$ 378,134	\$ 367,970	\$ 345,765
	60.21%	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
2023	\$ 38,979	\$ 38,979	\$ -	\$ 378,069	10.31%
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 2022 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
Amortization method
Remaining amortization period

Aggregate Entry Age Normal
Level Percentage of Payroll Closed
Non-Taxing bodies; 10-year rolling period
Taxing bodies (Regular, SLEP and ECO groups): 21-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 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were finance over 19 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).

Actuarial value of assets
Wage growth
Price inflation
Salary increases
Investment rate of return
Retirement Age

5 Year Smoothed Market Value; 20% Corridor
2.75%
2.25%
2.85% to 13.75%, including inflation
7.25%

Mortality

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes

There were no benefit changes during the year.

*Based on the valuation assumptions used in the December 31, 2021 actuarial valuation.

Village of Inverness, Illinois

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Property taxes	\$ 1,928,500	\$ 1,928,500	\$ 1,876,824	\$ (51,676)
Sales taxes	120,000	120,000	235,147	115,147
Income and use taxes	1,133,500	1,133,500	1,510,962	377,462
Personal property replacement taxes	-	-	-	-
Charges for services	145,000	145,000	153,284	8,284
Licenses and permits	186,000	186,000	227,098	41,098
Fines and forfeitures	12,000	12,000	1,491	(10,509)
Intergovernmental	506,880	506,880	518,161	11,281
Franchise fees	125,000	125,000	173,670	48,670
Interest	25,000	25,000	261,633	236,633
Miscellaneous	15,000	15,000	31,068	16,068
Total revenues	4,196,880	4,196,880	4,989,338	792,458
Expenditures				
Current				
General government	875,450	875,450	735,027	140,423
Public safety	1,757,500	1,764,500	1,761,665	2,835
Public works	1,785,450	1,785,450	1,771,965	13,485
Capital outlay	990,200	1,005,200	934,655	70,545
Total expenditures	5,408,600	5,430,600	5,203,312	227,288
Deficiency of revenues over expenditures	(1,211,720)	(1,233,720)	(213,974)	1,019,746
Other financing sources				
Transfers in	200,000	200,000	-	(200,000)
Net change in fund balance	\$ (1,011,720)	\$ (1,033,720)	(213,974)	\$ 819,746
Fund balance - beginning			9,479,810	
Fund balance - ending			\$ 9,265,836	

Village of Inverness, Illinois

Motor Fuel Tax Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental - motor fuel tax allotments	\$ 195,000	\$ 195,000	\$ 389,208
Interest	500	500	72,061
Total revenues	<u>195,500</u>	<u>195,500</u>	<u>461,269</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	195,500	195,500	461,269
Other financing uses			
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,500)</u>	<u>\$ (4,500)</u>	461,269
Fund balance - beginning			<u>1,389,540</u>
Fund balance - ending			<u>\$ 1,850,809</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 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, 2023

	Original Budget	Final Budget	Actual
General government			
Salaries, full-time staff	\$ 245,000	\$ 245,000	\$ 242,103
Salaries, part-time staff	20,000	20,000	-
Salaries, elected officials	53,500	53,500	53,370
Employee benefits and other personnel related	41,500	41,500	41,389
Dues	3,500	3,500	3,573
Legal services	80,000	80,000	33,674
Accounting services	27,500	27,500	27,499
Office supplies and postage	20,500	20,500	11,638
Insurance	63,000	63,000	67,390
Printing and publishing	1,500	1,500	2,072
Telephone	12,500	12,500	7,444
Expense and automobile allowance	3,600	3,600	-
Bonds and insurance	61,100	61,100	55,256
Conferences and training	5,000	5,000	2,315
Miscellaneous	26,000	26,000	14,969
Property maintenance	50,000	50,000	69,626
Payroll taxes	23,500	23,500	22,597
Unemployment tax	-	-	448
Audit	22,750	22,750	24,000
Remodeling	85,000	85,000	30,128
Information technology	30,000	30,000	25,536
Total general government	<u>875,450</u>	<u>875,450</u>	<u>735,027</u>
Public safety			
Police salaries, full-time	970,000	970,000	986,245
Police salaries, part-time	30,000	30,000	37,321
Police payroll tax	85,000	85,000	75,520
Police pension	100,000	100,000	294,356
Police unemployment tax	-	-	1,917
Police health insurance	265,000	265,000	86,271
Expense allowance	-	-	-
Emergency response	30,000	30,000	28,361
Police training	5,000	10,000	12,920
Police dues	28,000	28,000	13,490
Police supplies/services	21,000	21,000	19,764
Police uniforms	8,000	10,000	16,634

(Continued)

Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Public safety (Continued)			
Police contracts	\$ 155,000	\$ 155,000	\$ 124,302
Police vehicle maintenance	35,000	35,000	50,902
Police telephone	3,500	3,500	1,804
Contributions	-	-	50
Information technology	22,000	22,000	11,808
Total public safety	<u>1,757,500</u>	<u>1,764,500</u>	<u>1,761,665</u>
Public works			
Salaries, full-time staff	54,000	54,000	53,517
Engineering services	46,200	46,200	46,176
Engineering expense	25,000	25,000	-
Engineering reimbursable	25,000	25,000	17,175
Forestry	15,000	15,000	77,226
Stormwater management	35,000	35,000	50,729
Solid waste	145,000	145,000	148,440
Street and bridge	850,000	850,000	791,265
Snow removal	470,000	470,000	466,745
Payroll tax	-	-	-
Pension	8,250	8,250	8,582
Health Insurance	25,000	25,000	23,207
Contract inspections	80,000	80,000	86,825
Dues	500	500	320
Training	500	500	-
Office supplies	6,000	6,000	1,758
Total public works	<u>1,785,450</u>	<u>1,785,450</u>	<u>1,771,965</u>
Capital outlay			
General governmental			
Office equipment	4,200	4,200	3,182
Building alterations	885,000	900,000	929,131
Public safety			
Police vehicles	50,000	50,000	-
Police radios	35,000	35,000	747
Police office equipment	5,000	5,000	1,295
Police other capital	10,000	10,000	-
Public works			
Office equipment	1,000	1,000	300
	<u>990,200</u>	<u>1,005,200</u>	<u>934,655</u>
Total expenditures	<u>\$ 5,408,600</u>	<u>\$ 5,430,600</u>	<u>\$ 5,203,312</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, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property taxes	\$ 822,250	\$ 822,250	\$ 812,274
Total revenues	<u>822,250</u>	<u>822,250</u>	<u>812,274</u>
Expenditures			
Debt service			
Principal	775,000	775,000	775,000
Interest	47,500	47,500	47,800
Miscellaneous	550	550	-
Total expenditures	<u>823,050</u>	<u>823,050</u>	<u>822,800</u>
Net change in fund balance	<u>\$ (800)</u>	<u>\$ (800)</u>	(10,526)
Fund balance - beginning			<u>765,382</u>
Fund balance - ending			<u>\$ 754,856</u>

Village of Inverness, Illinois

**Schedule of Long-term Debt Requirements
General Obligation Refunding Bond, Series 2017
April 30, 2023**

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
2024	\$ 800,000	\$ 24,000	\$ 824,000	2023	\$ 12,000	2023	\$ 12,000
Total	\$ 800,000	\$ 24,000	\$ 824,000		\$ 12,000		\$ 12,000

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.	47 - 54
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	55 - 60
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.	61 - 63
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.	64 - 65
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.	66 - 69

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

Village of Inverness, Illinois

**Net Position
Last Ten Fiscal Years**

	2014	2015	2016	2017
Governmental activities				
Investment in capital assets	\$ 5,007,248	\$ 4,937,727	\$ 4,894,623	\$ 4,858,086
Restricted	1,106,465	275,793	271,795	278,388
Unrestricted	547,636	2,423,635	3,572,562	4,190,036
Total governmental activities	<u>\$ 6,661,349</u>	<u>\$ 7,637,155</u>	<u>\$ 8,738,980</u>	<u>\$ 9,326,510</u>

Source: Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 4,817,170	\$ 4,786,974	\$ 4,708,172	\$ 4,680,117	\$ 4,665,240	\$ 5,191,377
282,221	296,835	393,356	1,000,985	1,389,540	1,850,809
5,335,623	6,235,624	7,076,028	8,226,985	9,927,660	10,824,481
\$ 10,435,014	\$ 11,319,433	\$ 12,177,556	\$ 13,908,087	\$ 15,982,440	\$ 17,866,667

Village of Inverness, Illinois

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

	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 1,069,534	\$ 884,420	\$ 969,289	\$ 1,052,914
Public safety	1,631,912	1,658,237	1,663,732	1,626,253
Public works	705,856	808,374	666,747	1,106,794
Interest	286,607	269,073	248,601	228,976
Total governmental activities expenses	3,693,909	3,620,104	3,548,369	4,014,937
Program revenues				
Governmental activities				
Charges for services	626,355	602,050	642,485	558,725
Operating grants and contributions	242,695	221,818	195,565	193,857
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	869,050	823,868	838,050	752,582
General revenue and other changes in net position				
Governmental activities				
Property taxes	2,675,886	2,743,516	2,785,507	2,811,769
Other taxes	912,786	985,749	998,167	960,422
Annexation fees/grant proceeds	15,000	18,750	-	-
Investments income	6,719	5,474	10,247	37,970
Miscellaneous	6,588	11,968	18,223	39,724
Total governmental activities	3,616,979	3,765,457	3,812,144	3,849,885
Total change in net position	\$ 792,120	\$ 969,221	\$ 1,101,825	\$ 587,530

Source: Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 768,430	\$ 632,049	\$ 680,789	\$ 622,272	\$ 613,863	\$ 815,030
1,684,226	1,738,465	1,785,693	1,647,139	1,772,311	1,808,313
926,851	1,450,810	1,435,374	1,386,110	1,743,669	1,771,965
202,218	83,863	63,513	42,438	20,524	(1,649)
3,581,725	3,905,187	3,965,369	3,697,959	4,150,367	4,393,659
599,538	518,078	503,094	498,577	616,063	555,543
195,152	193,999	274,575	372,505	876,498	826,098
-	-	-	325,082	162,541	-
794,690	712,077	777,669	1,196,164	1,655,102	1,381,641
2,775,548	2,800,516	2,786,058	2,784,521	2,846,231	2,785,374
999,887	1,062,489	1,065,312	1,410,070	1,673,093	1,746,109
-	-	-	-	-	-
96,008	187,917	174,043	24,751	10,605	333,694
24,096	26,607	20,410	12,984	39,689	31,068
3,895,539	4,077,529	4,045,823	4,232,326	4,569,618	4,896,245
\$ 1,108,504	\$ 884,419	\$ 858,123	\$ 1,730,531	\$ 2,074,353	\$ 1,884,227

Village of Inverness, Illinois

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

	2014	2015	2016	2017
General Fund				
Assigned				
Emergency disaster reserve	\$ -	\$ -	\$ -	\$ -
Solid Waste Program	572,728	572,728	572,728	572,728
Street and bridge improvements	332,713	322,713	322,713	322,713
Unassigned	5,772,649	6,180,972	6,781,337	6,771,229
Total General Fund	6,678,090	7,076,413	7,676,778	7,666,670
All other governmental funds				
Restricted - street and bridge improvements	253,927	275,793	271,795	278,388
Restricted - debt service	557,659	594,137	639,786	674,626
Total All Other Governmental Funds	811,586	869,930	911,581	953,014
Total Governmental Funds	\$ 7,489,676	\$ 7,946,343	\$ 8,588,359	\$ 8,619,684

Source: Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ 1,000,000	\$ 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
7,526,759	7,630,228	6,665,535	6,961,728	7,584,369	7,370,395
8,422,200	8,525,669	8,560,976	8,857,169	9,479,810	9,265,836
282,221	296,835	393,356	1,000,985	1,389,540	1,850,809
659,390	664,737	675,283	730,195	765,382	754,856
941,611	961,572	1,068,639	1,731,180	2,154,922	2,605,665
\$ 9,363,811	\$ 9,487,241	\$ 9,629,615	\$ 10,588,349	\$ 11,634,732	\$ 11,871,501

Village of Inverness, Illinois

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

	2014	2015	2016	2017
Revenues				
Taxes				
Property taxes	\$ 2,658,159	\$ 2,736,441	\$ 2,817,524	\$ 2,856,489
Sales taxes	69,011	72,262	65,923	75,216
Income and use taxes	836,155	894,911	927,618	780,900
Charges for services	193,150	181,643	173,658	159,886
Licenses and permits	258,264	228,731	259,408	204,528
Fines and forfeitures	14,981	25,251	37,234	16,698
Intergovernmental	247,497	245,593	200,191	198,995
Annexation fees	15,000	-	-	-
Franchise fees	159,960	166,425	172,185	177,613
Interest	6,719	5,474	10,247	37,970
Miscellaneous	6,588	11,964	18,223	39,724
Total revenues	4,465,484	4,568,695	4,682,211	4,548,019
Expenditures				
Current				
General government	908,190	808,542	854,432	909,581
Public safety	1,612,716	1,626,443	1,625,949	1,591,528
Public works	696,335	808,374	666,747	1,106,794
Debt service				
Principal retirement	540,000	565,000	590,000	620,000
Interest expense	294,570	277,830	259,185	238,535
Issuance costs	-	-	-	-
Capital outlay	330,305	15,839	43,882	50,186
Total expenditures	4,382,116	4,102,028	4,040,195	4,516,624
Excess (deficiency) of revenues over expenditures	83,368	466,667	642,016	31,395
Other financing sources (uses)				
Issuance of refunding debt	-	-	-	-
Premium on issuance of refunding debt	-	-	-	-
Transfers in	149,117	170,000	200,000	200,000
Transfers out	(170,000)	(200,000)	(200,000)	(190,000)
Total other financing sources (uses)	(20,883)	(30,000)	-	10,000
Net change in fund balances	\$ 62,485	\$ 436,667	\$ 642,016	\$ 41,395
Debt service as a percentage of noncapital expenditures	0.206	0.206	0.212	0.192

Source: Audited Financial Statements

2018	2019	2020	2021	2022	2023
\$ 2,866,046	\$ 2,726,392	\$ 2,722,908	\$ 2,823,342	\$ 2,816,972	\$ 2,689,098
80,825	67,898	72,418	103,469	211,075	235,147
1,013,931	989,940	988,498	1,301,261	1,462,018	1,510,962
199,324	148,510	143,461	142,726	143,164	153,284
202,197	176,194	176,934	177,977	286,710	227,098
14,907	17,004	13,054	12,429	14,729	1,491
199,451	198,650	278,971	702,927	957,768	907,369
-	-	-	-	-	-
183,110	176,370	169,645	165,445	171,460	173,670
96,008	187,917	174,043	24,751	10,605	333,694
24,096	26,607	20,410	12,984	39,689	31,068
4,879,895	4,715,482	4,760,342	5,467,311	6,114,190	6,262,881
644,255	583,215	626,045	644,425	704,899	735,027
1,642,316	1,704,119	1,733,150	1,604,296	1,662,138	1,761,665
926,851	1,450,810	1,435,374	1,386,110	1,743,669	1,771,965
5,915,000	670,000	690,000	720,000	745,000	775,000
198,886	132,000	111,900	91,200	69,600	47,800
80,553	-	-	-	-	-
53,117	51,908	21,499	62,546	142,501	934,655
9,460,978	4,592,052	4,617,968	4,508,577	5,067,807	6,026,112
(4,581,083)	123,430	142,374	958,734	1,046,383	236,769
5,070,000	-	-	-	-	-
255,141	-	-	-	-	-
200,000	200,000	200,000	-	-	-
(200,000)	(200,000)	(200,000)	-	-	-
5,325,141	-	-	-	-	-
\$ 744,058	\$ 123,430	\$ 142,374	\$ 958,734	\$ 1,046,383	\$ 236,769
0.658	0.177	0.174	0.182	0.163	0.161

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
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	463,868,854	49,206	16,675,496	-	45,732
2021	427,124,085	46,447	15,886,507	-	45,732
2022	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 2022 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
\$ 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%
480,639,288	5.63	2,705,999,191	33.333%
443,102,771	6.12	2,710,459,650	33.333%
N/A	N/A	N/A	N/A

Village of Inverness, Illinois

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

	2013	2014	2015	2016
Tax Rates				
Direct Rates:				
Village of Inverness				
Corporate (Police Protection)	0.413	0.414	0.432	0.369
Debt Service	0.210	0.206	0.216	0.186
Total Village of Inverness	0.623	0.620	0.648	0.555
Overlapping Rates:				
School Districts				
School District #15	3.849	3.868	4.035	3.543
Palatine Township High School District #211	3.197	3.213	3.309	2.871
Unit School District #220	4.807	4.953	5.126	4.538
Harper Community College District #512	0.444	0.451	0.466	0.416
Fire Protection Districts				
Barrington Countryside Fire Protection District	0.530	0.540	0.565	0.482
Palatine Rural Fire Protection District	0.991	1.042	1.093	0.949
Park Districts				
Barrington Hills Park District	0.000	0.054	0.057	0.048
Palatine Park District	0.680	0.696	0.725	0.648
Inverness Park District	0.222	0.212	0.217	0.190
South Barrington Park District	0.000	0.000	0.000	0.000
Library District				
Barrington Public Library District	0.248	0.258	0.266	0.231
Palatine Public Library District	0.000	0.696	0.308	0.268
County				
County of Cook	0.560	0.568	0.552	0.533
Forest Preserve	0.069	0.069	0.069	0.063
Consolidated Elections	0.031	0.000	0.034	0.000
Townships				
Palatine Township	0.167	0.166	0.173	0.145
Barrington Township	0.033	0.033	0.034	0.031
Other Districts				
Northwest Mosquito Abatement District	0.013	0.013	0.011	0.010
Metropolitan Water Reclamation District	0.417	0.430	0.426	0.406
Total Overlapping Rates	16.258	17.262	17.466	15.372
Grand Total	16.881	17.882	18.114	15.927

N/A - As of the issuance of this report, and as noted in Note 12, Cook County has not yet released the final 2022 property tax information.

Tax Levy Year					
2017	2018	2019	2020	2021	2022
0.365	0.377	0.378	0.385	0.417	N/A
0.169	0.174	0.173	0.178	0.195	N/A
0.534	0.551	0.551	0.563	0.612	N/A
3.618	3.807	3.486	3.564	3.955	N/A
2.922	3.044	2.749	2.787	3.020	N/A
4.560	4.853	4.669	4.888	5.480	N/A
0.425	0.443	0.403	0.409	0.457	N/A
0.485	0.520	0.541	0.573	0.645	N/A
0.963	1.022	1.003	1.055	1.197	N/A
0.048	0.052	0.055	0.061	0.068	N/A
0.657	0.693	0.633	0.650	0.711	N/A
0.187	0.198	0.196	0.192	0.180	N/A
0.214	0.213	0.217	0.230	0.256	N/A
0.230	0.248	2.440	0.253	0.269	N/A
0.276	0.291	0.344	0.353	0.388	N/A
0.496	0.489	0.454	0.453	0.446	N/A
0.062	0.060	0.006	0.058	0.058	N/A
0.031	0.000	0.030	0.000	0.019	N/A
0.143	0.146	0.134	0.130	0.142	N/A
0.032	0.033	0.033	0.034	0.035	N/A
0.010	0.011	0.010	0.010	0.011	N/A
0.402	0.396	0.389	0.378	0.382	N/A
15.761	16.519	17.792	16.078	17.719	N/A
16.295	17.070	18.343	16.641	18.331	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
2022	2023	\$ 2,712,505	\$ 1,358,174	50.07%	N/A	\$ 1,358,174	50.07%
2021	2022	2,710,668	1,433,205	50.87%	\$ 1,241,254	2,674,459	98.66%
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%

Source: Cook County Treasurer's Office

Village of Inverness, Illinois

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

Taxpayer	2021*			2012		
	EAV	Rank	% of Total Equalized Assessed Valuation	EAV	Rank	% of Total Equalized Assessed Valuation
Inverness Real Estate	\$ 5,535,513	1	1.2%	\$ 4,856,101	1	1.0%
Inverness Golf Course	4,198,630	2	0.9%	3,310,563	2	0.7%
Individual Residence (a)	1,862,257	3	0.4%	1,883,582	4	0.4%
Individual Residence (b)	1,409,290	4	0.3%	2,046,570	3	0.4%
Individual Residence (c)	639,074	5	0.1%	558,845	9	0.1%
Individual Residence (d)	579,302	6	0.1%			
M2K of Chicago LLC	536,997	7	0.1%			
Individual Residence (e)	517,482	8	0.1%			
Individual Residence (f)	486,747	9	0.1%			
Individual Residence (g)	481,525	10	0.1%	559,122	8	0.1%
Toll IL II, L.P.				910,661	5	0.2%
Individual Residence (h)				782,838	6	0.2%
Individual Residence (i)				695,778	7	0.1%
Individual Residence (j)				506,722	10	0.1%
Total	<u>\$ 16,246,817</u>		<u>3.7%</u>	<u>\$ 16,110,782</u>		<u>3.4%</u>
Village of Inverness Equalized Assessed Valuation	<u>\$ 443,102,771</u>		<u>100.0%</u>	<u>\$ 469,315,613</u>		<u>100.0%</u>

* As of the issuance of this report, and as noted in Note 12, Cook County has not yet released the final 2022 property tax information. Therefore, we have carried forward the information from the prior year report.

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)
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	0.50%	0.38%	318
2022	1,634,643	-	1,634,643	0.37%	0.25%	205
2023	819,881	-	819,881	N/A	0.13%	107

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, 2023**

Governmental Unit	General Obligation Debt Outstanding	Percentage Applicable to the Village	Village Share of Debt
Direct bonded debt			
Village of Inverness	\$ 819,881	100.00%	\$ 819,881
Overlapping bonded debt			
Barrington #220 School District	125,930,500	5.42%	6,825,433
Barrington Countryside Fire Protection District	3,677,973	12.77%	469,677
County of Cook	3,181,539,378	0.30%	9,544,618
Harper Community College District #512	271,589,580	2.30%	6,246,560
Inverness Fire Protection District	2,097,500	75.77%	1,589,276
Metropolitan Water Reclamation District	2,860,058,000	0.04%	1,144,023
Palatine CCSD #15 School District	46,411,650	8.43%	3,912,502
Palatine Park District	16,506,587	3.83%	632,202
Palatine Public Library District	5,602,625	1.05%	58,828
South Barrington Park District	4,659,328	0.05%	2,330
Total overlapping bonded debt	6,518,073,121		30,425,449
Total direct and overlapping bonded debt	\$ 6,518,893,002		\$ 31,245,330

Source: Cook County, Office of the County Clerk

Village of Inverness, Illinois

Schedule of Legal Debt Margin

April 30, 2023

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
2014	7,553	\$ 156,938	\$ 91,623	7.20%	7.60%
2015	7,597	161,838	89,974	6.00%	6.00%
2016	7,583	172,949	87,950	5.80%	6.00%
2017	7,556	173,838	85,572	4.90%	4.90%
2018	7,494	180,541	85,572	3.90%	4.30%
2019	7,426	180,541	85,572	3.60%	4.40%
2020	7,376	192,576	84,219	18.40%	17.40%
2021	7,616	192,576	84,219	7.10%	6.60%
2022	7,959	185,558	82,512	4.60%	4.60%
2023	7,684	190,458	82,543	4.20%	4.20%

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, 2023**

Employer	Type of Business	Employees	Percentage of Total Population
Inverness Health and Rehab	Nursing and Convalescent Homes	130	1.63%
Comfort Keepers	Home Health Service	75	0.94%
Inverness Golf Club	Golf Courses	50	0.63%
Holy Family Catholic Church	Churches	24	0.30%
Village of Inverness	Municipalities	18	0.23%
Inverness Fire Protection District	Fire Departments	18	0.23%
Burton Financial Management	Financial Advisory Services	15	0.19%
Cor Strategies. Inc.	Consulting	15	0.19%
HNI Truck Group	Trucking	13	0.16%
Hammon Group Ltd	Manufacturers-Agents & Representatives	10	0.13%
			<u>4.62%</u>

Source: Village Records

* Historical information from nine years ago is not readily available

Village of Inverness, Illinois

**Operating Indicators
Last Ten Fiscal Years**

	2014	2015	2016	2017
Police Department				
Calls for Service	2,153	2,145	2,047	2,004
Accidents	133	134	149	126
Alarms	498	474	448	444
Arrests	27	26	34	22
Citations	2,046	2,599	2,634	2,342
Fire Assists	412	417	424	459
Patrol Miles	113,398	36,375	24,264	96,707
Building Department				
SF Res. (New, Demo/Rebuild)	-	-	-	-
SF Res. (Add/Alt)	-	-	-	-
Commercial (New, Add, Misc.)	-	-	-	-
Misc. (Deck, Pools, Gen)	-	-	-	-
Engineering Misc	-	-	-	-
Number of Permits (Total)	94	93	114	105
Value of construction	\$ 16,199,745	\$ 14,920,186	\$ 14,234,693	\$ 7,732,019
Total Number of Inspections	620	480	530	543
General Government				
FOIA Requests	-	102	108	89
Regular	-	75	82	67
Average Response Time (days)	-	1.47	1.67	1.30
Commercial	-	27	26	22
Average Response Time (days)	-	1.81	6.17	7.77
Business Licenses	22	23	27	29
Vehicle Stickers Issued	5,986	5,425	5,377	5,413
Scavenger Licenses Issued	11	9	9	7
Dog Tags Issued	929	881	860	851
Utility Permits Issued	37	46	44	42
Ordinances Adopted	14	12	6	12
Resolutions Adopted	14	16	15	14
Refuse/Recycling/Yard Waste				
Refuse Collected (tons)	2,636.94	2,711.70	2,707.55	2,574.92
Recycling Collected (tons)	1,333.36	1,355.92	1,338.15	1,213.79
Yard Waste Collected (tons)	428.88	365.07	348.55	337.53
Programs				
Salt Purchases (tons)	1,903.63	908.51	999.67	593.09

Source: Various Village departments

2018	2019	2020	2021	2022	2023
1,865	2,024	1,784	1,864	1,958	2,132
124	146	105	49	99	122
393	412	374	337	342	358
5	7	5	-	3	2
2,682	2,475	2,328	1,370	1,391	747
468	460	478	524	658	704
106,664	110,019	96,092	50,916	94,492	86,734
4	3	4	-	9	4
37	35	41	46	23	31
1	-	2	2	3	1
47	47	63	59	53	70
21	21	39	29	46	45
119	106	149	136	134	152
\$ 8,451,165	\$ 6,648,747	\$ 8,347,264	\$ 4,779,328	\$ 13,152,808	\$ 10,442,919
525	573	716	707	653	693
88	119	99	105	76	88
69	101	77	92	55	75
1.39	1.78	2.14	2.37	2.82	3.00
19	18	22	14	21	13
8.95	8.61	8.36	8.77	16.48	13.00
34	37	38	33	354	42
5,373	5,402	4,243	5,054	4,860	4,969
6	6	5	6	5	5
862	834	8,166	785	734	822
30	16	-	5	18	33
13	9	6	9	9	12
13	13	16	9	15	17
2,526.16	2,611.67	2,761.55	2,301.21	2,627.35	2,821.00
1,193.92	1,153.30	1,163.24	951.45	999.28	1,096.73
295.34	302.28	384.79	328.77	299.05	317.33
1,262.55	1,547.42	1,455.73	450.09	1,139.09	1,158.11

Village of Inverness, Illinois

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elected Officials										
Full-Time	1	1	1	1	1	1	1	1	1	1
Part-Time	7	7	7	7	7	7	7	7	8	7
Administration										
Full-Time	2	2	2	2	2	2	2	3	3	3
Part-Time	2	2	2	2	2	1	1	0	0	0
Building Department										
Full-Time	2	2	2	2	1	1	2	1	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	11	12
Sworn-PT	2	2	2	2	2	2	2	1	1	1
Nonsworn-FT	1	1	1	2	2	2	1	1	1	1
Nonsworn-PT	0	1	1	0	0	0	0	1	1	1

Source: Village Records

Village of Inverness, Illinois

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vehicles										
Marked Patrol Units	4	4	4	4	4	4	4	5	6	6
Unmarked Patrol Units	2	2	2	2	2	3	2	2	3	3
Civil Vehicle	0	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