

Annual Comprehensive Financial Report Fiscal Year 2024

May 1, 2023 to April 30, 2024



Village of Inverness, Illinois

Village of Inverness, Illinois

Annual Comprehensive Financial Report
Fiscal Year Ended April 30, 2024

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 24, 2024

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

PRESIDENT
John A. Tatooles

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

CLERK

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

**EMERGENCY
RESPONSE**
9-1-1

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

WEB ADDRESS
www.inverness-il.gov

I am pleased to submit the Annual Comprehensive Financial Report of the Village of Inverness, Illinois (Village) for the fiscal year ended April 30, 2024.

The Annual Comprehensive Financial Report is an annual report on the Village's financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The Annual Comprehensive Financial Report of the Village of Inverness, Illinois, for the fiscal year ended April 30, 2024, is hereby published to fulfill that requirement.

The Village's financial statement for the year ended April 30, 2024, has been audited by RSM US LLP, Certified Public Accountants. The independent auditor has issued an unmodified ("clean") opinion, concluding that the financial statements are presented fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Inverness, Illinois, as of April 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Profile of the Village of Inverness

The Village of Inverness was incorporated in 1962. It is an affluent residential community located in northwestern Cook County, approximately 30 miles from Chicago's "Loop." The Village encompasses an area of approximately 6.5 square miles and has a current population of 7,616, according to the 2020 Census. Neighboring communities include Barrington to the north, Palatine to the east, Hoffman Estates to the south, and Barrington Hills to the west.

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

The Village is also served by various governmental entities. Palatine Township covers the eastern half of the Village, while Barrington Township serves the western portion. Fire protection and emergency medical services are provided by the Inverness Fire Protection District and the Barrington Countryside Fire Protection District, depending on location. The eastern two-thirds of the Village are served by the Inverness Fire Protection District, while the western third is served by Barrington Countryside.

Financial Information

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

The budget process begins each February. Every department submits expenditure requests for the upcoming fiscal year, including any initiatives or projects. The financial plan is developed based on projected expenses and revenues. The proposed plan is reviewed and approved by the Financial Committee and the Village Board.

Major Initiatives and Accomplishments

During Fiscal Year 2024, the Village undertook or continued several major initiatives, including:

- Reinvestment in Village facilities, including parking lot resurfacing, additional parking lot lighting,
- Reinvestment of the Village's Information Technology equipment, with new servers and enhanced cybersecurity protections,
- Completion of the annual street resurfacing program.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Inverness for its annual comprehensive financial report for the fiscal year ended April 30, 2023. This was the fourth consecutive year the Village achieved this prestigious award. To earn a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report, which meets both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current report continues to meet the program's requirements and have submitted it to GFOA for consideration for another certificate.

Acknowledgments

I would like to extend my appreciation to the Mayor, the Board of Trustees, the Finance Committee, the Village Treasurer, and the entire Village Staff for their leadership and support in conducting the financial operations of the Village in a responsible and forward-thinking manner.

Respectfully submitted,



Sam Trakas
Village Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Inverness
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2023

Christopher P. Morill

Executive Director/CEO

Village of Inverness, Illinois

Principal Officials
April 30, 2024



VILLAGE OFFICIALS

PRESIDENT

John A. Tatooles

BOARD OF TRUSTEES

Russell P. Fitton

Chuck Fritz

Richard C. Gallagher

Terrence H. Kral

Hugh G Masterson

Laurie C. White

CLERK

Krissy Viox

VILLAGE STAFF

Sam Trakas, Village Administrator

Stacy Smith, Deputy Clerk

Deborah Azpuru, Office Clerk

Scott Smith, Permit Coordinator

POLICE DEPARTMENT

Kyle Ingebrigtsen, Police Chief

Randy Akin, Police Officer
Joseph Belmonte, Police Officer
Wesley Bland, Police Officer
David Bloomfield, Police Officer
John Calvey, Police Officer
Robert Haas, Police Officer
Larry Martin, Police Officer

Scott May, Police Officer
Rick Sjodin, Police Officer
Daryl Syre, Police Officer
Edward Valente, Police Officer
Scott Winkelman, Police Officer
Julieanne Ferraro, Part-Time Police Officer

Cheryl Michelotti, Administrative Assistant
Cynthia Brick, Part-Time Records Clerk
Mike Hish, Part-Time Emergency Manager

VILLAGE ATTORNEY

Bernard Z. Paul

VILLAGE TREASURER

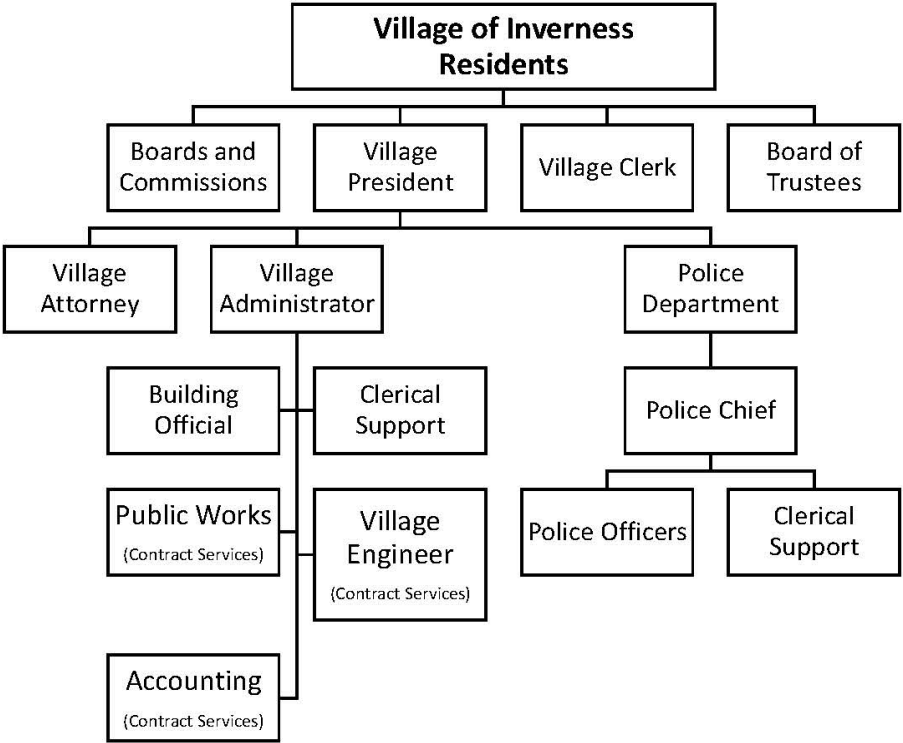
Kenneth Klein

VILLAGE ENGINEER

Jason R. Dolan



**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, 2024, 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, 2024, 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 12 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, the schedule of changes in net pension liability, total pension liability and related ratios – Illinois Municipal Retirement Fund (IMRF), the Schedule of Employer Contributions – Illinois Municipal Retirement Fund (IMRF), budgetary comparison information 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 and actual, schedule of revenues, expenditures and changes in fund balance – budget and 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 and actual, schedule of revenues, expenditures and changes in fund balance – budget and 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 VS LLP

Schaumburg, Illinois
October 24, 2024

Management's Discussion and Analysis

Village of Inverness, Illinois

Management's Discussion and Analysis For the Fiscal Year Ended April 30, 2024

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 \$1,223,729 or 6.9% as a result of this year's operations. The Village does not conduct any business-type activities.

Revenues

The governmental activities revenues totaled \$5,746,899.

Cost of Village Programs

The governmental activities expenses totaled \$4,523,710.

General Fund

The General Fund reported revenues of \$4,814,952 and expenditures of \$4,289,515, resulting in a net increase in fund balance of \$525,437, 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.

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.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2024

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 \$19,090,396 as of April 30, 2024. This is an increase of \$1,223,729 or 6.9% over the prior year.

Summary Statement of Net Position As of April 30, 2024 and 2023

	Governmental Activities			
	2024	2023	Change	% Change
Current and other assets	\$ 14,211,749	\$ 14,356,549	\$ (144,800)	-1.01%
Other noncurrent assets	-	-	-	100.00%
Capital assets	5,697,776	5,496,159	201,617	3.67%
Total assets	19,909,525	19,852,708	56,817	0.29%
Deferred Outflows of Resources	378,887	504,508	(125,621)	-24.90%
Current liabilities	828,224	1,898,924	(1,070,700)	-56.38%
Noncurrent liabilities	154,518	320,137	(165,619)	-51.73%
Total liabilities	982,742	2,219,061	(1,236,319)	-55.71%
Deferred Inflows of Resources	215,274	271,488	(56,214)	-20.71%
Net Position:				
Investment in capital assets	5,697,776	5,191,377	506,399	9.75%
Restricted	1,832,032	1,850,809	(18,777)	-1.01%
Unrestricted	11,560,588	10,824,481	736,107	6.80%
Total net position	\$ 19,090,396	\$ 17,866,667	\$ 1,223,729	6.85%

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2024

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, 2024, the Village has restricted net position of \$1,832,032 a decrease of \$18,777 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, 2024, the Village reports non-current liabilities of \$154,518, a decrease of \$165,619 compared to the prior year. The decrease is due to the change in the net pension liability, which is measured by an actuarial valuation as of December 31, 2023 and the valuation resulted in a decrease due to a net gain on investments for that same period greater than the expected gain. That valuation also led to the corresponding decrease of \$125,621 in deferred outflows of resources and decrease of \$56,214 in deferred inflows of resources for pension related deferrals and amortization.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2024

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

Summary Statement of Activities
Years Ended April 30, 2024 and 2023

	Governmental Activities			
	2024	2023	Change	% Change
Revenues				
Program Revenues				
Charges for service	\$ 519,637	\$ 555,543	\$ (35,906)	-6.46%
Grants and contributions				
Operating	358,561	826,098	(467,537)	-56.60%
General Revenue				
Property taxes	2,412,659	2,785,374	(372,715)	-13.38%
Other taxes	1,819,864	1,746,109	73,755	4.22%
Investment income	627,093	333,694	293,399	87.92%
Miscellaneous	9,085	31,068	(21,983)	-70.76%
Total Revenue	5,746,899	6,277,886	(530,987)	-8.46%
Expenses				
General Government	836,916	815,030	21,886	2.69%
Public Safety	2,003,917	1,808,313	195,604	10.82%
Public Works	1,687,806	1,771,965	(84,159)	-4.75%
Interest	(5,469)	(1,649)	(3,820)	231.66%
Total Expenses	4,523,170	4,393,659	129,511	2.95%
Change in Net Position	1,223,729	1,884,227	(660,498)	-35.05%
Net position - beginning	17,866,667	15,982,440	1,884,227	11.79%
Net position - ending	\$ 19,090,396	\$ 17,866,667	\$ 1,223,729	6.85%

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, 2024

- 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, 2024, revenues from all governmental activities totaled \$5,746,899. This represents a decrease of \$530,987 or 8.46% from the previous year, primarily due to the one-time grant revenue received in fiscal year 2023.

Expenses

Total expenses for all governmental activities for the year ended April 30, 2024 were \$4,523,170. This is a 2.86% increase or \$129,511 greater than the previous year. This increase in expenses is the result in the investment in the Police Department, including salary adjustment and purchasing a replacement vehicle.

Village of Inverness, Illinois

**Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2024**

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 \$12,395,985. This is a 4.4% increase from the prior year's ending combined fund balance of \$11,871,501.

Total revenues for the General Fund for fiscal year 2024 were \$4,814,952. This is a decrease of \$174,386 over the prior year revenues. Interest income increased by \$217,772 compared to fiscal year 2023. Property tax revenues increased by \$98,361 compared to fiscal year 2023. Interest income increased as a result of the Federal Fund Rate increasing from a range in fiscal year 2023 of 1.00% to 5.00%, compared to fiscal year 2024 of 5.00% to 5.50%.

Total revenues for the Bond Fund for fiscal year 2024 were \$842,237. This represents an increase of \$18,237 compared to the prior year revenues. The increase was related to the final tax levy for the Bond Fund.

Total expenditures for the General Fund for the year ended April 30, 2024, were \$4,289,515, which was a decrease of \$913,797 from expenditures of the previous year. This is a 17.5% decrease over the prior year expenditures. The decrease in fiscal year 2024 when compared to 2023 occurred mainly as result of the Village expending one-time funds from the American Rescue Plan Act in fiscal year 2023.

Total expenditures for the Bond Fund for the year ended April 30, 2024 were \$824,500, reflecting an increase of \$1,700 compared to the previous year. This increase in fiscal year 2024 is attributed to higher payments made toward the Village's 2017 Bonds, in line with the bond maturity schedule.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended April 30, 2024

General Fund Budgetary Highlights
Year Ended April 30, 2024

General Fund	Original Budget	Final Budget	Actual	Over/ Under
Revenues				
Property taxes	\$ 1,923,500	\$ 1,923,500	\$ 1,975,185	\$ 51,685
Other taxes	1,425,000	1,425,000	1,819,864	394,864
Charges for services	145,000	145,000	145,925	925
Licenses and permits	186,000	186,000	193,715	7,715
Fines and forfeitures	10,000	10,000	11,838	1,838
Intergovernmental	8,000	8,000	11,776	3,776
Franchise fees	140,000	140,000	168,159	28,159
Interest	200,000	200,000	479,405	279,405
Miscellaneous	15,000	15,000	9,085	(5,915)
Total	4,052,500	4,052,500	4,814,952	762,452
Expenditures	4,560,960	6,300,760	4,289,515	2,011,245
Excess of expenditures over revenues	(508,460)	(2,248,260)	525,437	2,773,697
Other financing sources	-	-	-	-
Change in Fund Balance	\$ (508,460)	\$ (2,248,260)	\$ 525,437	\$ 2,773,697

General Fund Budgetary Highlights

As of April 30, 2024, actual revenues were \$762,452 more than budget projections. Actual expenditures were \$2,011,245 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 required supplementary information later in this financial report.

Village of Inverness, Illinois

Management's Discussion and Analysis (Continued) For the Fiscal Year Ended April 30, 2024

Capital Assets

At the end of fiscal year 2024, the Village had a combined total of capital assets (net of accumulated depreciation) of \$5,697,776 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 \$201,617 and is attributable to the Village Hall and Village Annex Building property parking lot improvements. Additional information on the Village's capital asset activity is included in Note 4.

Capital Assets at Year-End Net of Depreciation April 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Land	\$ 3,597,208	\$ 3,597,208
Construction in progress	-	598,473
Buildings	1,812,352	1,180,052
Improvements other than building	228,433	69,796
Vehicles and equipment	59,783	50,630
Total	\$ 5,697,776	\$ 5,496,159

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, 2024, the Village has no outstanding debt. Additional information on the Village's outstanding debt, including debt service requirements through maturity, are included in Note 6. Property taxes had 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, 2024

Economic Factors and a Look to the Future

- The unassigned fund balance for all governmental funds is \$7,895,832. This is approximately 140.32% of annual expenditures and is consistent with the Village's Investment Policy.
- The unemployment rate in the Chicago-Naperville-Arlington Heights, IL Metropolitan Statistical Area has reversed its downward trend, increasing from 3.7% in May 2023 to 4.8% in May 2024.
- 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.
- In fiscal year 2024, the Village made its final payment on the General Obligation Bonds, Series 2017, becoming completely debt-free. The funds previously allocated to bond payments will now be evaluated for potential reinvestment, either by expanding the annual road program or offering real estate tax reductions 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, 2024

	Governmental Activities
Assets	
Current	
Cash and investments	\$ 12,711,960
Receivables	
Property taxes	1,055,476
Intergovernmental	408,976
Accrued interest	50
Other	35,287
Total current assets	<u>14,211,749</u>
Noncurrent	
Capital assets (net of accumulated depreciation)	
Land	3,597,208
Construction in progress	-
Buildings	1,812,352
Improvements other than buildings	228,433
Vehicles and equipment	59,783
Total noncurrent assets	<u>5,697,776</u>
Total assets	<u>19,909,525</u>
Deferred Outflows of Resources	
Pension related amounts	<u>378,887</u>
Liabilities	
Current	
Accounts payable	265,564
Compensated absences	25,548
Deposits payable	537,112
Total current liabilities	<u>828,224</u>
Noncurrent	
Net pension liability	<u>154,518</u>
Total noncurrent liabilities	<u>154,518</u>
Total liabilities	<u>982,742</u>
Deferred Inflows of Resources	
Pension related amounts	<u>215,274</u>
Net Position	
Investment in capital assets	5,697,776
Restricted for streets and bridges	1,832,032
Unrestricted	11,560,588
Total net position	<u>\$ 19,090,396</u>

See Notes to Financial Statements.

Village of Inverness, Illinois

**Statement of Activities
Year Ended April 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue, and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
General government	\$ 836,916	\$ 361,874	\$ 11,768	\$ -	\$ (463,274)
Public safety	2,003,917	11,838	8	-	(1,992,071)
Public works	1,687,806	145,925	346,785	-	(1,195,096)
Interest and amortization	(5,469)	-	-	-	5,469
Total	<u>\$ 4,523,170</u>	<u>\$ 519,637</u>	<u>\$ 358,561</u>	<u>\$ -</u>	<u>(3,644,972)</u>

General revenues

Taxes

Property 2,412,659

Sales 251,304

Income and use 1,568,560

Investment income 627,093

Miscellaneous 9,085

Total general revenues 4,868,701

Change in net position 1,223,729

Net position - beginning 17,866,667

Net position - ending \$ 19,090,396

See Notes to Financial Statements.

Village of Inverness, Illinois

**Balance Sheet - Governmental Funds
April 30, 2024**

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 10,136,639	\$ 770,681	\$ 1,804,640	\$ 12,711,960
Receivables				
Property taxes	1,055,476	-	-	1,055,476
Intergovernmental	381,585	-	27,391	408,976
Accrued interest	50	-	-	50
Other receivables	33,287	2,000	-	35,287
Total assets	<u>\$ 11,607,037</u>	<u>\$ 772,681</u>	<u>\$ 1,832,031</u>	<u>\$ 14,211,749</u>
Liabilities				
Accounts payable	\$ 265,564	\$ -	\$ -	\$ 265,564
Deposits payable	537,112	-	-	537,112
Total liabilities	<u>802,676</u>	<u>-</u>	<u>-</u>	<u>802,676</u>
Deferred Inflows of Resources				
Deferred property taxes - unavailable	1,013,088	-	-	1,013,088
Deferred other taxes - unavailable	-	-	-	-
Total deferred inflows of resources	<u>1,013,088</u>	<u>-</u>	<u>-</u>	<u>1,013,088</u>
Fund Balances				
Restricted - street and bridge improvements	-	-	1,832,031	1,832,031
Restricted - debt service	-	772,681	-	772,681
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	7,895,832	-	-	7,895,832
Total fund balances	<u>9,791,273</u>	<u>772,681</u>	<u>1,832,031</u>	<u>12,395,985</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,607,037</u>	<u>\$ 772,681</u>	<u>\$ 1,832,031</u>	<u>\$ 14,211,749</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, 2024**

Total fund balances - governmental funds	\$ 12,395,985
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.	5,697,776
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	378,887
Deferred inflows of resources	(215,274)
Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	1,013,088
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:	
Compensated absences	(25,548)
Net pension liability	(154,518)
Net position of governmental activities	<u>\$ 19,090,396</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, 2024**

	General Fund	Bond Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues				
Taxes				
Property taxes	\$ 1,975,185	\$ 842,237	\$ -	\$ 2,817,422
Sales taxes	251,304	-	-	251,304
Income and use taxes	1,568,560	-	-	1,568,560
Charges for services	145,925	-	-	145,925
Licenses and permits	193,715	-	-	193,715
Fines and forfeitures	11,838	-	-	11,838
Intergovernmental	11,776	-	346,785	358,561
Franchise fees	168,159	-	-	168,159
Interest	479,405	-	147,688	627,093
Miscellaneous	9,085	-	-	9,085
Total revenues	<u>4,814,952</u>	<u>842,237</u>	<u>494,473</u>	<u>6,151,662</u>
Expenditures				
Current				
General government	813,266	-	513,251	1,326,517
Public safety	2,154,275	-	-	2,154,275
Public works	1,174,555	-	-	1,174,555
Debt service				
Principal retirement	-	800,000	-	800,000
Interest expense	-	24,412	-	24,412
Capital outlay	147,419	-	-	147,419
Total expenditures	<u>4,289,515</u>	<u>824,412</u>	<u>513,251</u>	<u>5,627,178</u>
Net change in fund balances	525,437	17,825	(18,778)	524,484
Fund balances - beginning	<u>9,265,836</u>	<u>754,856</u>	<u>1,850,809</u>	<u>11,871,501</u>
Fund balances - ending	<u>\$ 9,791,273</u>	<u>\$ 772,681</u>	<u>\$ 1,832,031</u>	<u>\$ 12,395,985</u>

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, 2024**

Net change in fund balances - total governmental funds	\$ 524,484
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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 capital outlay totaling (\$333,896) exceeded depreciation (\$132,279).	201,617
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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	800,000
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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	(404,763)
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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	19,881
Decrease in accrued interest	10,000
Increase in compensated absences payable	(3,821)
Changes in net pension liability and related pension amounts	76,331

Change in net position of governmental activities	<u>\$ 1,223,729</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, 2024.

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.

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.

Village of Inverness, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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 has a policy to require that funds on deposit in excess of FDIC limits be secured by a written collateralization agreement approved in advance by the Village attorney. The Village's deposits were properly insured and collateralized as of April 30, 2024.

Interest Rate Risk.

As of April 30, 2024, the Village had the following investments and maturities.

Investment Type	Carrying Value
Illinois Funds	<u>\$ 11,160,946</u>

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments in the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Illinois Funds does meet all the criteria in GASB Statement No. 79, paragraph 4 which allows the reporting of its investments at amortized cost.

Village of Inverness, Illinois

Notes to Financial Statements

Note 2. Investments (Continued)

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, 2024, the Illinois Funds Investment Pool was rated AAAm by Standard & Poor's.

Note 3. Receivables—Taxes

Property taxes for 2023 attach as an enforceable lien on January 1, 2023 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, 2024 and July 1, 2024, and are payable in two installments, on or about March 1, 2024 and August 1, 2024. 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, 2023	Additions	Deletions	Balance April 30, 2024
Capital assets not being depreciated:				
Land	\$ 3,597,208	\$ -	\$ -	\$ 3,597,208
Construction in progress	598,473	-	598,473	-
	<u>4,195,681</u>	<u>-</u>	<u>598,473</u>	<u>3,597,208</u>
Capital assets being depreciated:				
Buildings	2,050,816	711,384	-	2,762,200
Improvements other than buildings	504,430	175,714	-	680,144
Vehicles and equipment	316,620	45,271	21,158	340,733
	<u>2,871,866</u>	<u>932,369</u>	<u>21,158</u>	<u>3,783,077</u>
Less accumulated depreciation for:				
Buildings	870,764	79,084	-	949,848
Improvements other than buildings	434,634	17,077	-	451,711
Vehicles and equipment	265,990	36,118	21,158	280,950
	<u>1,571,388</u>	<u>132,279</u>	<u>21,158</u>	<u>1,682,509</u>
Total capital assets being depreciated, net	<u>1,300,478</u>	<u>800,090</u>	<u>-</u>	<u>2,100,568</u>
Governmental activities capital assets, net	<u>\$ 5,496,159</u>	<u>\$ 800,090</u>	<u>\$ 598,473</u>	<u>\$ 5,697,776</u>

Village of Inverness, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Total depreciation of \$132,279 was allocated as follows:

General government	\$ 96,160
Public safety	36,119
	<u>\$ 132,279</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, 2024:

	Balance May 1, 2023	Additions	Retirements	Balance April 30, 2024	Due Within One Year
General Obligation Bonds Payable, Series 2017	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ -
Premium on bonds payable	19,881	-	19,881	-	-
Net pension liability *	300,256	-	145,738	154,518	-
Compensated absences payable *	21,727	25,548	21,727	25,548	25,548
	<u>\$ 1,141,864</u>	<u>\$ 25,548</u>	<u>\$ 987,346</u>	<u>\$ 180,066</u>	<u>\$ 25,548</u>

* The net pension liability and 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, 2024, debt service requirements to maturity on the outstanding debt, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 \$6.7 million as of April 30, 2024, which was a \$200 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 \$155,342 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 \$115,196 to NWCDS for the year ended April 30, 2024.

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 online 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, 2023, 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, 2023. 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, 2023:

- 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 2023 valuation according to an experience study from years 2020 to 2022.
- The Pub-2010 rates for Mortality (for non-disabled retirees) were used with, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and fully generational projection scale MP-2021.

Village of Inverness, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

- For Disabled Retirees, Pub-2010 rates were used with, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For active members, Pub-2010 rates were used with, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	34.50%	5.00%
International equity	18.00%	6.35%
Fixed income	24.50%	4.75%
Real estate	10.50%	6.36%
Alternative investments	11.50%	
Private equity		8.65%
Commodities		6.05%
Cash equivalents	<u>1.00%</u>	3.80%
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 (3.77%) 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, 2023 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	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at beginning of year	\$ 2,562,328	\$ 2,262,072	\$ 300,256
Changes for the year:			
Service cost	38,042	-	38,042
Interest	181,454	-	181,454
Differences between expected and actual experience	9,563	-	9,563
Changes of assumptions	(1,798)	-	(1,798)
Contributions - employer	-	29,705	(29,705)
Contributions - employee	-	17,159	(17,159)
Net investment income (loss)	-	258,669	(258,669)
Benefit payments, including refunds of employee contributions	(157,067)	(157,067)	-
Other changes	-	67,466	(67,466)
Net changes	70,194	215,932	(145,738)
Balances at end of year	\$ 2,632,522	\$ 2,478,004	\$ 154,518

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)	\$ 432,183	\$ 154,518	\$ (76,148)

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

For the year ended April 30, 2024, the Village recognized pension expense (revenue) of (\$45,709). At April 30, 2024, 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	\$ 22,193	\$ -
Changes of assumptions	-	1,295
Net differences between projected and actual earnings on pension plan investments	345,934	213,979
Total deferred amounts to be recognized in pension expense in future periods	368,127	215,274
Employer contributions subsequent to the measurement date	10,760	-
Total deferred amounts related to pensions	\$ 378,887	\$ 215,274

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:

Year Ended April 30,	Amount
2025	\$ 24,518
2026	50,270
2027	97,310
2028	(19,245)
Total	\$ 152,853

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, 2024, 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 \$108,243 during the fiscal year ended April 30, 2024.

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, 2024, thirteen employees, which includes eleven officers, were participating in the Plan. The Village made contributions of \$230,278 during the fiscal year ended April 30, 2024.

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. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement were effective on different timelines as requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance, requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The statement will be effective for the Village in various periods as noted above, including its year ending April 30, 2024 and April 30, 2025.

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

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

Village of Inverness, Illinois

Notes to Financial Statements

Note 11. New Governmental Accounting Standards (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The statement will be effective for the Village with its year ending April 30, 2026.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Statement No. 103 was issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement will be effective for the Village with its year ending April 30, 2027.

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

Required Supplementary Information (Unaudited)

Village of Inverness, Illinois

Required Supplementary Information

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

Fiscal year ending April 30,	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 38,042	\$ 37,091	\$ 36,033	\$ 37,681
Interest on the total pension liability	181,454	175,906	169,887	164,787
Differences between expected and actual experience	9,563	18,272	32,012	19,760
Changes in assumptions	(1,798)	-	-	888
Benefit payments	(157,067)	(153,370)	(157,509)	(146,390)
Net change in total pension liability	70,194	77,899	80,423	76,726
Total pension liability—beginning	2,562,328	2,484,429	2,404,006	2,327,280
Total pension liability—ending (a)	\$ 2,632,522	\$ 2,562,328	\$ 2,484,429	\$ 2,404,006
Plan fiduciary net position				
Contributions - Employer	\$ 29,705	\$ 38,979	\$ 44,943	\$ 48,446
Contributions - Employee	17,159	17,013	15,937	16,137
Net investment income	258,669	(381,738)	427,490	321,749
Benefit payments	(157,067)	(153,370)	(157,509)	(146,390)
Other (Net transfer)	67,466	10,701	11,348	33,098
Net change in plan fiduciary net position	215,932	(468,415)	342,209	273,040
Plan fiduciary net position—beginning	2,262,072	2,730,487	2,388,278	2,115,238
Plan fiduciary net position—ending (b)	\$ 2,478,004	\$ 2,262,072	\$ 2,730,487	\$ 2,388,278
Net pension liability (asset) - ending (a) - (b)	\$ 154,518	\$ 300,256	\$ (246,058)	\$ 15,728
Plan fiduciary net position as a percentage of the total pension liability	94.13%	88.28%	109.90%	99.35%
Covered payroll	\$ 381,341	\$ 378,069	\$ 354,161	\$ 358,588
Net pension liability as a percentage of the covered payroll	40.52%	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
\$ 36,594 159,452	\$ 30,727 158,220	\$ 41,668 152,801	\$ 41,069 148,115	\$ 38,817 141,124	\$ 45,409 115,988
21,633 -	(17,965) 56,983	79,422 (67,181)	(21,257) (13,766)	8,488 4,438	202,653 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 15,848 373,685 (142,871) 9,414	\$ 41,373 15,224 (142,569) (139,458) 55,403	\$ 41,888 15,263 306,980 (118,507) (12,638)	\$ 50,821 17,016 116,017 (97,312) (4,730)	\$ 38,526 16,559 8,255 (92,569) 27,966	\$ 40,015 16,550 94,175 (77,853) 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
2024	\$ 29,705	\$ 29,705	\$ -	\$ 381,341	7.79%
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 2023 Contribution Rate*

Valuation Date

Notes

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

Methods and Assumptions

Actuarial cost method

Aggregate Entry Age Normal

Amortization method

Level Percentage of Payroll Closed

Remaining amortization period

Non-Taxing bodies; 10-year rolling period

Taxing bodies (Regular, SLEP and ECO groups): 20-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 financed over 18 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).

Actuarial value of assets

5 Year Smoothed Market Value; 20% Corridor

Wage growth

2.75%

Price inflation

2.25%

Salary increases

2.75% to 13.75%, including inflation

Investment rate of return

7.25%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality

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, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Property taxes	\$ 1,923,500	\$ 1,923,500	\$ 1,975,185	\$ 51,685
Sales taxes	165,000	165,000	251,304	86,304
Income and use taxes	1,260,000	1,260,000	1,568,560	308,560
Personal property replacement taxes	-	-	-	-
Charges for services	145,000	145,000	145,925	925
Licenses and permits	186,000	186,000	193,715	7,715
Fines and forfeitures	10,000	10,000	11,838	1,838
Intergovernmental	8,000	8,000	11,776	3,776
Franchise fees	140,000	140,000	168,159	28,159
Interest	200,000	200,000	479,405	279,405
Miscellaneous	15,000	15,000	9,085	(5,915)
Total revenues	4,052,500	4,052,500	4,814,952	762,452
Expenditures				
Current				
General government	891,250	1,281,500	813,266	468,234
Public safety	2,136,500	2,572,000	2,154,275	417,725
Public works	1,353,450	2,171,500	1,174,555	996,945
Capital outlay	179,760	275,760	147,419	128,341
Total expenditures	4,560,960	6,300,760	4,289,515	2,011,245
(Deficiency) excess of revenues over expenditures	(508,460)	(2,248,260)	525,437	2,773,697
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	\$ (508,460)	\$ (2,248,260)	525,437	\$ 2,773,697
Fund balance - beginning			9,265,836	
Fund balance - ending			\$ 9,791,273	

Village of Inverness, Illinois

Motor Fuel Tax Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2024**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental - motor fuel tax allotments	\$ 170,000	\$ 170,000	\$ 346,785
Interest	50,000	50,000	147,688
Total revenues	220,000	220,000	494,473
Expenditures	613,185	613,185	513,251
Deficiency of revenues over expenditures	(393,185)	(393,185)	(18,778)
Other financing uses			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balance	<u>\$ (393,185)</u>	<u>\$ (393,185)</u>	(18,778)
Fund balance - beginning			<u>1,850,809</u>
Fund balance - ending			<u><u>\$ 1,832,031</u></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, 2024**

	Original Budget	Final Budget	Actual
General government			
Salaries, full-time staff	\$ 250,000	\$ 275,000	\$ 244,692
Salaries, part-time staff	10,000	30,000	-
Salaries, elected officials	53,500	55,000	53,020
Employee benefits and other personnel related	40,000	60,000	39,266
Dues	3,500	6,000	3,366
Legal services	75,000	125,000	27,876
Accounting services	30,000	40,000	32,779
Office supplies and postage	15,500	34,000	12,997
Insurance	75,000	95,000	70,715
Printing and publishing	2,000	3,000	1,323
Telephone	12,500	15,000	3,115
Expense and automobile allowance	1,000	1,000	-
Bonds and insurance	68,250	70,000	70,608
Conferences and training	5,000	7,500	1,751
Miscellaneous	25,000	100,000	14,373
Property maintenance	60,000	90,000	115,928
Payroll taxes	25,000	35,000	22,732
Unemployment tax	-	-	459
Audit	25,000	30,000	37,500
Remodeling	85,000	150,000	17,207
Information technology	30,000	60,000	43,559
Total general government	891,250	1,281,500	813,266
Public safety			
Police salaries, full-time	1,125,000	1,250,000	1,144,395
Police salaries, part-time	60,000	100,000	37,143
Police overtime	10,000	20,000	1,752
Police payroll tax	100,000	125,000	85,419
Police pension	115,000	150,000	339,590
Police unemployment tax	-	-	2,519
Police health insurance	340,000	375,000	114,615
Expense allowance	-	-	-
Emergency response	35,000	60,000	40,597
Police training	15,000	30,000	4,232
Police dues	30,000	50,000	26,169
Police supplies/services	21,000	30,000	30,913
Police uniforms	10,000	20,000	10,863

(Continued)

Village of Inverness, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2024

	Original Budget	Final Budget	Actual
Public safety (Continued)			
Police contracts	\$ 215,000	\$ 250,000	\$ 203,016
Police vehicle maintenance	35,000	70,000	61,848
Police telephone	3,500	7,000	2,619
Information technology	22,000	35,000	48,585
Total public safety	2,136,500	2,572,000	2,154,275
Public works			
Salaries, full-time staff	56,000	70,000	54,855
Engineering services	46,200	60,000	48,836
Engineering expense	25,000	40,000	-
Engineering reimbursable	25,000	40,000	8,838
Forestry	15,000	150,000	77,870
Stormwater management	35,000	100,000	68,145
Solid waste	160,000	200,000	155,342
Street and bridge	400,000	750,000	161,743
Snow removal	470,000	600,000	479,958
Payroll tax	-	-	-
Pension	7,000	12,000	7,996
Health Insurance	27,250	35,000	24,041
Contract inspections	80,000	100,000	83,164
Dues	500	2,500	335
Training	500	2,000	-
Office supplies	6,000	10,000	3,432
Total public works	1,353,450	2,171,500	1,174,555
Capital outlay			
General governmental			
Office equipment	5,000	7,000	3,226
Building alterations	73,760	73,760	74,629
Public safety			
Police vehicles	50,000	100,000	45,271
Police radios	35,000	50,000	13,734
Police office equipment	5,000	5,000	1,552
Police other capital	10,000	35,000	8,504
Public works			
Office equipment	1,000	5,000	503
	179,760	275,760	147,419
Total expenditures	\$ 4,560,960	\$ 6,300,760	\$ 4,289,515

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, 2024**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property taxes	\$ 824,000	\$ 824,000	\$ 842,237
Total revenues	824,000	824,000	842,237
Expenditures			
Debt service			
Principal	800,000	800,000	800,000
Interest	23,950	24,000	24,412
Miscellaneous	550	500	-
Total expenditures	824,500	824,500	824,412
Net change in fund balance	<u>\$ (500)</u>	<u>\$ (500)</u>	17,825
Fund balance - beginning			<u>754,856</u>
Fund balance - ending			<u><u>\$ 772,681</u></u>

Village of Inverness, Illinois

**Schedule of Long-term Debt Requirements
General Obligation Refunding Bond, Series 2017
April 30, 2024**

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			June 1	Interest Due On		
	Principal	Interest	Total		Amount	December 1	Amount
2024	\$ -	\$ -	\$ -	2023	\$ -	2023	\$ -
Total	\$ -	\$ -	\$ -		\$ -		\$ -

Statistical Section (Unaudited)

Statistical Section

This part of the Village's annual comprehensive 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

	Pages
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 Village's annual financial report for the relevant year.

Village of Inverness, Illinois

**Net Position
Last Ten Fiscal Years**

	2015	2016	2017	2018
Governmental activities				
Investment in capital assets	\$ 4,937,727	\$ 4,894,623	\$ 4,858,086	\$ 4,817,170
Restricted	275,793	271,795	278,388	282,221
Unrestricted	2,423,635	3,572,562	4,190,036	5,335,623
Total governmental activities	<u>\$ 7,637,155</u>	<u>\$ 8,738,980</u>	<u>\$ 9,326,510</u>	<u>\$ 10,435,014</u>

Source: Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ 4,786,974	\$ 4,708,172	\$ 4,680,117	\$ 4,665,240	\$ 5,191,377	\$ 5,697,776
296,835	393,356	1,000,985	1,389,540	1,850,809	1,832,032
6,235,624	7,076,028	8,226,985	9,927,660	10,824,481	11,560,588
\$ 11,319,433	\$ 12,177,556	\$ 13,908,087	\$ 15,982,440	\$ 17,866,667	\$ 19,090,396

Village of Inverness, Illinois

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

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

Source: Audited Financial Statements

2018	2019	2020	2021	2022	2023	2024
\$ 768,430	\$ 632,049	\$ 680,789	\$ 622,272	\$ 613,863	\$ 815,030	\$ 836,916
1,684,226	1,738,465	1,785,693	1,647,139	1,772,311	1,808,313	2,003,917
926,851	1,450,810	1,435,374	1,386,110	1,743,669	1,771,965	1,687,806
202,218	83,863	63,513	42,438	20,524	(1,649)	(5,469)
3,581,725	3,905,187	3,965,369	3,697,959	4,150,367	4,393,659	4,523,170
599,538	518,078	503,094	498,577	616,063	55,543	519,637
195,152	193,999	274,575	372,505	876,498	826,098	358,561
-	-	-	325,082	162,541	-	-
794,690	712,077	777,669	1,196,164	1,655,102	881,641	878,198
2,775,548	2,800,516	2,786,058	2,784,521	2,846,231	2,785,374	2,412,659
999,887	1,062,489	1,065,312	1,410,070	1,673,093	1,746,109	1,819,864
-	-	-	-	-	-	-
96,008	187,917	174,043	24,751	10,605	333,694	627,093
24,096	26,607	20,410	12,984	39,689	31,068	9,085
3,895,539	4,077,529	4,045,823	4,232,326	4,569,618	4,896,245	4,868,701
\$ 1,108,504	\$ 884,419	\$ 858,123	\$ 1,730,531	\$ 2,074,353	\$ 1,384,227	\$ 1,223,729

Village of Inverness, Illinois

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

	2015	2016	2017	2018
General Fund				
Assigned				
Emergency disaster reserve	\$ -	\$ -	\$ -	\$ -
Solid Waste Program	572,728	572,728	572,728	572,728
Street and bridge improvements	322,713	322,713	322,713	322,713
Unassigned	6,180,972	6,781,337	6,771,229	7,526,759
Total General Fund	7,076,413	7,676,778	7,666,670	8,422,200
All other governmental funds				
Restricted - street and bridge improvements	275,793	271,795	278,388	282,221
Restricted - debt service	594,137	639,786	674,626	659,390
Total All Other Governmental Funds	869,930	911,581	953,014	941,611
Total Governmental Funds	\$ 7,946,343	\$ 8,588,359	\$ 8,619,684	\$ 9,363,811

Source: Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ -	\$ 1,000,000	\$ 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
7,630,228	6,665,535	6,961,728	7,584,369	7,370,395	7,895,832
8,525,669	8,560,976	8,857,169	9,479,810	9,265,836	9,791,273
296,835	393,356	1,000,985	1,389,540	1,850,809	1,832,031
664,737	675,283	730,195	765,382	754,856	772,681
961,572	1,068,639	1,731,180	2,154,922	2,605,665	2,604,712
\$ 9,487,241	\$ 9,629,615	\$ 10,588,349	\$ 11,634,732	\$ 11,871,501	\$ 12,395,985

Village of Inverness, Illinois

Changes in Fund Balances of Government Funds Last Ten Fiscal Years

	2015	2016	2017	2018
Revenues				
Taxes				
Property taxes	\$ 2,736,441	\$ 2,817,524	\$ 2,856,489	\$ 2,866,046
Sales taxes	72,262	65,923	75,216	80,825
Income and use taxes	894,911	927,618	780,900	1,013,931
Charges for services	181,643	173,658	159,886	199,324
Licenses and permits	228,731	259,408	204,528	202,197
Fines and forfeitures	25,251	37,234	16,698	14,907
Intergovernmental	245,593	200,191	198,995	199,451
Annexation fees	-	-	-	-
Franchise fees	166,425	172,185	177,613	183,110
Interest	5,474	10,247	37,970	96,008
Miscellaneous	11,964	18,223	39,724	24,096
Total revenues	4,568,695	4,682,211	4,548,019	4,879,895
Expenditures				
Current				
General government	808,542	854,432	909,581	644,255
Public safety	1,626,443	1,625,949	1,591,528	1,642,316
Public works	808,374	666,747	1,106,794	926,851
Debt service				
Principal retirement	565,000	590,000	620,000	5,915,000
Interest expense	277,830	259,185	238,535	198,886
Issuance costs	-	-	-	80,553
Capital outlay	15,839	43,882	50,186	53,117
Total expenditures	4,102,028	4,040,195	4,516,624	9,460,978
Excess (deficiency) of revenues over expenditures	466,667	642,016	31,395	(4,581,083)
Other financing sources (uses)				
Issuance of refunding debt	-	-	-	5,070,000
Premium on issuance of refunding debt	-	-	-	255,141
Transfers in	170,000	200,000	200,000	200,000
Transfers out	(200,000)	(200,000)	(190,000)	(200,000)
Total other financing sources (uses)	(30,000)	-	10,000	5,325,141
Net change in fund balances	\$ 436,667	\$ 642,016	\$ 41,395	\$ 744,058
Debt service as a percentage of noncapital expenditures	0.206	0.212	0.192	0.658

Source: Audited Financial Statements

2019	2020	2021	2022	2023	2024
\$ 2,726,392	\$ 2,722,908	\$ 2,823,342	\$ 2,816,972	\$ 2,689,098	\$ 2,817,422
67,898	72,418	103,469	211,075	235,147	251,304
989,940	988,498	1,301,261	1,462,018	1,510,962	1,568,560
148,510	143,461	142,726	143,164	153,284	145,925
176,194	176,934	177,977	286,710	227,098	193,715
17,004	13,054	12,429	14,729	1,491	11,838
198,650	278,971	702,927	957,768	907,369	358,561
-	-	-	-	-	-
176,370	169,645	165,445	171,460	173,670	168,159
187,917	174,043	24,751	10,605	333,694	627,093
26,607	20,410	12,984	39,689	31,068	9,085
4,715,482	4,760,342	5,467,311	6,114,190	6,262,881	6,151,662
583,215	626,045	644,425	704,899	735,027	1,326,517
1,704,119	1,733,150	1,604,296	1,662,138	1,761,665	2,154,275
1,450,810	1,435,374	1,386,110	1,743,669	1,771,965	1,174,555
670,000	690,000	720,000	745,000	775,000	800,000
132,000	111,900	91,200	69,600	47,800	24,412
-	-	-	-	-	-
51,908	21,499	62,546	142,501	934,655	147,419
4,592,052	4,617,968	4,508,577	5,067,807	6,026,112	5,627,178
123,430	142,374	958,734	1,046,383	236,769	524,484
-	-	-	-	-	-
-	-	-	-	-	-
200,000	200,000	-	-	-	-
(200,000)	(200,000)	-	-	-	-
-	-	-	-	-	-
\$ 123,430	\$ 142,374	\$ 958,734	\$ 1,046,383	\$ 236,769	\$ 524,484
0.177	0.174	0.182	0.163	0.161	0.175

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
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	479,055,317	73,434	15,444,869	-	54,612
2023	488,811,862	75,485	18,376,741	-	59,048

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
\$ 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%
494,628,232	5.49	2,715,508,994	33.333%
507,323,136	4.66	2,364,125,814	33.333%

Village of Inverness, Illinois

Direct and Overlapping Property Tax Rates Last Ten Levy Years

	Tax			
	2014	2015	2016	2017
Tax Rates				
Direct Rates:				
Village of Inverness				
Corporate (Police Protection)	0.414	0.432	0.369	0.365
Debt Service	0.206	0.216	0.186	0.169
Total Village of Inverness	0.620	0.648	0.555	0.534
Overlapping Rates:				
School Districts				
School District #15	3.868	4.035	3.543	3.618
Palatine Township High School District #211	3.213	3.309	2.871	2.922
Unit School District #220	4.953	5.126	4.538	4.560
Harper Community College District #512	0.451	0.466	0.416	0.425
Fire Protection Districts				
Barrington Countryside Fire Protection District	0.540	0.565	0.482	0.485
Palatine Rural Fire Protection District	1.042	1.093	0.949	0.963
Park Districts				
Barrington Hills Park District	0.054	0.057	0.048	0.048
Palatine Park District	0.696	0.725	0.648	0.657
Inverness Park District	0.212	0.217	0.190	0.187
South Barrington Park District	0.000	0.000	0.000	0.214
Library District				
Barrington Public Library District	0.258	0.266	0.231	0.230
Palatine Public Library District	0.696	0.308	0.268	0.276
County				
County of Cook	0.568	0.552	0.533	0.496
Forest Preserve	0.069	0.069	0.063	0.062
Consolidated Elections	0.000	0.034	0.000	0.031
Townships				
Palatine Township	0.166	0.173	0.145	0.143
Barrington Township	0.033	0.034	0.031	0.032
Other Districts				
Northwest Mosquito Abatement District	0.013	0.011	0.010	0.010
Metropolitan Water Reclamation District	0.430	0.426	0.406	0.402
Total Overlapping Rates	17.262	17.466	15.372	15.761
Grand Total	17.882	18.114	15.927	16.295

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

Levy Year					
2018	2019	2020	2021	2022	2023
0.377	0.378	0.385	0.417	0.374	0.466
0.174	0.173	0.178	0.195	0.175	0.000
0.551	0.551	0.563	0.612	0.549	0.466
3.807	3.486	3.564	3.955	3.673	3.714
3.044	2.749	2.787	3.020	2.710	2.751
4.853	4.669	4.888	5.480	4.954	4.946
0.443	0.403	0.409	0.457	0.410	0.413
0.520	0.541	0.573	0.645	0.594	0.604
1.022	1.003	1.055	1.197	1.132	1.128
0.052	0.055	0.061	0.068	0.059	0.045
0.693	0.633	0.650	0.711	0.637	0.649
0.198	0.196	0.192	0.180	0.166	0.163
0.213	0.217	0.230	0.256	0.238	0.246
0.248	2.440	0.253	0.269	0.249	0.246
0.291	0.344	0.353	0.388	0.346	0.353
0.489	0.454	0.453	0.446	0.431	0.386
0.060	0.006	0.058	0.058	0.081	0.075
0.000	0.030	0.000	0.019	0.000	0.032
0.146	0.134	0.130	0.142	0.117	0.109
0.033	0.033	0.034	0.035	0.033	0.032
0.011	0.010	0.010	0.011	0.009	0.010
0.396	0.389	0.378	0.382	0.374	0.345
16.519	17.792	16.078	17.719	16.213	16.247
17.070	18.343	16.641	18.331	16.762	16.713

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
2023	2024	\$ 2,362,305	\$ 1,418,882	60.06%	N/A	\$ 1,418,882	60.06%
2022	2023	2,712,505	1,358,174	50.07%	\$ 1,318,698	2,676,872	98.69%
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%

Source: Cook County Treasurer's Office

Village of Inverness, Illinois

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

Taxpayer	2023			2012		
	EAV	Rank	% of Total Equalized Assessed Valuation	EAV	Rank	% of Total Equalized Assessed Valuation
Ablehearts Consulting	\$ 7,586,182	1	1.7%			
Inverness Golf Club	4,614,698	2	1.0%	\$ 3,310,446	2	0.7%
Individual Residence (a)	2,061,354	3	0.5%	1,756,401	3	0.4%
Individual Residence (b)	1,530,618	4	0.3%	1,676,149	4	0.4%
Individual Residence (e)	826,858	5	0.2%	555,234	9	0.1%
Individual Residence (g)	573,709	6	0.1%			
Individual Residence (h)	561,029	7	0.1%			
Individual Residence (i)	549,522	8	0.1%			
Individual Residence (j)	540,195	9	0.1%			
Individual Residence (k)	533,882	10	0.1%			
Inverness Real Estate			0.0%	6,610,354	1	1.4%
Toll IL L.P.				1,424,201	5	0.3%
Mertius Homes				1,380,386	6	0.3%
Individual Residence (c)				776,506	7	0.2%
Individual Residence (d)				673,836	8	0.1%
Individual Residence (f)				490,900	10	0.1%
Total	<u>\$ 19,378,047</u>		<u>1.6%</u>	<u>\$ 18,654,413</u>		<u>3.3%</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>

Source: Cook County Clerk's Office

Village of Inverness, Illinois

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Debt Service Fund	Total Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (1)	Percentage of Personal Income (2)	Debt Per Capita (2)
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	0.17%	0.13%	107
2024	-	-	-	0.00%	0.00%	-

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, 2024**

Governmental Unit	General Obligation Debt Outstanding	Percentage Applicable to the Village	Village Share of Debt
Direct bonded debt			
Village of Inverness	\$ -	100.00%	\$ -
Overlapping bonded debt			
Barrington #220 School District	138,133,391	5.42%	7,486,830
Barrington Countryside Fire Protection District	3,018,480	12.77%	385,460
County of Cook	2,771,184,750	0.30%	8,313,554
Harper Community College District #512	261,259,888	2.30%	6,008,977
Inverness Fire Protection District	1,875,000	75.77%	1,420,688
Metropolitan Water Reclamation District	4,732,198,000	0.04%	1,892,879
Palatine CCSD #15 School District	109,224,450	8.43%	9,207,621
Palatine Park District	14,873,928	3.83%	569,671
Palatine Public Library District	3,945,000	1.05%	41,423
South Barrington Park District	3,685,000	0.05%	1,843
Total overlapping bonded debt	8,039,397,887		35,328,946
Total direct and overlapping bonded debt	\$8,039,397,887		\$ 35,328,946

Source: Cook County, Office of the County Clerk

Village of Inverness, Illinois

Schedule of Legal Debt Margin April 30, 2024

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
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%
2024	7,616	207,623	76,708	4.70%	4.80%

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, 2024

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	22	0.28%
Inverness Fire Protection District	Fire Departments	20	0.25%
Burton Financial Management	Financial Advisory Services	18	0.23%
Cor Strategies. Inc.	Consulting	15	0.19%
HNI Truck Group	Trucking	15	0.19%
Hammon Group Ltd	Manufacturers-Agents & Representatives	13	0.16%
			<u>4.80%</u>

Source: Village Records

* Historical information from nine years ago is not readily available

Village of Inverness, Illinois

Operating Indicators Last Ten Fiscal Years

	2015	2016	2017	2018
Police Department				
Calls for Service	2,145	2,047	2,004	1,865
Accidents	134	149	126	124
Alarms	474	448	444	393
Animal Complaints	N/A	N/A	N/A	N/A
Arrests	26	34	22	5
Citations	2,599	2,634	2,342	2,682
Crime Opportunity Cards	N/A	N/A	N/A	N/A
Fire Assists	417	424	459	468
Flock Searches	N/A	N/A	N/A	N/A
Flock Hot List Hits	N/A	N/A	N/A	N/A
Flock License Plate Reads	N/A	N/A	N/A	N/A
Outside Department Assists	N/A	N/A	N/A	N/A
Residential Burglary	N/A	N/A	N/A	N/A
Storm Related Calls	N/A	N/A	N/A	N/A
Suspicious Person/Vehicle/Noise	N/A	N/A	N/A	N/A
911 Abandoned Calls	N/A	N/A	N/A	N/A
Building Department				
SF Res. (New, Demo/Rebuild)	-	-	-	4
SF Res. (Add/Alt)	-	-	-	37
Commercial (New, Add, Misc.)	-	-	-	1
Misc. (Deck, Pools, Gen)	-	-	-	47
Engineering Misc	-	-	-	21
Number of Permits (Total)	93	114	105	119
Value of construction	\$ 14,920,186	\$ 14,234,693	\$ 7,732,019	\$ 8,451,165
Total Number of Inspections	480	530	543	525
General Government				
FOIA Requests	102	108	89	88
Regular	75	82	67	69
Average Response Time (days)	1.47	1.67	1.30	1.39
Commercial	27	26	22	19
Average Response Time (days)	1.81	6.17	7.77	8.95
Business Licenses	23	27	29	34
Vehicle Stickers Issued	5,425	5,377	5,413	5,373
Scavenger Licenses Issued	9	9	7	6
Dog Tags Issued	881	860	851	862
Utility Permits Issued	46	44	42	30
Ordinances Adopted	12	6	12	13
Resolutions Adopted	16	15	14	13
Refuse/Recycling/Yard Waste				
Refuse Collected (tons)	2,711.70	2,707.55	2,574.92	2,526.16
Recycling Collected (tons)	1,355.92	1,338.15	1,213.79	1,193.92
Yard Waste Collected (tons)	365.07	348.55	337.53	295.34
Programs				
Salt Purchases (tons)	908.51	999.67	593.09	1,262.55

N/A - In FY24 the Village updated how operating indicators for the Police Department are tracked.

Source: Various Village departments

2019	2020	2021	2022	2023	2024
2,024	1,784	1,864	1,958	2,132	N/A
146	105	49	99	122	32
412	374	337	342	358	40
N/A	N/A	N/A	N/A	N/A	3,821
7	5	-	3	2	3,658,197
2,475	2,328	1,370	1,391	747	-
N/A	N/A	N/A	N/A	N/A	517
460	478	524	658	704	128
N/A	N/A	N/A	N/A	N/A	92
N/A	N/A	N/A	N/A	N/A	20
N/A	N/A	N/A	N/A	N/A	295
N/A	N/A	N/A	N/A	N/A	26
N/A	N/A	N/A	N/A	N/A	11,693
N/A	N/A	N/A	N/A	N/A	224
N/A	N/A	N/A	N/A	N/A	1
N/A	N/A	N/A	N/A	N/A	4
3	4	-	9	4	2
35	41	46	23	31	39
-	2	2	3	1	-
47	63	59	53	70	75
21	39	29	46	45	37
106	149	136	134	152	153
\$ 6,648,747	\$ 8,347,264	\$ 4,779,328	\$ 13,152,808	\$ 10,442,919	\$ 7,358,667
573	716	707	653	693	1,057
119	99	105	76	88	75
101	77	92	55	75	67
1.78	2.14	2.37	2.82	3.00	2.66
18	22	14	21	13	8
8.61	8.36	8.77	16.48	13.00	10.63
37	38	33	354	42	39
5,402	4,243	5,054	4,860	4,969	4,917
6	5	6	5	5	5
834	8,166	785	734	822	776
16	-	5	18	33	21
9	6	9	9	12	10
13	16	9	15	17	11
2,611.67	2,761.55	2,301.21	2,627.35	2,821.00	2,893.31
1,153.30	1,163.24	951.45	999.28	1,096.73	946.74
302.28	384.79	328.77	299.05	317.33	272.13
1,547.42	1,455.73	450.09	1,139.09	1,158.11	686.60

Village of Inverness, Illinois

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elected Officials										
Full-Time	1	1	1	1	1	1	1	1	1	1
Part-Time	7	7	7	7	7	7	7	8	7	8
Administration										
Full-Time	2	2	2	2	2	2	3	3	3	3
Part-Time	2	2	2	2	1	1	0	0	0	0
Building Department										
Full-Time	2	2	2	1	1	2	1	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	11	12	14
Sworn-PT	2	2	2	2	2	2	1	1	1	1
Nonsworn-FT	1	1	2	2	2	1	1	1	1	1
Nonsworn-PT	1	1	0	0	0	0	1	1	1	1

Source: Village Records

Village of Inverness, Illinois

Capital Asset Statistics by Category Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vehicles										
Marked Patrol Units	4	4	4	4	4	4	5	6	6	6
Unmarked Patrol Units	2	2	2	2	3	2	2	3	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