

Inverness Fire Protection District

Annual Financial Report

December 31, 2025

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Costabile & Steffens P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Inverness Fire Protection District
Inverness, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Inverness Fire Protection District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Inverness Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Inverness Fire Protection District as of December 31, 2025, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Inverness Fire Protection District, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible 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.

Frank J. Costabile

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Costabile & Steffens P.C.

Certified Public Accountants

Board of Trustees
Inverness Fire Protection District
Inverness, Illinois

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Inverness Fire Protection District'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 Inverness Fire Protection District'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.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information 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.



Costabile & Steffens P.C. Certified Public Accountants

Board of Trustees
Inverness Fire Protection District
Inverness, Illinois

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Inverness Fire Protection District's basic financial statements. The combined nonmajor fund financial statements and individual nonmajor fund financial statements are presented for purposes of additional analysis and is 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Costabile & Steffens PC

COSTABILE & STEFFENS PC
Certified Public Accountants

Rolling Meadows, Illinois 60008
July 2, 2026

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

Our discussion and analysis of The Inverness Fire Protection District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

The assets of the District exceeded its liabilities by \$8,719,795 as of December 31, 2025, respectively. The District's net position decreased by \$178,463 in 2025 due to the timing of Cook County property tax payments being delayed until January 2026. The General Fund reported a decrease for the year of \$89,830 resulting in an ending fund balance of \$1,324,277.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are prepared using the modified cash basis of accounting and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other amounts).

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

Fund Financial Statements

The fund financial statements tell how the District's services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's major funds and non-major funds.

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

Also included is the fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government, in this case the firefighters' pension fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Inverness Fire Protection District's own programs. These statements are prepared using the full accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. The notes to the financial report can be found on pages 19-48.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents required supplementary information including a schedule of revenues and expenditures – budget vs. actual for each major fund. It also includes the required schedules for IMRF and Firefighters' Pension Fund (retirement funds).

Supplementary Information

The Supplementary Information (pages 60-64) consists of the balance sheet, and statement of revenues, expenditures, and changes in fund balance for the nonmajor funds, and the budget-to-actual information of the non-major funds.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. The District's governmental activities net position was \$8,719,795.

Net position of the District's governmental activities decreased during the year (\$8,719,795 compared to \$8,898,285). Unrestricted net position-the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements decreased from \$5,856,955 to \$5,485,179. The main reason for this decrease was Cook County delaying property tax payments until January 2026.

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

The following tables present current year data in comparison to data from the previous year.

Statement of Net Position: The following table reflects the condensed statement of net position.

	2025	2024
Assets		
Current and other assets	\$ 7,324,515	\$ 7,828,978
Capital assets, net	2,836,722	2,724,728
Total Assets	<u>\$ 10,161,237</u>	<u>\$ 10,553,706</u>
Liabilities		
Current Liabilities	\$ 245,761	\$ 235,448
Non-current Liabilities	1,195,681	1,420,000
Total Liabilities	<u>\$ 1,441,442</u>	<u>\$ 1,655,448</u>
Net Position		
Net of Investment in Capital Assets	\$ 1,405,814	\$ 1,077,228
Restricted	1,828,802	1,964,075
Unrestricted	5,485,179	5,856,955
Total Net Position	<u>\$ 8,719,795</u>	<u>\$ 8,898,258</u>

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

Statement of Activities: The following table reflects the condensed statement of activities.

	2025	2024
Revenues		
Program Revenue		
Charges for Services	\$ 606,286	\$ 561,656
Grants and Contributions	5,804	14,916
General Revenues		
Property Taxes	3,411,678	4,932,859
Foreign Fire Insurance Tax	26,112	31,543
Replacement Taxes	58,072	72,172
Earnings on Investments	307,778	410,778
Other	97,905	46,442
Total Revenues	<u>4,513,635</u>	<u>6,070,366</u>
Expenses		
Public Safety	4,668,320	4,517,314
Interest on Long-Term Debt	23,778	28,800
Total Expenses	<u>4,692,098</u>	<u>4,546,114</u>
Change in Net Position	(178,463)	1,524,252
Net Position, Beginning of Year	8,898,258	7,374,006
Net Position, End of Year	<u>\$ 8,719,795</u>	<u>\$ 8,898,258</u>

Total revenues for governmental activities decreased from the previous year by \$1,556,731, mainly due to collecting less property taxes during the year. The second installment of Cook County property taxes was delayed for 2025 and will be paid in 2026. Total expenses for governmental activities increased from the previous year by \$145,984.

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

Financial Analysis of the District's Funds

The following is a summary of changes in fund balances for the year ended December 31, 2025:

	Fund Balances 12/31/2024	Increases (Decrease)	Fund Balances 12/31/2025
Governmental Funds			
General	\$ 1,414,107	\$ (89,830)	\$ 1,324,277
Ambulance	3,149,149	(84,241)	3,064,908
Emergency and Rescue	1,126,737	61,691	1,188,428
Insurance	711,246	(168,394)	542,852
Capital	1,293,699	(197,705)	1,095,994
Audit	12,834	(3,441)	9,393
IMRF/Social Security/Medicare	41,472	(26,677)	14,795
Foreign Fire Insurance	71,786	1,548	73,334
	<u>\$ 7,821,030</u>	<u>\$ (507,049)</u>	<u>\$ 7,313,981</u>

General Fund Budgetary Highlights

The District Board made no budget amendment to the General Fund budget once it was approved. Actual revenues of \$1,913,094 were \$1,012,329 lower than final budgeted revenues of \$2,925,423. This was due to Cook County delaying payments usually made in December to January the following year.

Actual expenditures of \$2,042,734 were \$1,156,646 lower than the final budgeted expenditures of \$3,199,380. This was due primarily to the District's pension contribution expenditures being \$406,312 lower than what was budgeted, and professional services expenditures being lower than budgeted by \$232,346.

Inverness Fire Protection District
MANAGEMENT'S, DISCUSSION & ANALYSIS
December 31, 2025

Capital Assets

The following is a summary of the District's capital assets, net of accumulated depreciation:

	2025	2024
Land	\$ 365,000	\$ 365,000
Buildings	1,722,000	1,722,000
Buildings and Improvements	272,569	272,569
Land Improvements	121,361	121,361
Equipment	251,748	453,781
Vehicles	1,868,106	2,392,843
Cost of Capital Assets	4,600,784	5,327,554
Less: Accumulated Depreciation	(1,764,062)	(2,602,826)
Net Capital Assets	<u>\$ 2,836,722</u>	<u>\$ 2,724,728</u>

A fire engine and tanker were sold during the year.

Long-Term Debt

The District's long-term debt outstanding at December 31, 2025 totaled \$1,430,908 compared to a beginning balance of \$1,647,500, a decrease of \$208,865. The District's long-term debt outstanding is as follows:

	12/31/2025	12/31/2024
General Obligation Bonds	\$ 1,370,000	\$ 1,585,000
Installment Contract Payable #1	-	62,500
Installment Contract Payable #2	60,908	-
	<u>\$ 1,430,908</u>	<u>\$ 1,647,500</u>

Description of Current Expected Conditions

The District's elected officials considered many factors when setting the fiscal-year 2026 budget, tax rates, and fees that will be charged for its governmental activities, including the change in the CPI, unemployment rates and other economic factors. District staff remains committed to streamlining operations and has strategically aligned budgetary resources to support these initiatives.

Requests for Information

This financial report is designed to provide a general overview of the Inverness Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Fire Chief, Inverness Fire Protection District, 35 North Ela Road, Inverness, Illinois 60067.

BASIC FINANCIAL STATEMENTS

Inverness Fire Protection District
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 7,324,515
Total Current Assets	<u>7,324,515</u>
Non-Current Assets:	
Land	365,000
Other Capital Assets, net of Accumulated Depreciation	<u>2,471,722</u>
Total Non-Current Assets	<u>2,836,722</u>
Total Assets	<u><u>\$ 10,161,237</u></u>
LIABILITIES	
Current Liabilities:	
Payroll Liabilities	\$ 10,534
Current Portion Long-Term Debt	235,227
Non-Current Liabilities	
Bond Payable, net of current	1,150,000
Installment Contract, net of current	<u>45,681</u>
Total Liabilities	<u><u>\$ 1,441,442</u></u>
NET POSITION	
Net Investment in Capital Assets	\$ 1,405,814
Restricted	
Liability Insurance	542,852
Audit	9,393
Emergency and Rescue	1,188,428
Retirement	14,795
Foreign Fire Insurance	73,334
Unrestricted	<u>5,485,179</u>
Total Net Position	<u><u>\$ 8,719,795</u></u>

The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2025

Functions / Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Public Safety	\$ 4,668,320	\$ 606,286	\$ 5,804	\$ -	\$ (4,056,230)
Interest on Long-Term Debt	23,778	-	-	-	(23,778)
Total Governmental Activities	<u>\$ 4,692,098</u>	<u>\$ 606,286</u>	<u>\$ 5,804</u>	<u>\$ -</u>	<u>(4,080,008)</u>
General Revenues					
Property Taxes					3,411,678
Replacement Taxes					58,072
Foreign Fire Insurance Tax					26,112
Earnings on Investments					307,778
Miscellaneous					<u>97,905</u>
Total General Revenue					<u>3,901,545</u>
Change in Net Position					(178,463)
Net Position, Beginning of Year					<u>8,898,258</u>
End of Year					<u>\$ 8,719,795</u>

The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2025

	General Corporate Fund	Ambulance Fund	Emergency and Rescue Fund	Liability Insurance Fund	Capital Improvement Fund	Non-Major Funds	Total
ASSETS							
Cash and Cash Equivalents	\$ 1,334,811	\$ 3,064,908	\$ 1,188,428	\$ 542,852	\$ 1,095,994	\$ 97,522	\$ 7,324,515
TOTAL ASSETS	<u>\$ 1,334,811</u>	<u>\$ 3,064,908</u>	<u>\$ 1,188,428</u>	<u>\$ 542,852</u>	<u>\$ 1,095,994</u>	<u>\$ 97,522</u>	<u>\$ 7,324,515</u>
LIABILITIES							
Payroll Liabilities	\$ 10,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,534
FUND BALANCE							
Restricted							
Liability Insurance	-	-	-	542,852	-	-	542,852
Audit	-	-	-	-	-	9,393	9,393
Emergency and Rescue	-	-	1,188,428	-	-	-	1,188,428
Retirement	-	-	-	-	-	14,795	14,795
Foreign Fire Insurance	-	-	-	-	-	73,334	73,334
Committed	453,975	-	-	-	1,095,994	-	1,549,969
Assigned							
Post-Employment Health Care	184,778	184,778	-	-	-	-	369,556
Ambulance	-	2,880,130	-	-	-	-	2,880,130
Unassigned	<u>685,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685,524</u>
TOTAL FUND BALANCE	<u>1,324,277</u>	<u>3,064,908</u>	<u>1,188,428</u>	<u>542,852</u>	<u>1,095,994</u>	<u>97,522</u>	<u>7,313,981</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,334,811</u>	<u>\$ 3,064,908</u>	<u>\$ 1,188,428</u>	<u>\$ 542,852</u>	<u>\$ 1,095,994</u>	<u>\$ 97,522</u>	<u>\$ 7,324,515</u>

The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
MODIFIED CASH BASIS
December 31, 2025

Fund Balances of Governmental Funds	\$ 7,313,981
Amounts Reported in Governmental Activities in the Statements of Net Position are Different Because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance.	2,836,722
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General Obligations Bonds Payable	(1,370,000)
Installment Contracts Payable	(60,908)
Net Position of Governmental Activities	<u>\$ 8,719,795</u>

The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General Corporate Fund	Ambulance Fund	Emergency and Rescue Fund	Liability Insurance Fund	Capital Improvements Fund	Non-Major Funds	Total
REVENUES							
Property Tax	\$ 1,730,561	\$ 1,202,086	\$ 281,359	\$ 159,720	\$ -	\$ 37,952	\$ 3,411,678
Replacement Tax	29,036	29,036	-	-	-	-	58,072
Grants	2,902	2,902	-	-	-	-	5,804
Foreign Fire Insurance Tax	-	-	-	-	-	26,112	26,112
Charges for Services	1,455	604,831	-	-	-	-	606,286
Earnings on Investments	146,213	132,385	-	29,113	-	67	307,778
Miscellaneous	2,927	-	-	-	-	-	2,927
Total Revenues	1,913,094	1,971,240	281,359	188,833	-	64,131	4,418,657
EXPENDITURES							
Public Safety							
Personnel	1,240,754	1,204,325	192,754	100,037	-	55,670	2,793,540
Commodities	90,224	135,799	-	240,907	-	-	466,930
Contractual	471,386	590,357	15,329	16,283	-	23,862	1,117,217
Capital Outlay	-	-	11,585	-	422,705	13,169	447,459
Debt Service							
Principal Retirement	215,000	-	-	-	-	-	215,000
Interest and Fiscal Charges	25,370	-	-	-	-	-	25,370
Total Expenditures	2,042,734	1,930,481	219,668	357,227	422,705	92,701	5,065,516
Excess (Deficiency) of Revenues Over Expenditures	(129,640)	40,759	61,691	(168,394)	(422,705)	(28,570)	(646,859)
OTHER FINANCING SOURCES/(USES)							
Gain on Sale of Asset	139,810	-	-	-	-	-	139,810
Transfers In	-	-	-	-	225,000	-	225,000
Transfers Out	(100,000)	(125,000)	-	-	-	-	(225,000)
Total Other Financing Sources (Uses)	39,810	(125,000)	-	-	225,000	-	139,810
Net Changes in Fund Balances	(89,830)	(84,241)	61,691	(168,394)	(197,705)	(28,570)	(507,049)
FUND BALANCE							
Beginning of Year	1,414,107	3,149,149	1,126,737	711,246	1,293,699	126,092	7,821,030
End of Year	\$ 1,324,277	\$ 3,064,908	\$ 1,188,428	\$ 542,852	\$ 1,095,994	\$ 97,522	\$ 7,313,981

The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
December 31, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (507,049)
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Amounts Reported in Governmental Activities in the Statement
of Net Position are Different Because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of these assets are
allocated over their estimated useful lives and reported as depreciation
expenses. This is the amount by which capital outlays exceeded
depreciation in the current period

Depreciation Expense	(256,799)
Capital Outlay	413,625

Total	<u>156,826</u>
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Difference in gain of sales of assets from governmental funds statements to the government-wide statements.	(44,832)
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Governmental funds report debt payments as expenditures and debt
issuances as revenue. However, in the statement of activities, debt
payments and debt issuances are not reported as expenditures and
revenue, respectively.

216,592

Change in Net Position of Governmental Activities	<u><u>\$ (178,463)</u></u>
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The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
STATEMENT OF FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION PLAN
December 31, 2025

ASSETS

Cash and Cash Equivalents	\$ 153,380
Investments at Fair Market Value	
Pooled Investment Funds	<u>25,119,616</u>

Total Cash and Investments	25,272,996
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Prepaid Expenses	825
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Total Assets	<u><u>\$ 25,273,821</u></u>
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LIABILITIES

Accounts Payable	<u>\$ 965</u>
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NET POSITION

Total Net Position Restricted for Pensions	<u><u>\$ 25,272,856</u></u>
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The accompanying notes are an integral part of this statement.

Inverness Fire Protection District
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION PLAN
For the Year Ended December 31, 2025

ADDITIONS:

Contributions:

Employer	\$ 335,756
Plan Members	184,149

Investments Earnings:

Investment Income	1,730,495
Net Increase in the Fair Value of Investments	2,136,811
Investment Expense	<u>(53,829)</u>

Total Investment Earnings	<u>3,813,477</u>
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Total Additions	<u>4,333,382</u>
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DEDUCTIONS:

Benefits	1,050,631
Administrative Expenses	<u>37,209</u>

Total Deductions	<u>1,087,840</u>
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Change in Net Position	3,245,542
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NET POSITION

Beginning of Year	<u>22,027,314</u>
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End of Year	<u><u>\$ 25,272,856</u></u>
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The accompanying notes are an integral part of this statement.

Inverness Fire Protection District

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Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Inverness Fire Protection District (the “District”) have been prepared in conformity with the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United State of America (U.S. GAAP). 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 District's accounting policies are described below:

A. Reporting Entity

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Firefighters' Pension Employees Retirement System

The District’s sworn firefighters participate in the Firefighters’ Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the District’s President, two elected from active participants of the Fund, and one elected pension beneficiary of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the District is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the District is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the District, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the District’s sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

B. Basis of Presentation

The District’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities for which separate accounting is required. Likewise, the District, as the primary government, is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide Statement of Net Position, the governmental activities are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets, restricted, and unrestricted.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

D. Fund Financial Statements

The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances combine information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

F. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the District records capital assets, depreciation, and long-term debt.

All pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Governmental Funds

The District reports the following governmental funds:

General Fund – This fund is established to account for resources devoted to financing the general services that the District performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources (other than special assessments, expandable trusts, or major capital project) that are legally restricted to expenditures for specified purposes or have been committed by the Board of Trustees by formal action. Special revenue funds of the District include the Ambulance Fund, Insurance Fund, IMRF Fund, and Audit Fund. The Ambulance, Emergency and Rescue, Liability Insurance Fund is the major fund which accounts for operations associated with providing emergency medical treatment and transportation. The IMRF/Social Security/Medicare, Audit and Foreign Fire Insurance Fund are non-major funds.

Capital Fund – This fund is used to account for the accumulation of resources for the acquisition of major capital facilities.

Fiduciary Funds – These funds report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position. The District's only fiduciary fund is a pension fund. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

Major and Nonmajor Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered by the District to be major, or meets the following criteria:

- 1) Total assets, liabilities, revenues, or expenditures of that individual governmental or proprietary fund are at least ten percent of the corresponding total for all funds of that category or type; and

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Governmental Funds (Continued)

- 2) Total assets, liabilities, revenues, or expenditures of the individual governmental or proprietary fund are at least five percent of the corresponding total for all governmental and proprietary funds combined.

The District has classified the General Fund, Ambulance Fund, Emergency and Rescue Fund, Liability Insurance Fund and Capital Fund as major.

Net Position / Fund Balance Reporting

For the Government-Wide Financial Statements, net positions are reported as follows:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

Restricted Net Position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of all other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental Fund Balances

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Governmental Funds (Continued)

Restricted – Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance).

Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The Fund is maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

H. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in interest-bearing checking accounts, and certificates of deposits with original maturities of three months or less from the date of acquisition.

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust fund, regardless of length of maturity, are reported at fair value. Fair value is based on published market quotes as of December 31, 2025.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Cash Equivalents (Continued)

Under Illinois law, the District is restricted to investing funds in specified types of investment instruments. The following generally represent the types of instruments allowable by State Law:

1. Securities issued or guaranteed by the United States.
2. Interest-bearing accounts of bank and savings and loans insured up to \$250,000 by the Federal Deposit Insurance Corporation.
3. Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million rated in the highest classification by at least two rating agencies.
4. Insured accounts of an Illinois credit union chartered under United States or Illinois law.
5. Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these types of obligations.
6. The Illinois Funds.

In addition, the Pension Trust Fund is also permitted to invest in the following instruments:

1. Repurchase agreements, which meet instrument transaction requirements of Illinois law.
2. General accounts of Illinois-licensed life insurance companies.
3. Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the funds' investments and mutual funds limited to 35% of the funds' investments.
4. Bonds issued by the State of Illinois, or any county, city, District, municipal corporation, incorporated town, or school district in Illinois.
5. Tax anticipation warrants issued by any city, District, incorporated town, or fire protection district in Illinois.
6. Mutual funds

I. Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

In government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets that exceed a capitalization threshold are capitalized and valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets that are recorded at their acquisition value at the date of donation. The District capitalizes assets purchased or acquired with an original cost of \$50,000 for buildings, \$15,000 for vehicles, \$10,000 for building improvements and \$5,000 for equipment. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over estimated useful lives using the straight- line method of depreciation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	10 - 45 years
Land Improvements	10 - 45 years
Equipment	5 - 20 years
Vehicles, Fire Trucks, Ambulances and Apparatus	7 - 20 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

K. Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental fund are recognized when paid.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Program Revenues

Amounts reported as program revenues include 1) Services provided and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

N. Personal Property Replacement Tax

Personal property replacement tax revenues are allocated across funds and to other governmental entities at the same rate since inception in the 1970's. At the time, allocation was based on the size of the towns and districts in relation to the rest of the area.

O. Budgetary Data

Governmental Accounting Standards Board guidelines require a comparison of budget (appropriation) to actual for all Governmental Major Funds. The term budget used throughout the financial statements represents the estimated revenues and appropriations as set forth in the District's original appropriation ordinance adopted on November 11, 2024 for the year ended December 31, 2025 and has not been amended during the year. Budgetary comparisons, presented in this report, are on a modified cash basis of accounting. The District appropriates for all expenditures on a year-to-year basis, and accordingly, unused appropriations lapse at year-end. Total expenditures for the IMRF/Social Security Fund were over the appropriated amount. The excess expenditures were covered by the fund balance of the Fund. All other funds did not have expenditures over the appropriated amounts.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

District Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk:

The District maintains a cash and investment pool that is available for use by all funds except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Fair Value Measurements and Disclosures. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. This establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels of inputs as follows:

Level 1 – Inputs are quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access as of the measurement date.

Level 2 – Inputs are quoted prices of similar instruments in active markets, quoted prices for identical similar instruments that are not active, inputs other than quoted prices used in a valuation model that are observable for that instrument, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – One or more inputs used in valuation technique are unobservable and significant to overall fair value measurement.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

Determination of fair value and the resulting hierarchy required the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The District utilizes quoted market prices as estimates of the fair value of its financial instruments. Cash and money market funds are not considered under fair value reporting as a level.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, the carrying amount of the District's deposits totaled \$6,135,310 and the District's bank balances totaled \$6,234,267. All deposits are covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2025, the carrying amount and bank balances of the District's investments totaled \$1,188,945. At December 31, 2025, investments in certificates of deposit were covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Credit Risk. Under Illinois law, the District is restricted to investing funds in specified types of investment instruments. During the fiscal year ended December 31, 2025, the District invested in certificates of deposit, mutual funds, equities, and fixed income with investment maturities as follows:

Bond Type	Fair Value	Less than One Year	One to Five Years
CDs	\$ 481,720	\$ 143,091	\$ 338,629
Municipal Bonds	59,084	44,107	14,977
U.S. Treasuries	488,298	358,238	130,060
U.S. Agencies	159,843	49,539	110,304
Total	<u>\$ 1,188,945</u>	<u>\$ 594,975</u>	<u>\$ 593,970</u>

The following is a summary of the fair value hierarchy of the fair value of the Governmental Fund investments as of December 31, 2025:

	Level 1	Level 2	Total
CDs	\$ -	\$ 481,720	\$ 481,720
Municipal Bonds	-	59,084	59,084
U.S. Treasuries	488,298	-	488,298
U.S. Agencies	-	159,843	159,843
Total	<u>\$ 488,298</u>	<u>\$ 700,647</u>	<u>\$ 1,188,945</u>

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

The resulting deposits and investments held in the Governmental Funds totaled \$7,324,515.

District Pension Plan Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the IFPIF in January 2022.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2025, the carrying amount of the District's deposits totaled \$153,380 and bank balances totaled \$153,380. All deposits are covered by federal depository insurance.

Custodial Credit Risk – Investments. At year-end the Fund has \$25,119,616 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Concentration Risk. Please see Note 7 – Employee Retirement System for information on Asset Allocation and Concentrations.

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

NOTE 3 - PROPERTY TAXES

Property taxes for 2024 attach as an enforceable lien on January 1, 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 are payable in two installments, in May and September. The County collects such taxes and remits them periodically.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balances	Increases	Disposals	Ending Balances
Capital Assets, not Being Depreciated				
Land	\$ 365,000	\$ -	\$ -	\$ 365,000
Total Capital Assets, not Being Depreciated	365,000	-	-	365,000
Capital Assets, Being Depreciated				
Buildings	1,722,000	-	-	1,722,000
Buildings and Improvements	272,569	-	-	272,569
Land Improvements	121,361	-	-	121,361
Equipment	453,781	109,362	(311,395)	251,748
Vehicles	2,392,843	304,263	(829,000)	1,868,106
Total Capital Assets Being Depreciated	4,962,554	413,625	(1,140,395)	4,235,784
Less Accumulated Depreciation for				
Buildings	(1,076,250)	(43,050)	-	(1,119,300)
Buildings and Improvements	(46,238)	(12,358)	-	(58,596)
Land Improvements	(121,361)	-	-	(121,361)
Equipment	(336,412)	(30,440)	266,563	(100,289)
Vehicles	(1,022,565)	(170,951)	829,000	(364,516)
Total Accumulated Depreciation	(2,602,826)	(256,799)	1,095,563	(1,764,062)
Total Capital Assets Being Depreciated, Net	2,359,728	156,826	(44,832)	2,471,722
Total Capital Assets, Net	\$ 2,724,728	\$ 156,826	\$ (44,832)	\$ 2,836,722

Deprecation expense was charged to governmental activities under public safety in the amount of \$256,799.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5 - LONG-TERM DEBT

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

	Beginning Balance	Issuances	Retirements	Ending Balance
\$2,200,000 General Obligation Bonds of 2021 dated June 1, 2021, due in annual installments of \$190,000 to \$235,000 plus interest at 1.60% to 1.75% through December 1, 2031.	\$ 1,585,000	\$ -	\$ (215,000)	\$ 1,370,000

The District issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

	Beginning Balance	Issuances	Retirements	Ending Balance
\$250,000 Installment Contract dated April 7, 2009 due in annual installments of \$12,500 interest free through November 1, 2029.	\$ 62,500	\$ -	\$ (62,500)	\$ -
\$76,135 Installment Contract dated January 1, 2025 due in annual installments of \$15,227, interest free through January 2029.	-	76,135	(15,227)	60,908
Total	\$ 62,500	\$ 76,135	\$ (77,727)	\$ 60,908

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual debt service requirements to maturity, including principal and interest are as follows:

Fiscal Year	General Obligation Bonds		Installment Contract Payable	
	Principal	Interest	Principal	Interest
2026	\$ 220,000	\$ 22,970	\$ 15,227	\$ -
2027	225,000	19,450	15,227	-
2028	225,000	15,850	15,227	-
2029	230,000	12,250	15,227	-
2030	235,000	8,225	-	-
Thereafter	235,000	4,112	-	-
Total	<u>\$ 1,370,000</u>	<u>\$ 82,857</u>	<u>\$ 60,908</u>	<u>\$ -</u>

The following is a summary of the components of long-term debt for the year ended December 31, 2023:

Governmental Activity	Beginnings		Decreases	Ending Balances
	Balances	Increases		
General Obligation Bond	\$ 1,585,000	\$ -	\$ (215,000)	\$ 1,370,000
Installment Contract Payable	62,500	-	(62,500)	-
Installment Contract Payable	-	76,135	(15,227)	60,908
Total	<u>\$ 1,647,500</u>	<u>\$ 76,135</u>	<u>\$ (292,727)</u>	<u>\$ 1,430,908</u>

Payments on the general obligation bonds is made by the General (Corporate) Fund

Legal Debt Margin

At December 31, 2025, the legal debt margin for the District was limited to 5.75% of the most recent assessed valuation available, which was from the 2024 tax levy. Based on an assessed valuation of \$443,601,809, the debt limit was \$25,507,104. The remaining legal debt margin was \$24,076,196.

NOTE 6 - RISK MANAGEMENT

The District 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 District's employees. These risks are provided for through insurance from private insurance companies. The District currently reports all its risk management activities in the Corporate Fund and Liability Insurance Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 8 - SIGNIFICANT CONTRACT

The District entered into a contractual agreement with the Village of Palatine (Village) on March 10, 2014. The purpose of the contract is to provide efficient and effective fire protection and emergency service to certain territory that has been annexed to the Village and that remains in the District. The Village shall provide first responder fire and EMS services to all of unincorporated Cook County located within the current boundaries of the District. As consideration for the Village's services the District shall pay a portion of property tax receipts from unincorporated Cook County. Amounts owed shall be paid in two annual installments, the first on June 15th and the second on December 15th each year. The contract was updated and signed on March 16, 2026. The amount paid to the Village for these services totaled \$778,436 during fiscal year 2025.

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and their beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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).

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

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.

Employees Covered by Benefit Terms

As of December 31, 2025, the following employees were covered by the benefit terms:

	2025
Inactive plan members and beneficiaries currently receiving benefits	1
Inactive plan members entitled to, but not yet receiving benefits	0
Active plan members	1
Total	2

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2025 was 21.71%. For the year ended December 31, 2025, the District contributed \$21,005 to the plan. The District 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset/Liability

The District's net pension (asset)/liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of that date. The amount is included in the Prepaids/Accrued Expense on the Statement of Fiduciary Net Position.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

The *Actuarial Cost Method* used was Entry Age Normal.

The *Asset Valuation Method* used was Fair 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 pursuant to an experience study of the period 2020-2022.

The *Mortality* for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

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 as of December 31, 2025:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	32.50%	7.35%
International Equities	18.00%	7.45%
Fixed Income	24.00%	4.75%
Real Estate	10.50%	625.00%
Alternative Investments	14.00%	3.90-8.50%
Cash and Cash Equivalents	1.00%	3.00%
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2025. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2024	\$ 812,363	\$ 654,381	\$ 157,982
Changes for year			
Service Cost	9,992	-	9,992
Interest on the Total			
Pension Liability	57,499	-	57,499
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	13,116	-	13,116
Change in Assumptions	-	-	-
Contributions - Employer	-	21,005	(21,005)
Contributions - Employees	-	4,354	(4,354)
Net Investment Income		112,367	(112,367)
Benefit Payments, Including Refunds of Employee Contributions	(48,537)	(48,537)	-
Other	-	21,141	(21,141)
Net Changes	32,070	110,330	(78,260)
Balance at December 31, 2025	<u>\$ 844,433</u>	<u>\$ 764,711</u>	<u>\$ 79,722</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what at the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 942,670	\$ 844,433	\$ 760,514
Plan Fiduciary Net Position	764,711	764,711	764,711
Net Pension Liability (Asset)	\$ 177,959	\$ 79,722	\$ (4,197)

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

For the year ended December 31, 2025, the District would have recognized pension expense of \$21,963 in a GAAP basis. At December 31, 2025, the District would report deferred outflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflow of Resources	Deferred Inflow of Resources	Total
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between expected and actual experience	\$ 102,868	\$ 5,859	\$ 97,009
Change of Assumptions	2,544	2,428	116
Net Difference between projected and actual earnings on pension plan investments	19,527	61,156	(41,629)
Total Deferred Amounts Related to Pensions	\$ 124,939	\$ 69,443	\$ 55,496

Amounts that would be reported on a GAAP basis as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - IMRF (CONTINUED)

Year Ending December 31,	Net Deferred Outflows of Resources
2026	\$ 35,494
2027	16,276
2028	16,724
2029	(12,998)
2030	-
Thereafter	-
Total	<u>\$ 55,496</u>

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND

Plan Description

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers the full time fire sworn personnel of the Inverness Fire Protection District. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (Chapter 40 - Pension Article 4) and may be amended only by the Illinois legislature. The Firefighters' Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries. The Firefighters' Pension Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Firefighters Pension Fund. Inquiries regarding the financial statements can be made to the Inverness Fire Protection District's administration offices in Inverness, Illinois.

Employees Covered by Benefit Terms

As of December 31, 2025, the following employees were covered by the benefit terms:

	2025
Inactive plan members and beneficiaries currently receiving benefits	<u>20</u>
Inactive plan members entitled to, but not yet receiving benefits	20
Active plan members	<u>17</u>
Total	<u>57</u>

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND (CONTINUED)

Contributions

Plan members (i.e. covered employees) are required to contribute 9.455% of their annual covered salary. The Inverness Fire Protection District is required to contribute the remaining amounts at a rate necessary to finance the plan as actuarially determined. Per Chapter 40 Illinois Compiled Statutes, contribution requirements of the plan members and the District are established and may be amended by the State legislature. Administrative costs of the plan are financed through investment earnings.

Benefits Provided

The following is a summary of benefits of the Fund as provided for in ILCS: The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters the plan.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of credible service are entitled to receive an annual retirement benefit equal to one-half of their salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. A firefighter with at least 10 but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with more than 20 years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of credible service are entitled to receive an annual retirement benefit equal to receive an annual retirement benefit equal to the average monthly salary. Tier 2 firefighters salary for pension purposes shall not exceed \$114,952 (for calendar year 2020); however, that amount shall annually thereafter be increased by the lesser of (i) 3% of that amount, including all previous adjustments, or (ii) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index for the 12 months ending with the September preceding each November 1, including all previous adjustments. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND (CONTINUED)

The monthly pension of a Tier 2 firefighter under this Article on or after January 1, 2011 shall be increased on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index for the 12 months ending with the September preceding each November 1, whichever is less, of the originally granted pension. If the annual unadjusted percentage change in the consumer price index for a 12-month period ending in September is zero or, when compared with the preceding period, decreases, then the pension shall not be increased.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

The *Actuarial Cost Method* used was Entry Age Normal (Level %).

The *Asset Valuation Method* used was Market Value of Assets.

The *Discount Rate* used for the total pension liability was 6.50%.

The *Investment Rate of Return* was assumed to be 6.50%.

The *High-Quality 20 Year Tax-Exempt G.O Bond Rate* was 4.83%.

Projected Individual Pay Increases were 4.00% - 11.98%

Projected Total Payroll Increases were expected to be 3.25%.

The *Consumer Price Index (Urban)* was 2.50%.

The *Inflation Rate* was assumed to be 2.50%.

The rates for *Mortality* were developed from the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as described.

Projected Retirement Age was 100% of L&A 2024 Illinois Firefighters Retirement Rates capped at 65 years of age.

The *termination rate* was 125% of L&A 2024 Illinois Firefighters Termination Rate.

The rate for *disabled retirees* was 100% of L&A 2024 Illinois Firefighters Disability rates.

Marital Assumptions among active members was 80%. Among retirees and disabled members, the assumption was based on actual spousal data.

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND (CONTINUED)

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and,
2. The municipal bond rate assumption based on The Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%, the municipal bond rate is 4.83%, and the resulting Single Discount Rate is 6.50%.

Changes in the Net Pension Liability

	Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2024	\$ 25,923,991	\$ 22,027,314	\$ 3,896,677
Changes for year:			
Service Cost	490,161	-	490,161
Interest	1,649,355	-	1,649,355
Actuarial Experience	(87,292)	-	(87,292)
Change in Assumptions	(11,827)		(11,827)
Change in Benefit Terms	-	-	-
Contributions - Employer	-	335,756	(335,756)
Contributions - Employees	-	166,834	(166,834)
Contributions - Other	-	17,315	(17,315)
Net Investment Income	-	3,813,478	(3,813,478)
Benefit Payments and Refunds	(1,050,631)	(1,050,631)	-
Other	-	(37,215)	37,215
Net Changes	989,766	3,245,537	(2,255,771)
Balance at December 31, 2025	<u>\$ 26,913,757</u>	<u>\$ 25,272,851</u>	<u>\$ 1,640,906</u>

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Discount Rate of 6.50%, as well as what at the plan's net pension liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	1% Decrease 5.50%	Current Discount 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	\$ 5,673,134	\$ 1,640,906	\$ (1,626,381)

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

For the year ended December 31, 2025, the District recognized pension expense of \$984,131. At December 31, 2025, the District reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Total Deferred Amounts</u>
Deferred Amount to be Recognized in Pension Expense in Future Periods			
Difference between expected and actual experience	\$ 249,570	\$ (64,014)	\$ 185,556
Changes in assumption	233,303	(8,673)	224,630
Net Difference between projected and actual earnings on pension plan investments	884,378	(3,052,554)	(2,168,176)
Total Deferred Amounts Related to Pension	<u>\$ 1,367,251</u>	<u>\$ (3,125,241)</u>	<u>\$ (1,757,990)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM - FIREFIGHTERS' PENSION FUND (CONTINUED)

Year Ending December 31,	Net Deferred Outflows of Resources
2026	\$ 165,781
2027	(769,193)
2028	(674,549)
2029	(480,029)
2030	-
Thereafter	-
Total	<u><u>\$ (1,757,990)</u></u>

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

RBP provides healthcare, dental, and vision benefits for retirees and their dependents. The benefit terms provide the District to pay the costs of HMO and PPO coverage for participants, but the retirees will reimburse the District for all costs. Coverage continues until Medicare eligibility. For dental and vision the retiree pays the full cost of the coverage.

Plan Membership

As of December 31, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	5
Inactive Plan Members Entitled to by not yet Receiving Benefits	-
Active Plan Members	18
Total	<u><u>23</u></u>

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The District's total OPEB liability was measured as of December 31, 2025, and was determined by an actuarial valuation as December 31, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	4.28%
Healthcare Cost Trend Rates	Decreasing to an Ultimate Rate of 4.50% for 2036 and Later Years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2025.

Active Mortality rates were based on the PubS.H-20102 Mortality Table - Safety for fire and PubG.H-2010 Mortality Table - General for all others.

Change in Total Liability

	Total OPEB Liability
Balance at December 31, 2024	\$ 887,556
Changes for the Year:	
Service Cost	14,204
Interest on the Total OPEB Liability	36,484
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(10,649)

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefit Payments	(70,256)
Other Changes	-
Net Changes	<u>(30,217)</u>
Balance at December 31, 2025	<u><u>\$ 857,339</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 4.43%, while the prior valuation used 4.28%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 929,278	\$ 857,339	\$ 795,487

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 701,046	\$ 857,339	\$ 919,273

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the District would have recognized OPEB expense of \$87,155 on a GAAP basis. At December 31, 2025, the District would report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Inverness Fire Protection District

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 107,594	\$ 2,523	\$ 105,071
Change in Assumptions	141,906	94,935	46,971
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>\$ 249,500</u>	<u>\$ 97,458</u>	<u>\$ 152,042</u>

Amounts that would be reported on a GAAP basis as deferred outflows of resources and deferred inflows of resources related to OPEB would be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows/Inflows of Resources
2026	\$ 29,657
2027	21,672
2028	22,897
2029	26,412
2030	27,609
Thereafter	23,795
Total	<u>\$ 152,042</u>

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events that are required to be disclosed.

OTHER INFORMATION
(Unaudited)

Inverness Fire Protection District
MULTI-YEAR SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
IMRF
December 31, 2025

	Last 10 Calendar Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service Cost	\$ 9,992	\$ 9,531	\$ 8,313	\$ 8,011	\$ 7,752	\$ 8,057	\$ 7,897	\$ 7,343	\$ 8,013	\$ 7,465
Interest	57,499	55,712	41,189	38,156	35,214	32,861	30,087	27,693	27,288	23,892
Differences Between Expected and Actual Experience	13,116	6,509	176,699	(654)	(2,519)	(4,259)	198	(5,123)	(19,806)	14,050
Changes in Assumptions	-	-	392	-	-	(4,047)	-	15,557	(9,759)	(1,254)
Benefit Payments and Refunds	(48,537)	(46,126)	(7,649)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	32,070	25,626	218,944	45,513	40,447	32,612	38,182	45,470	5,736	44,153
Total Pension Liability - Beginning	812,363	786,737	567,793	522,280	481,833	449,221	411,039	365,569	359,833	315,680
Total Pension Liability - Ending	<u>\$ 844,433</u>	<u>\$ 812,363</u>	<u>\$ 786,737</u>	<u>\$ 567,793</u>	<u>\$ 522,280</u>	<u>\$ 481,833</u>	<u>\$ 449,221</u>	<u>\$ 411,039</u>	<u>\$ 365,569</u>	<u>\$ 359,833</u>
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 21,005	\$ 3,154	\$ 7,067	\$ 6,548	\$ 7,874	\$ 7,018	\$ 5,842	\$ 8,139	\$ 7,111	\$ 7,011
Contributions - Members	4,354	3,953	5,205	4,004	3,856	3,733	3,622	3,495	3,422	3,489
Pension Plan Net Investment Income	112,367	59,027	43,114	(53,896)	77,662	57,664	61,646	(11,232)	49,424	20,097
Benefit Payments and Refunds	(48,537)	(46,126)	(7,649)	-	-	-	-	-	-	-
Other	21,141	(4,322)	37,438	(2,082)	(3,060)	720	(1,328)	487	(1,284)	(39)
Net Change in Plan Fiduciary Net Position	110,330	15,686	85,175	(45,426)	86,332	69,135	69,782	889	58,673	30,558
Plan Fiduciary Net Position - Beginning	654,381	638,695	553,520	598,946	512,614	443,479	373,697	372,808	314,135	283,577
Plan Fiduciary Net Position - Ending	<u>\$ 764,711</u>	<u>\$ 654,381</u>	<u>\$ 638,695</u>	<u>\$ 553,520</u>	<u>\$ 598,946</u>	<u>\$ 512,614</u>	<u>\$ 443,479</u>	<u>\$ 373,697</u>	<u>\$ 372,808</u>	<u>\$ 314,135</u>
Employer Net Pension Liability - Ending	<u>\$ 79,722</u>	<u>\$ 157,982</u>	<u>\$ 148,042</u>	<u>\$ 14,273</u>	<u>\$ (76,666)</u>	<u>\$ (30,781)</u>	<u>\$ 5,742</u>	<u>\$ 37,342</u>	<u>\$ (7,239)</u>	<u>\$ 45,698</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.56%	80.55%	81.18%	97.49%	114.68%	106.39%	98.72%	90.92%	101.98%	87.30%
Covered-Employee Payroll	\$ 96,754	\$ 87,834	\$ 115,654	\$ 88,970	\$ 85,685	\$ 82,953	\$ 80,477	\$ 77,663	\$ 76,050	\$ 77,539
Net Pension Liability as a Percentage of Covered Valuation Payroll	82.40%	179.86%	128.00%	16.04%	-89.47%	-37.11%	7.13%	48.08%	-9.52%	58.94%

Inverness Fire Protection District
MULTI-YEAR SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service Cost	\$ 490,161	\$ 428,984	\$ 390,569	\$ 396,737	\$ 379,968	\$ 475,514	\$ 438,302	\$ 422,683	\$ 481,282	\$ 452,631
Interest	1,649,355	1,561,440	1,478,873	1,393,641	1,281,937	1,210,568	1,159,569	1,094,257	1,026,556	986,298
Change in Benefit Terms	-	-	-	(12,396)	-	-	52,221	-	-	-
Differences Between Expected and Actual Experience	(87,292)	397,955	472,230	885,873	65,443	(275,174)	(227,448)	(73,299)	(22,558)	(58,291)
Changes in Assumptions	(11,827)	466,609	-	-	7,298	(65,886)	222,754	-	(461,538)	(383,151)
Benefit Payments and Refunds	<u>(1,050,631)</u>	<u>(1,044,761)</u>	<u>(997,375)</u>	<u>(904,255)</u>	<u>(750,736)</u>	<u>(583,468)</u>	<u>(441,048)</u>	<u>(436,611)</u>	<u>(376,060)</u>	<u>(346,944)</u>
Net Change in Total Pension Liability	989,766	1,810,227	1,344,297	1,759,600	983,910	761,554	1,204,350	1,007,030	647,682	650,543
Total Pension Liability - Beginning	<u>25,923,991</u>	<u>24,113,764</u>	<u>22,769,467</u>	<u>21,009,867</u>	<u>20,025,957</u>	<u>19,264,403</u>	<u>18,060,053</u>	<u>17,053,023</u>	<u>16,405,341</u>	<u>15,754,798</u>
Total Pension Liability - Ending	<u>\$26,913,757</u>	<u>\$25,923,991</u>	<u>\$24,113,764</u>	<u>\$22,769,467</u>	<u>\$21,009,867</u>	<u>\$20,025,957</u>	<u>\$19,264,403</u>	<u>\$18,060,053</u>	<u>\$17,053,023</u>	<u>\$16,405,341</u>
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 335,756	\$ 622,610	\$ 740,063	\$ 459,189	\$ 615,298	\$ 585,016	\$ 596,000	\$ 654,642	\$ 628,091	\$ 606,363
Contributions - Members	166,834	154,028	134,238	154,002	133,138	188,664	145,471	139,655	140,973	179,078
Other Contributions	17,315	60,753	-	-	-	-	-	28,247	-	-
Net Investment Income	3,813,478	2,171,870	2,658,968	(3,068,923)	2,221,274	2,472,250	2,573,872	(640,432)	1,637,202	750,320
Benefit Payments and Refunds	(1,050,631)	(1,044,761)	(997,373)	(904,255)	(750,736)	(583,468)	(441,048)	(436,611)	(376,060)	(346,944)
Administration Expenses	<u>(37,215)</u>	<u>(32,191)</u>	<u>(23,895)</u>	<u>(35,100)</u>	<u>(27,518)</u>	<u>(21,532)</u>	<u>(23,536)</u>	<u>(22,289)</u>	<u>(23,997)</u>	<u>(38,974)</u>
Net Change in Plan Fiduciary Net Position	3,245,537	1,932,309	2,512,001	(3,395,087)	2,191,456	2,640,930	2,850,759	(276,788)	2,006,209	1,149,843
Plan Fiduciary Net Position - Beginning	<u>22,027,309</u>	<u>20,095,000</u>	<u>17,582,999</u>	<u>20,978,086</u>	<u>18,786,630</u>	<u>16,145,700</u>	<u>13,294,941</u>	<u>13,571,729</u>	<u>11,565,520</u>	<u>10,415,677</u>
Plan Fiduciary Net Position - Ending	<u>\$25,272,846</u>	<u>\$22,027,309</u>	<u>\$20,095,000</u>	<u>\$17,582,999</u>	<u>\$20,978,086</u>	<u>\$18,786,630</u>	<u>\$16,145,700</u>	<u>\$13,294,941</u>	<u>\$13,571,729</u>	<u>\$11,565,520</u>
Employer Net Pension Liability - Ending	<u>\$ 1,640,911</u>	<u>\$ 3,896,682</u>	<u>\$ 4,018,764</u>	<u>\$ 5,186,468</u>	<u>\$ 31,781</u>	<u>\$ 1,239,327</u>	<u>\$ 3,118,703</u>	<u>\$ 4,765,112</u>	<u>\$ 3,481,294</u>	<u>\$ 4,839,821</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.90%	84.97%	83.33%	77.22%	99.85%	93.81%	83.81%	73.62%	79.59%	70.50%
Covered-Employee Payroll	\$ 1,764,506	\$ 1,627,258	\$ 1,419,749	\$ 1,307,899	\$ 1,307,899	\$ 1,496,810	\$ 1,528,418	\$ 1,480,308	\$ 1,531,660	\$ 1,479,865
Net Pension Liability as a Percentage of Covered Valuation Payroll	93.00%	239.46%	283.06%	396.55%	2.43%	82.80%	204.05%	321.90%	227.29%	327.04%

Inverness Fire Protection District
MULTI-YEAR SCHEDULE OF CONTRIBUTIONS
IMRF
December 31, 2025

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2025	\$ 21,005	\$ 21,005	-	\$ 96,754	21.71%
2024	3,153	3,154	(1)	87,834	3.59%
2023	7,066	7,067	(1)	115,654	6.11%
2022	6,548	6,548	-	88,970	7.36%
2021	7,874	7,874	-	85,685	9.19%
2020	7,018	7,018	-	82,953	8.46%
2019	5,843	5,842	1	80,477	7.26%
2018	8,139	8,139	-	77,663	10.48%
2017	7,111	7,111	-	76,050	9.35%
2016	7,010	7,011	(1)	77,529	9.04%

Notes to the Required Supplementary Information:

Actuarial Valuation Date

December 31, 2025

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level % Pay (Closed)

Remaining Amortization Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 18-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 13 years for most employers (five employers were financed over 14 years; one employer was financed over 15 years; two employers were financed over 16 years; one employer was financed over 19 years; three employers were financed over 22 years; four employers were financed over 23 years and one employer was financed over 24 years).

Asset Valuation Method

5-Year Smoothed Market Value; 20% corridor

Wage Growth

2.75%

Price Inflation

2.25%

Salary Increases

2.85% 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 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

Other Information:

There were no benefit changes during the year

Inverness Fire Protection District
MULTI-YEAR SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND
December 31, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Excess)/ Deficiency	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2025	\$ 585,301	\$ 355,756	\$ 229,545	\$ 1,764,506	19.03%
2024	550,278	622,610	(72,332)	1,627,258	38.26%
2023	462,887	740,063	(277,176)	1,419,749	52.13%
2022	531,781	459,188	72,593	1,463,130	31.38%
2021	551,353	615,298	(63,945)	1,307,899	47.04%
2020	529,631	585,016	(55,385)	1,496,810	39.08%
2019	532,527	596,000	(63,473)	1,528,418	38.99%
2018	563,830	654,642	(90,812)	1,480,308	44.22%
2017	586,864	628,091	(41,227)	1,531,660	41.01%
2016	606,400	606,363	37	1,479,865	40.97%

Notes to Schedule of Contributions

The Actuarially Determined Contribution shown above for the current year is the Recommended Contribution from the January 1, 2023 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2023 tax levy, if applicable. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Equivalent Single Amortization Period	100% Funded Over 18 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.75 - 10.25%
Expected Rate of Return on Investments	6.50%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data as Described
Retirement Rates	100% of L & A 2020 Illinois Firefighters Retirement Rates Capped at Age 65
Termination Rates	125% of L & A 2020 Illinois Firefighters Termination Rates
Disability Rates	100% of L & A 2020 Illinois Firefighters Disability Rates

Inverness Fire Protection District
RETIREE BENEFIT PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB LIABILITY
December 31, 2025

	Last 10 Calendar Years							
	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY								
Service Cost	\$ 14,204	\$ 13,774	\$ 6,856	\$ 8,383	\$ 5,807	\$ 3,493	\$ 4,027	\$ 3,561
Interest	36,484	26,096	28,518	16,735	15,378	22,791	23,735	11,718
Differences Between Expected and Actual Experience	-	133,492	-	16,916	-	(24,945)	-	(66,559)
Changes in Assumptions	(10,649)	94,351	16,702	(68,537)	(27,420)	143,482	48,347	(110,348)
Benefit Payments and Refunds	(70,256)	(65,127)	(57,529)	(53,619)	(40,053)	(37,089)	(21,943)	(20,542)
Other Changes	-	-	-	-	-	(8,533)	429	485,140
Net Change in Total OPEB Liability	(30,217)	202,586	(5,453)	(80,122)	(46,288)	99,199	54,595	302,970
Total OPEB Liability - Beginning	887,557	684,971	690,424	770,546	816,834	717,635	663,040	360,070
Total OPEB Liability - Ending	<u>\$ 857,340</u>	<u>\$ 887,557</u>	<u>\$ 684,971</u>	<u>\$ 690,424</u>	<u>\$ 770,546</u>	<u>\$ 816,834</u>	<u>\$ 717,635</u>	<u>\$ 663,040</u>
Covered-Employee Payroll	N/A	\$ 1,788,023	N/A	\$ 1,367,450	N/A	\$ 1,208,055	N/A	\$ 1,318,362
Net OPEB Liability as a Percentage of								
Covered Valuation Payroll	N/A	49.64%	N/A	50.49%	N/A	67.62%	N/A	50.29%

Note: The schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes of assumptions related to the discount rate were made in 2018 through 2024.

N/A - Not Available

Inverness Fire Protection District
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTER'S PENSION
December 31, 2025

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	N/A
2017	N/A
2018	N/A
2019	19.03%
2020	15.15%
2021	11.70%
2022	-15.80%
2023	15.38%
2024	10.92%
2025	17.56%

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
GENERAL (CORPORATE) FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property Tax	\$ 2,715,323	\$ 1,730,561	\$ (984,762)
Replacement Tax	45,000	29,036	(15,964)
Grants	-	2,902	2,902
Foreign Fire Insurance Tax	30,000	-	(30,000)
Charge for Services	1,500	1,455	(45)
Earnings on Investment	127,000	146,213	19,213
Miscellaneous	6,600	2,927	(3,673)
Total Revenues	2,925,423	1,913,094	(1,012,329)
EXPENDITURES			
Public Safety			
Personnel			
Compensation and Salaries	885,654	711,688	173,966
Employee Benefits	333,900	193,310	140,590
Pension Contribution	742,068	335,756	406,312
Commodities			
Supplies	139,710	76,889	62,821
Repairs and Maintenance	36,000	13,335	22,665
Contractual			
Professional Services	677,508	445,162	232,346
Buildings and Grounds	42,540	26,224	16,316
Debt Service			
Principal Retirement	215,000	215,000	-
Interest and Fiscal Services	127,000	25,370	101,630
Total Expenditures	3,199,380	2,042,734	1,156,646
Excess (Deficiency) of Revenues Over Expenditures	(273,957)	(129,640)	(2,168,975)
OTHER FINANCING SOURCES/(USES)			
Gain on Sale of Asset	110,000	139,810	29,810
Transfers Out	(125,000)	(100,000)	25,000
Total Other Financing Sources (Uses)	(15,000)	39,810	54,810
Net Changes in Fund Balance	\$ (288,957)	(89,830)	\$ (2,114,165)
Fund Balances			
Beginning of Year		1,414,107	
End of Year		\$ 1,324,277	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
AMBULANCE FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property Tax	\$ 1,839,840	\$ 1,202,086	\$ (637,754)
Replacement Tax	45,000	29,036	(15,964)
Grants	-	2,902	2,902
Charge for Services	552,000	604,831	52,831
Earnings on Investment	102,000	132,385	30,385
Miscellaneous	6,000	-	(6,000)
Total Revenues	2,544,840	1,971,240	(573,600)
EXPENDITURES			
Public Safety			
Personnel			
Compensation and Salaries	1,239,129	1,017,229	221,900
Employee Benefits	243,900	187,096	56,804
Commodities			
Supplies	193,074	123,963	69,111
Repairs and Maintenance	-	11,836	(11,836)
Contractual			
Professional Services	752,496	564,070	188,426
Buildings and Grounds	42,540	26,287	16,253
Total Expenditures	2,471,139	1,930,481	540,658
Excess (Deficiency) of Revenues Over Expenditures	73,701	40,759	(1,114,258)
OTHER FINANCING SOURCES/(USES)			
Transfers out	(150,000)	(125,000)	25,000
Total Other Financing Sources (Uses)	(150,000)	(125,000)	25,000
Net Changes in Fund Balance	\$ (76,299)	(84,241)	\$ (1,089,258)
Fund Balances			
Beginning of Year		3,149,149	
End of Year		\$ 3,064,908	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
EMERGENCY AND RESCUE FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property Tax	\$ 400,000	\$ 281,359	\$ (118,641)
Total Revenues	<u>400,000</u>	<u>281,359</u>	<u>(118,641)</u>
EXPENDITURES			
Public Safety			
Personnel			
Compensation and Salaries	237,660	192,754	44,906
Contractual			
Professional Services	18,395	15,329	3,066
Capital Outlay	<u>30,000</u>	<u>11,585</u>	<u>18,415</u>
Total Expenditures	<u>286,055</u>	<u>219,668</u>	<u>66,387</u>
Net Changes in Fund Balance	<u>\$ 113,945</u>	61,691	<u>\$ (185,028)</u>
Fund Balances			
Beginning of Year		<u>1,126,737</u>	
End of Year		<u>\$ 1,188,428</u>	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
LIABILITY INSURANCE FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property Tax	\$ 226,970	\$ 159,720	\$ (67,250)
Earnings on Investment	21,600	29,113	7,513
Total Revenues	248,570	188,833	(59,737)
EXPENDITURES			
Public Safety			
Personnel			
Compensation and Salaries	118,830	100,037	18,793
Commodities			
Insurance	272,344	187,759	84,585
Supplies	41,850	53,148	(11,298)
Contractual			
Professional Services	6,000	16,283	(10,283)
Capital Outlay	-	-	-
Total Expenditures	439,024	357,227	81,797
Net Changes in Fund Balance	\$ (190,454)	(168,394)	\$ 22,060
Fund Balances			
Beginning of Year		711,246	
End of Year		\$ 542,852	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Earnings on Investments	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Capital Outlay	926,328	422,705	503,623
Total Expenditures	926,328	422,705	503,623
Excess (Deficiency) of Revenues Over Expenditures	(926,328)	(422,705)	503,623
OTHER FINANCING SOURCES (USES)			
Transfers in	225,000	225,000	-
Total Other Financing Sources (Uses)	225,000	225,000	-
Net Changes in Fund Balances	<u>\$ (701,328)</u>	(197,705)	<u>\$ 503,623</u>
Fund Balances			
Beginning of Year		<u>1,293,699</u>	
End of Year		<u>\$ 1,095,994</u>	

SUPPLEMENTARY INFORMATION

Inverness Fire Protection District
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR FUNDS
December 31, 2025

	<u>Audit Fund</u>	<u>IMRF/Social Security/Medicare Fund</u>	<u>Foreign Fire Insurance Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	<u>\$ 9,393</u>	<u>\$ 14,795</u>	<u>\$ 73,334</u>	<u>\$ 97,522</u>
TOTAL ASSETS	<u><u>\$ 9,393</u></u>	<u><u>\$ 14,795</u></u>	<u><u>\$ 73,334</u></u>	<u><u>\$ 97,522</u></u>
 FUND BALANCE				
Restricted	<u>\$ 9,393</u>	<u>\$ 14,795</u>	<u>\$ 73,334</u>	<u>\$ 97,522</u>
TOTAL FUND BALANCE	<u><u>\$ 9,393</u></u>	<u><u>\$ 14,795</u></u>	<u><u>\$ 73,334</u></u>	<u><u>\$ 97,522</u></u>

Inverness Fire Protection District

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS NON-MAJOR FUNDS

For the Year Ended December 31, 2025

	<u>Audit Fund</u>	<u>IMRF/Social Security/Medicare Fund</u>	<u>Foreign Fire Insurance Fund</u>	<u>Total</u>
REVENUES				
Taxes	\$ 8,959	\$ 28,993	\$ 26,112	\$ 64,064
Earnings on Investments	<u>-</u>	<u>-</u>	<u>67</u>	<u>67</u>
Total Revenues	<u>8,959</u>	<u>28,993</u>	<u>26,179</u>	<u>64,064</u>
EXPENDITURES				
Public Safety				
Personnel	-	55,670	-	55,670
Contractual	12,400	-	11,462	23,862
Capital Outlay	<u>-</u>	<u>-</u>	<u>13,169</u>	<u>13,169</u>
Total Expenditures	<u>12,400</u>	<u>55,670</u>	<u>24,631</u>	<u>92,701</u>
Net Changes in Fund Balances	(3,441)	(26,677)	1,548	(28,570)
FUND BALANCE				
Beginning of Year	<u>12,834</u>	<u>41,472</u>	<u>71,786</u>	<u>126,092</u>
End of Year	<u>\$ 9,393</u>	<u>\$ 14,795</u>	<u>\$ 73,334</u>	<u>\$ 97,522</u>

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
AUDIT FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 12,730	\$ 8,959	\$ (3,771)
Total Revenues	<u>12,730</u>	<u>8,959</u>	<u>(3,771)</u>
EXPENDITURES			
Public Safety			
Contractual	<u>15,600</u>	<u>12,400</u>	<u>3,200</u>
Total Expenditures	<u>15,600</u>	<u>12,400</u>	<u>3,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,870)</u>	(3,441)	<u>\$ (571)</u>
Fund Balances			
Beginning of Year		<u>12,834</u>	
End of Year		<u>\$ 9,393</u>	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS
IMRF/SOCIAL SECURITY/MEDICARE FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 36,890	\$ 28,993	\$ (7,897)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	36,890	28,993	(7,897)
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Public Safety			
Personnel			
Employee Benefits	44,220	55,670	(11,450)
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	44,220	55,670	(11,450)
	<u> </u>	<u> </u>	<u> </u>
Net Changes in Fund Balances	<u><u>\$ (7,330)</u></u>	(26,677)	<u><u>\$ 3,553</u></u>
Fund Balances			
Beginning of Year		<u>41,472</u>	
End of Year		<u><u>\$ 14,795</u></u>	

Inverness Fire Protection District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS
FOREIGN FIRE INSURANCE FUND
For the Year Ended December 31, 2025

	<u>Actual</u>
REVENUES	
Taxes	\$ 26,112
Earnings on investments	<u>67</u>
	<u>26,179</u>
 EXPENDITURES	
Public Safety	
Contractual	11,462
Capital Outlay	<u>13,169</u>
	<u>24,631</u>
 Net Changes in Fund Balances	1,548
 Fund Balances	
Beginning of Year	<u>71,786</u>
 End of Year	<u><u>\$ 73,334</u></u>