

# VILLAGE OF HOMEWOOD, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019

**VILLAGE OF HOMEWOOD, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019**

Prepared by:

Department of Finance

Dennis Bubenik  
Director of Finance

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Homewood including:

- List of Principal Officials
- Transmittal Letter

**VILLAGE OF HOMEWOOD, ILLINOIS**

**List of Principal Officials  
April 30, 2019**

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**VILLAGE PRESIDENT**

Richard A. Hofeld

**BOARD OF TRUSTEES**

Lawrence Burnson  
Lauren Roman  
Barbara Dawkins

Jay Heiferman  
Lisa Purcell  
Karen Washington

**VILLAGE CLERK**

Marilyn Thomas

**VILLAGE MANAGER**

Jim Marino

**VILLAGE ATTORNEY**

Christopher Cummings

**DIRECTOR OF FINANCE**

Dennis Bubenik

**POLICE CHIEF**

Bill Alcott

**DIRECTOR OF PUBLIC WORKS**

John Schaefer

**FIRE CHIEF**

Bob Grabowski

**ECONOMIC AND COMMUNITY DEVELOPMENT  
DIRECTOR**

Angela Mesaros

**ASSISTANT DIRECTOR OF FINANCE**

Amy Zukowski



September 3, 2019

Village Manager  
Village of Homewood  
2020 Chestnut Road  
Homewood, Illinois 60430

Dear Mr. Marino:

The Comprehensive Annual Financial Report (CAFR) for the Village of Homewood, Illinois for the fiscal year ended April 30, 2019 is submitted with this letter. The report has been prepared by the Finance Department. The Village Manager and the Director of Finance are responsible for all the financial transactions for the Village of Homewood and for the contents of this Comprehensive Annual Financial Report. We believe the data as presented are accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of the operations of the Village as measured by the financial activity of the various funds and that all disclosures necessary to enable the reader to gain a complete understanding of the Village's financial affairs have been included.

The Village was required with the April 30, 2016 CAFR to implement GASB Statement 68 on Pensions. GASB 68 helped to improve the accounting and financial reporting by state and local governments for pensions. The Village was required with the April 30, 2012 CAFR to implement GASB Statement 54 on Fund balance. GASB 54 requires a greater detail of the categories that compromise fund balance. The Village was required with the April 30, 2004 CAFR to implement GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis (MD&A) for state and local governments. The GASB 34 requirement of current year versus previous year comparisons for the CAFR is incorporated in the MD&A found later in this document with comparisons of April 30, 2019 to April 30, 2018. The CAFR presents the MD&A, basic financial statements and required supplementary information. The MD&A provides an analytical overview of the Village's financial activity. Included in the basic financial statements are the government wide financial statements, fund financial statements and notes to the financial statements. The required supplementary information presents the budgetary comparison schedules and other schedules.

### **REPORTING ENTITY**

The basic financial statements contained in this report include all organizations, activities, functions, and component units for which the Village of Homewood is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either the Village's ability to impose its will over the component unit or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Village of Homewood follows the Government Accounting Standards Board (GASB) Statement's No. 14, 39, and 61 to determine the Village's component units.

Village Hall  
2020 Chestnut Road  
Homewood, IL 60430  
Phone 708-798-3000  
Fax 708-798-4680

Village Manager's Office  
Phone 708-206-3377  
Fax 708-206-3496

Community Development  
and Building Department  
Phone 708-206-3385  
Fax 708-206-3947

Finance Department  
Phone 708-798-3000  
Fax 708-798-4680

Fire Department  
17950 Dixie Highway  
Homewood, IL 60430  
Phone 708-206-3400  
Fax 708-206-3498

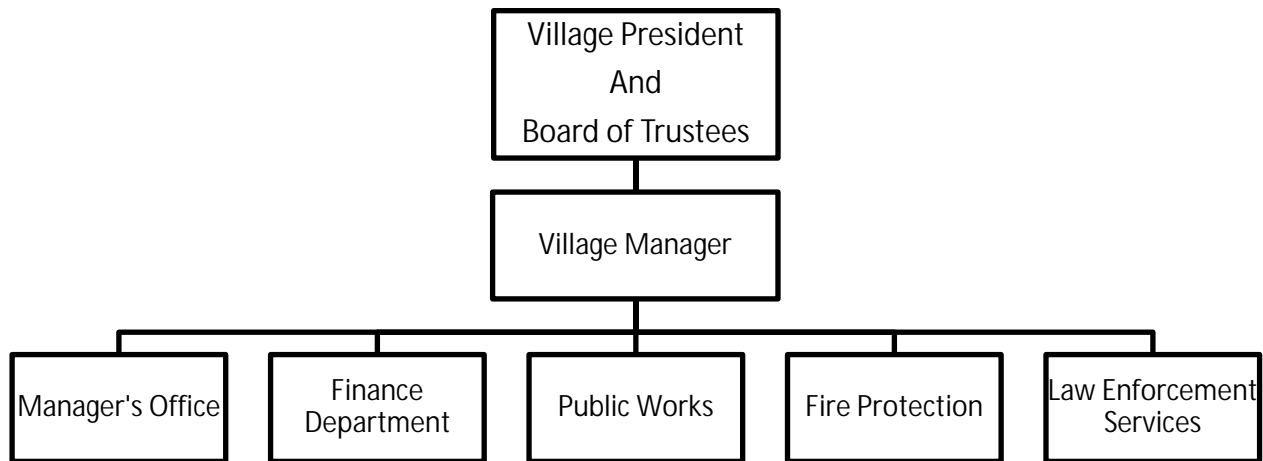
Police Department  
17950 Dixie Highway  
Homewood, IL 60430  
Phone 708-206-3420  
Fax 708-206-3497

Public Works Department  
17755 Ashland Avenue  
Homewood, IL 60430  
Phone 708-206-3470  
Fax 708-206-3499

In conformity with accounting principals generally accepted in the United States of America, the Village's Police and Fire Pension Funds have been included as component units in the Village's basic financial statements. Although these funds are separate legal entities, these funds exist to provide pension benefits for the Village's sworn police officers and firefighter/EMT. Thus, their financial information has been blended within the Village's basic financial statements.

**GENERAL INFORMATION**

The Village of Homewood is a residential, commuter suburb 25 miles south of the City of Chicago downtown with a 2010 Census population of 19,323. The Village of Homewood is 5.27 square miles in size and is substantially developed. At fiscal year-end April 30, 2019 the Village government is organized as follows:



**Manager's Office**

- Information Technology
- Labor Management Relations
- Human Resources
- Public Communications
- Legal Review
- Administrative Day-to-Day Functioning
- Planning and Zoning Administration
- Economic Development
- TIF Redevelopment Projects

**Finance Department:**

- Customer/Employee Services
- Accounting System/Records
- Billing and Collection
- FOI
- Election Support

**Public Works - Maintenance and Development of Public Facilities**

- Administration and Engineering
- Traffic Control and Street Lights
- General Street Maintenance
- Snow and Ice Control
- Street Repair and Construction
- Storm Water Management
- Sidewalks
- Water Delivery

- Water Acquisition
- Water Distribution
- Wastewater Collection
- Major System Improvements and Extensions
- Fleet and Building Maintenance
- Maintenance of Public Lands

Fire Protection:

- Fire Prevention/Public Education
- Fire Suppression, Emergency Medical Assistance Administration
- Emergency Preparedness
- Building Inspection
- Code Enforcement/Coordinate Health Inspections

Law Enforcement Services:

- Patrol Services
- Criminal Investigations & Juvenile Support Services & Administration

## ECONOMIC CONDITION AND OUTLOOK

The Village of Homewood enjoys a diversified commercial and residential tax base that contributes toward opportunities for continued economic growth. Opportunity is further enhanced by the development of TIF locations in various sections of the Homewood business community.

Homewood continues to attract new businesses and reinvestment in the commercial areas. In the **Halsted Street area**, JoAnn Fabrics closed and Old Navy & Five Below replaced the JoAnn space and opened in 2018 after extensive renovations to the space. Freddy's Frozen Custard and Steakburgers opened this past year at the site of the former Taco Bell. Panera Bread & Chik Fil A will replace the office building on the northwest corner of 175<sup>th</sup> and Halsted Streets. Panera opened in late 2018 with Chik Fil A to follow in the second half of 2019.

Hanson Material is expanding their mining facility into Homewood on Halsted Street.

The Shirley Ryan Ability Lab (formerly Rehabilitation Institute of Chicago) is under construction of a new facility at the corner of Holbrook & Halsted.

In the **Downtown area**, Boutique stores catering in specialized home items opening in the downtown this past year were the Villager Gift Shop and Bookie's Bookstore. The Village completed the purchase of the Triumph Building, 2033 Ridge Road is working with a developer to redevelopment the property for a mix of uses including a first floor restaurant and market-rate apartments above. In addition, the Village is marketing four sites in downtown Homewood including the Savoia's sites for Transit Oriented Development. The Village engaged a consultant to conduct a feasibility study for a performing arts center in downtown Homewood. South Suburban Humane Society opened an adoption center at the former Homewood Animal Hospital. Local business owners established the Homewood Arts Council and have opened an art gallery in a temporary space.

The Village has acquired the former Bogart's property on Dixie Highway, will demolish the vacant restaurant in late 2019 and is working with a developer to redevelop the property as mixed use with a restaurant and apartments.

Metra & Amtrak are in the process of major renovations to the railroad station platforms and parking lot.

Commercial renovations in the **Southwest CBD** include Lassen's Tap underwent a \$1 million remodel which consisted of updating the kitchen, façade and adding additional outdoor seating.

In the **Cherry Creek Shopping Center** on Governors Highway, Gloria Jean's coffee is under construction for a new drive-through and interior renovation of the former Starbucks.

Economic redevelopment is critical for an older, land locked, established municipality like Homewood. We do not have new land to grow into like many of our neighbors to the southwest of us have. Recessions like the one from 2008 cause slow down in economic growth but economic development did not completely halt in Homewood. We have a number of projects underway around town.

The Village's equalized assessed property value, as reported by Cook County showed good growth 2008-2010. 2011-2015 tells a different story. The national recession has been tied to a number of economic factors and the downturn in the housing market is a major factor in this recession. The effect of the recession on the EAV in Homewood is seen in the EAV reports from Cook County. 2016 and 2017 shows EAV beginning to rise again which will help when setting our tax levy. The large increase in 2010 was attributable to over \$50 million going back on to the tax rolls with the end of the Washington Park TIF.

<b>YEAR</b>	<b>EQUALIZED ASSESSED VALUATION</b>
2008	\$426,170,914
2009	\$434,327,243
2010	\$492,145,641
2011	\$407,376,980
2012	\$367,955,809
2013	\$343,351,423
2014	\$327,584,466
2015	\$317,131,679
2016	\$336,484,951
2017	\$372,186,168
2018	\$361,124,411

The value of building permits is a good barometer to determine the vitality of new construction and investment in existing properties in Homewood. But the recession took a toll on building permit volumes/values as seen in the table below. 2013-2017 shows a good recessionary bounce back. The following table shows the value of all building permits issued over the past ten fiscal years.

<b>YEAR</b>	<b>VALUE OF ALL BUILDING PERMITS</b>
2008	\$13,774,625
2009	\$ 6,251,724
2010	\$ 7,672,655
2011	\$ 8,228,247
2012	\$10,717,032
2013	\$27,587,957
2014	\$13,471,310
2015	\$17,469,606
2016	\$26,406,354
2017	\$11,655,359
2018	\$19,057,768

Although a slower year in terms of large new building permit projects due to the recession, Homewood still had projects of note in 2008 including \$2,300,000 for the Business Condominium project in the Homewood Business Park and \$3,700,000 for the expansion of the US headquarters of Canadian National railroad. 2009 was a wide variety of smaller projects with no projects over \$1,000,000 of note. 2010 was highlighted by \$1,100,000 Target remodel as many Target stores across the USA including the store in Homewood went to offering groceries. 2011 is highlighted with 6 remodel projects (Jewel, McDonalds, TJ Maxx, Buffalo Wild Wings, Dollar Tree, ManorCare Health Services, and Dedirt Corp) totaling \$3,229,000. 2012 represents a bounce back from recessionary numbers, for example 2009. Highlights of 2012 are Halsted street projects of \$500,000 for Chipotle, and \$850,000 for Homewood Chevy. At 18243 Harwood is \$1,430,000 for dental/orthodontic building. Lastly, \$1,000,000 for the restaurant called The Cottage in the

Southgate TIF on Dixie Highway. Highlights for the bounce back year of 2013 include \$5,800,000 for Canadian National (CN) Railroad Training Center. Also, on the CN site was \$4,280,000 for the Build-out of their High-bay building. The LaBanque Hotel in downtown Homewood added \$3,254,853 to the total. Lastly, \$2,400,000 for the Sertoma multi-family building. 2014 sees highlights of \$1,249,000 project at CN Railroad, and \$689,000 for a new 3-unit commercial strip at 17575 Halsted. 2015 highlights were \$3,000,000 Park District renovation of Dolphin Lake Clubhouse, \$1,400,000 for Portillo's Restaurant, and \$500,000 for Homewood Disposal CNG fuel station. 2016 highlights were Menards addition/remodel \$6,000,000, Walmart commercial buildout \$2,200,000, Walmart fuel center \$2,000,000, Canadian National Railroad data center renovation \$2,085,800, Ross Dress for Less buildout \$1,420,000 and Krispy Kreme new building \$900,000. Highlighting 2018 was Illinois Central Railroad renovations at \$1,375,000 and \$2,500,000 for new construction of the Shirley Ryan physical rehabilitation building on Halsted street.

## VILLAGE INITIATIVES AND ACCOMPLISHMENTS

***Strategic Plan.*** A strategic plan to establish a five-year vision for the Village and to identify action steps for achieving stated goals was completed and is being implemented.

Over 170 action steps have been reviewed, prioritized, and assigned to staff for implementation. Our *Mission Statement* is as follows:

**The Village of Homewood is a vital, dynamic community committed to maintaining a high level of services within a framework of fiscal responsibility and the fostering of a successful business environment. A safe, clean, beautiful, progressive, friendly, neighborly community, the Village lives by its motto of *Home, Sweet Homewood.***

**Information Technology Upgrades.** Two projects this past year highlight the Village's efforts to stay up-to-speed in the ever changing world of Information Technology (IT). First, the Village uses a document repository system called Laserfiche. Most Village documents are scanned and retained there for easy search and retrieval. The current system was several revisions behind in the software and database. We wanted our new financial system, Civic Systems, to interact with Laserfiche, so an upgrade was needed. The upgrade provides the Village with the capability to scan documents like invoices and purchase orders into the new financial system, and the documents automatically store in Laserfiche. The upgrade also provided the Village with the capability to create internal form workflows to automate manual tasks such as agenda submission, creation and management. This forms process can be used in many more areas of the Village as we automate tasks. Lastly, the upgrade provided the Village with a web-based interface for searching and printing documents that can be opened up to the public in the future. Second, the Village replaced its aging finance software with an up-to-date Civic Systems provided software. The old software lacked modern features plus the support for it was lacking. The Civic Systems product incorporates the latest technology plus is cloud hosted. The efficiency upgrades of the Civic Stem software will serve the staff and community for the next 10-15 years.

**Department of Public Works Municipal Service Center Lot Paving.** The existing asphalt pavement at the Municipal Service Center is in severe condition and has never been replaced since the facility was constructed 44 years ago in 1974. Typical lifespan of asphalt pavement is 25 to 35 years with proper maintenance. The project consists of the total reconstruction of all heavy duty pavement areas, resurfacing of the front parking and drive areas and the construction of an 8,600 square foot reinforced concrete slab for storing sand, stone and soil spoils at the Homewood Municipal Service Center. Due to existing drainage problems, severe deterioration of the pavement and material storage area and an existing pavement thickness not capable of handling the current heavy traffic loads it was determined that total reconstruction of the pavement and material slab areas was necessary. Normal patching and maintenance of the pavement was no longer cost beneficial due to the short life of the repairs. Also, areas of pavement which became inaccessible due to the pavement condition will be restored and provide more storage space and room to easily maneuver equipment and increase productivity of our staff. The smoother pavement ride will also reduce vehicle repairs.

**Fire Dept. Vehicle Replacement.** Fire Department vehicles represent a major expenditure easily over \$500,000 depending on the vehicle being purchased. But these Fire Department vehicles serves as the staging point when public safety emergency response is required. This past year saw the Village of Homewood Fire Department replace its aged and costly maintenance 20 year old 1997 Smeal engine/pumper with a state of the art 2018 Pierce Custom Enforcement Pumper. The 2018 Pierce has the latest technology and safety features to enhance firefighter safety. This engine will serve the community for the next 15 – 20 years. The Pierce engine was custom designed to meet the needs of our community while supporting the current and future operations of our fire department.

**Fire Dept. Exhaust System Grant.** In August of 2018 the Fire Department was awarded a grant from FEMA in the amount of \$54,998.00 to replace the fire station exhaust system. This grant was a 95/5 grant which requires the Village to fund 5% of the total system cost. The system is designed to maintain a healthy environment within the facility through the removal of the vehicle exhaust gasses when they are started multiple times a day. The system that this new one replaced was one of the very first ever designed and installed. That system was installed in 1992. Due to the age of the existing system, the costs of maintenance were becoming extensive while also not being designed to operate effectively with the new technological changes to fire vehicles over the past 26 years.

**Police Cameras.** Two camera systems were upgraded and put in place by the Village of Homewood Police Department this past year. First, the current In-Car Camera system was replaced with AXON In-Car. The current system in use was a discontinued model that was obsolete with no replacement parts available for the past two years. Second, body cameras were purchased from AXON that work in conjunction with the In-Car AXON cameras. A movement across the USA is in place to equip police officers with these body cameras. The reasons for these body cameras include state of the art evidence collection, improved transparency, accountability, and strengthening public trust.

**Chicago TV Station WGN Visit to Homewood.** On a beautiful July 2018 early morning, the “WGN Morning News” show hosted its third annual block party in Homewood providing a chance to spotlight local talent, small business, and community organizations. The show broadcast live from Homewood from 6AM to 10AM. When the WGN broadcast team was not live on the air they mingled among the large crowd that had gathered for the event in downtown Homewood. Turnout was strong as early as 6AM as people crowded downtown streets that were blocked to vehicle traffic and packed with vendor tents and festival attractions. Homewood is the first south suburb to host the WGN block party show with the first two WGN events being held in the communities of Geneva and Park Ridge. The event was a fabulous success providing exposure to Homewood to the massive TV audience of Chicago’s superstation WGN.

**Downtown Transit Oriented Development.** In 2017 and 2018, the Village sought developers for the redevelopment of properties located within the Downtown TOD TIF District. The request is to bring medium to high density residential, mixed-use buildings that further implement the Village’s vision for transit-oriented development. In addition to the hopeful redevelopment of several sites located within the TIF district is improvements to the Amtrak and Metra Stations.

## **FISCAL INTRODUCTION**

The Village’s accounting records for Village-wide financial are maintained on a full accrual basis. The governmental funds are maintained on a modified accrual basis that is fully described in Note 1 to the financial statements. Accounting records for the Village’s Proprietary and similar Trust fund types are maintained on a full accrual basis.

Quarterly expenditure and revenue reports are reviewed by department heads and reported to the Board of Trustees. Encumbrances are recorded until the end of the fiscal year. At the end of the fiscal year, the encumbrances are expended to the applicable program numbers and as a payable in each respective fund.

## **FINANCIAL REPORTING**

The enclosed financial statements and supporting schedules were prepared in accordance with accounting principals generally accepted in the United States of America. They fairly represent the financial standing of the Village of Homewood as of April 30, 2019 and the financial activities that occurred during the fiscal year ending on that date. The statistical tables provide a broader picture of the Village of Homewood and its financial affairs. The statistical data generally covers more than one year and includes nonfinancial and demographic data. The information in the statistical tables has been prepared with the best available data.

## **ACCOUNTING SYSTEM**

The Village's accounting system considers the adequacy of internal accounting controls in its development and evaluation. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets from loss due to unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluations of costs and benefits require estimates and judgment by those with management responsibility. All evaluations of internal control occur within this framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

## **CASH MANAGEMENT**

Idle cash during the year including pension funds was invested in time deposits and government securities. On April 30, 2019 the cash resources were invested as follows:

US/State/Local Securities	18%
Investment Pooling Arrangements	34%
Equities/Mutual Funds	41%
Corporate & Muni Bonds	6%
Cash & Equivalents	Less Than 1%
<b>TOTAL</b>	<b>100%</b>

The yield on investments during the year ranged from 0.001% on checking cash accounts to 7.3% on government securities. Investment earnings were a positive \$1,926,041 this fiscal year for the police and fire pension funds. The 2008 recession hit investment earnings hard in prior years, but pension funds, by their nature, have a 30-year horizon so there will be years where investment income is negative. Recent years have seen positive investment returns for the pension funds. With a 30-year investment horizon the pension funds are allowed to have some of their investments in equities more commonly referred to as the stock market. Funds other than the pension funds earned \$10,860 of interest income this past fiscal year. Investment return rates continue at historically low levels but a slight tick upward has been noticed for the past 12 months.

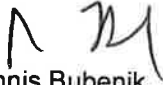
## **INDEPENDENT AUDIT**

An independent audit of this year's comprehensive annual financial report was conducted by Lauterbach & Amen, LLP of Naperville, Illinois. Their audit included tests of the accounting records and accounting procedures in accordance with auditing standards generally accepted in the United States of America. They are not responsible for presentation of the financial statements nor the information contained in them. However, their tests have allowed them to issue an unmodified opinion on the comprehensive annual financial report.

**ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the efficient, dedicated work of the Village's accounting/finance staff. In addition, Lauterbach & Amen, LLP should be recognized for their technical advice in preparing this year's comprehensive annual financial report. Finally, the Village President and Board of Trustees should be acknowledged for the support they have given the Finance Department in its efforts to improve the financial reporting of the Village of Homewood.

Respectfully submitted,



Dennis Bubenik  
Director of Finance



Amy Zukowski  
Assistant Director of Finance

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

# **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

September 3, 2019

The Honorable Village President  
Members of the Board of Trustees  
Village of Homewood, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Homewood, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension and Firefighters' Pension Funds of the Village of Homewood. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension and Firefighters' Pension, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Homewood, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Homewood, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Matters – Continued**

*Other Information – Continued*

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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Our discussion and analysis of the Village of Homewood's (Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2019. Please read it in conjunction with the transmittal letter which begins on page 2 and the Village's financial statements, which begin on page 10.

### FINANCIAL HIGHLIGHTS

- The Village's net position, of the governmental activities decreased by \$2,479,757 or 9.9 percent and the net position of business-type activities increased by \$507,578, or 1.2 percent.
- During the year, government-wide revenues for the primary government totaled \$30,824,250, while expenses totaled \$32,796,429, resulting in a decrease to net position of \$1,972,179.
- The Village's net position totaled \$16,229,122 on April 30, 2019, which includes \$45,739,114 net investment in capital assets, \$11,260,366 subject to external restrictions, and \$40,770,358 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors, within the framework of each funds purpose.
- The General Fund reported a deficit, mainly due to expenditures exceeding revenues offset by transfers, resulting in ending fund balance of \$7,229,266, a decrease of 8.0 percent.
- Beginning net position was restated due to the Village implementing GASB Statement No. 75.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 24 - 27) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 28. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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### USING THIS ANNUAL REPORT – Continued

#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 24 - 27 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, and highways and streets. The business-type activities of the Village include water and sewer operations.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Village maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, CBD TIF Special Allocation, and Downtown TOD TIF Funds, both of which are considered major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds, except the Police Pension, Firefighters Pension, and Bond and Deposits Funds. A budgetary comparison schedule for the remaining funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28 - 31 of this report.

##### Proprietary Funds

The Village maintains one proprietary fund type: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, a major fund.

The basic proprietary fund financial statements can be found on pages 32 - 35 of this report.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 36 -37 of this report.

##### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 90 of this report.

##### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's employer pension obligation for I.M.R.F., Sheriff's Law Enforcement Personnel, Police Pension, Firefighters' Pension, and Other-Post Employment Benefit Plan, and the budgetary comparison schedules for the General, CBD TIF Special Allocation, and Downtown TOD TIF Funds. Required supplementary information can be found on pages 91 - 109 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 110 - 145 of this report.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$16,229,122.

	Governmental		Net Position		Totals	
	Activities		Business-Type			
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 15,524,406	16,851,241	15,330,016	14,532,012	30,854,422	31,383,253
Capital Assets	16,252,591	15,846,472	30,489,655	30,907,125	46,742,246	46,753,597
Total Assets	31,776,997	32,697,713	45,819,671	45,439,137	77,596,668	78,136,850
Deferred Outflows	11,472,329	11,299,338	287,597	121,226	11,759,926	11,420,564
Total Assets/ Def. Outflows	43,249,326	43,997,051	46,107,268	45,560,363	89,356,594	89,557,414
Long-Term Debt	54,760,391	44,335,440	1,553,341	226,504	56,313,732	44,561,944
Other Liabilities	1,908,746	1,625,302	672,905	633,912	2,581,651	2,259,214
Total Liabilities	56,669,137	45,960,742	2,226,246	860,416	58,895,383	46,821,158
Deferred Inflows	14,175,846	13,463,169	56,243	445,053	14,232,089	13,908,222
Total Liabilities/Def. Inflows	70,844,983	59,423,911	2,282,489	1,305,469	73,127,472	60,729,380
Net Position						
Net Investment in						
Capital Assets	15,374,261	14,993,025	30,364,853	30,907,125	45,739,114	45,900,150
Restricted	3,389,205	4,516,476	7,871,161	6,920,233	11,260,366	11,436,709
Unrestricted	(46,359,123)	(34,936,361)	5,588,765	6,427,536	(40,770,358)	(28,508,825)
Total Net Position	(27,595,657)	(15,426,860)	43,824,779	44,254,894	16,229,122	28,828,034

A large portion of the Village's net position, \$45,739,114, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$11,260,366, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$40,770,358), represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 2,566,733	2,255,706	8,550,730	8,824,277	11,117,463	11,079,983
Operating Grants/Contrib.	515,274	504,379	-	-	515,274	504,379
Capital Grants/Contrib.	-	-	-	-	-	-
General Revenues						
Property Taxes	6,256,261	6,017,665	-	-	6,256,261	6,017,665
Income Taxes	1,999,066	1,758,277	-	-	1,999,066	1,758,277
Sales Taxes	4,880,527	4,838,615	-	-	4,880,527	4,838,615
Replacement Taxes	51,175	55,402	-	-	51,175	55,402
Other Taxes	4,018,170	4,022,135	-	-	4,018,170	4,022,135
Interest Income	6,808	3,300	4,052	2,022	10,860	5,322
Miscellaneous	1,975,454	1,455,453	-	-	1,975,454	1,455,453
Total Revenues	22,269,468	20,910,932	8,554,782	8,826,299	30,824,250	29,737,231
<b>Expenses</b>						
General Government	6,890,156	7,139,187	-	-	6,890,156	7,139,187
Public Health/ Environment Protection	709,246	715,611	-	-	709,246	715,611
Maintenance/Development of						
Public Facilities	3,559,230	3,754,736	-	-	3,559,230	3,754,736
Protect of Persons/Property	13,128,288	12,883,194	-	-	13,128,288	12,883,194
Community Development	1,400,036	569,515	-	-	1,400,036	569,515
Interest on Long-Term Debt	32,436	32,029	-	-	32,436	32,029
Water and Sewer	-	-	6,432,828	6,780,903	6,432,828	6,780,903
Depreciation	-	-	644,209	641,261	644,209	641,261
Total Expenses	25,719,392	25,094,272	7,077,037	7,422,164	32,796,429	32,516,436
Change Before Transfers	(3,449,924)	(4,183,340)	1,477,745	1,404,135	(1,972,179)	(2,779,205)
Internal Activity-Transfers	970,167	1,120,029	(970,167)	(1,120,029)	-	-
Change in Net Position	(2,479,757)	(3,063,311)	507,578	284,106	(1,972,179)	(2,779,205)
Net Position-Beginning as Restated	(25,115,900)	(12,363,549)	43,317,201	43,970,788	18,201,301	31,607,239
Net Position-Ending	(27,595,657)	(15,426,860)	43,824,779	44,254,894	16,229,122	28,828,034

Net position of the Village’s governmental activities decreased by 9.9 percent [(\$25,115,900) restated in 2018 compared to (\$27,595,657) in 2019]. Unrestricted governmental activities net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled (\$46,359,123) at April 30, 2019.

Net position of business-type activities increased by 1.2 percent (\$43,317,201 restated in 2018 compared to \$43,824,779 in 2019).

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

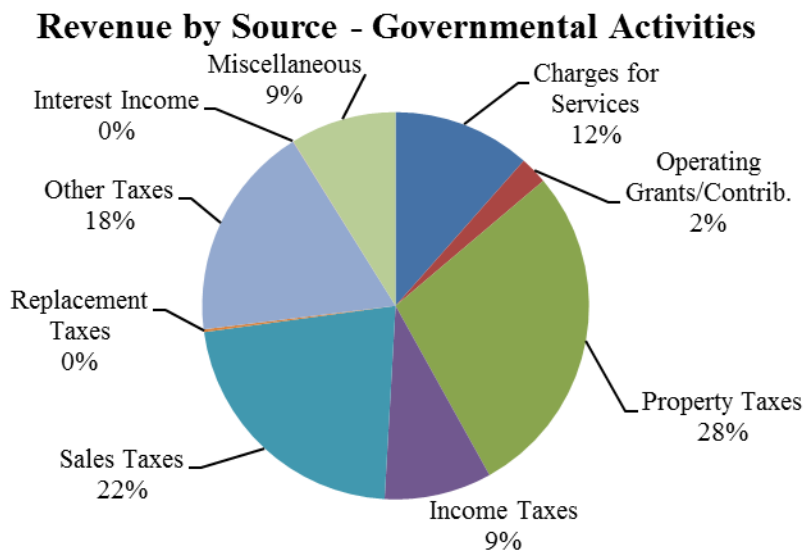
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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$22,269,468, while the cost of all governmental functions totaled \$25,719,392. This results in a deficit of \$3,449,924 prior to transfers in of \$970,167. The Village saw revenues increase \$1,358,536 or 6.5 percent. This increase in revenue can be attributed to several tax revenues the Village receives being higher in the current fiscal year than in the prior fiscal year and also due to bringing back \$400,000 in excess health insurance reserve funds from the insurance pool we have been part of since 2005.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of charges for services, property taxes, and income taxes to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from municipal utility taxes and sales taxes.



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

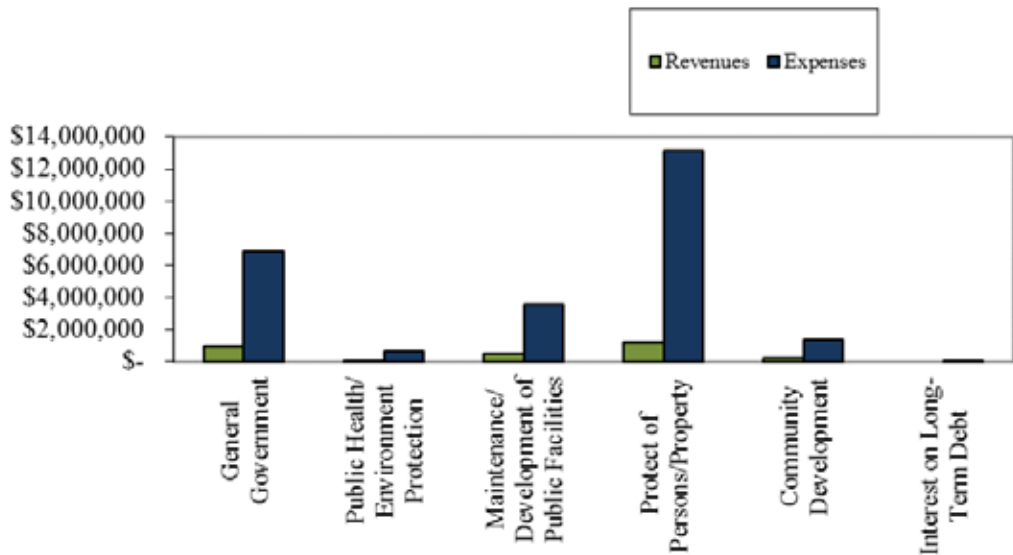
**VILLAGE OF HOMEWOOD, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

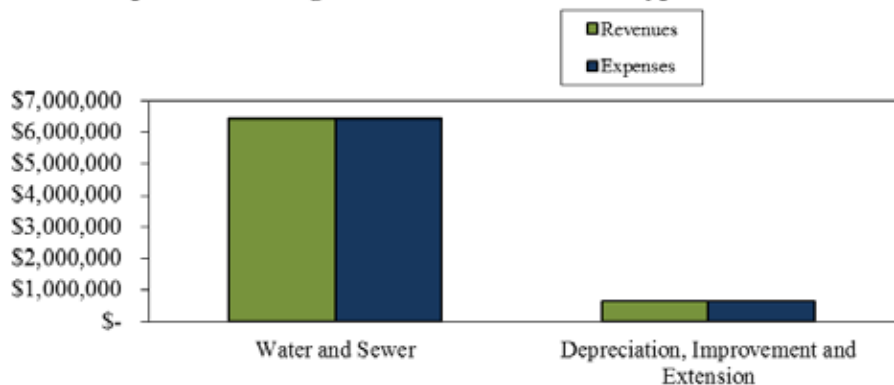
**Expenses and Program Revenues - Governmental Activities**



**Business-Type activities**

Business-Type activities posted total revenues of \$8,554,782, while the cost of all business-type activities totaled \$7,077,037. This results in a surplus of \$1,477,745, prior to transfers out of \$970,167. The surplus is primarily due to capital projects which have not yet started, but will draw down current surplus when they do. There is a potential major project to change water suppliers on the table and if the Village moves forward, a significant amount of our surplus will be used for that project. The Village plans no debt issuance for these projects as the monthly water/sewer bills contain a charge for capital projects. This pay-as-you-go cash funding of projects, without debt, began in 2005 with the payoff of the last water/sewer bonds.

**Expenses and Program Revenues - Business-Type Activities**



The above graph compares program revenues to expenses for utility operations.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$10,322,254, which is \$1,637,755, or 13.7 percent, lower than last year's total of \$11,960,009. Of the \$10,322,254 total, \$6,920,209, or approximately 67.0 percent, of the fund balance constitutes unrestricted fund balance.

The General Fund, including the retirement IMRF Fund, reported a deficit change in fund balance for the year of (\$628,432), a decrease of 8.0 percent.

The General Fund is the chief operating fund of the Village. At April 30, 2019, unassigned fund balance in the General Fund was \$4,814,858, which represents 66.6 percent of the total fund balance. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 22.3 percent of total General Fund expenditures.

The CBD TIF Special Allocation Fund reported a deficit change in fund balance of (\$230,312). The TIF ended December 31, 2014. Planned community development expenditures continue to be paid out of the TIF.

The Downtown TOD TIF Fund reported a deficit change in fund balance of (\$62,759). The TIF is to be used for economic development & re-development within Homewood's downtown area over the next 23 years.

#### Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer as a major proprietary fund, which accounts for all of the operations of the municipal water and sewer system. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance.

The Village intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. Overall change in net position for the proprietary fund at year end was a surplus of \$507,578. This is due to the Village completing the water meter exchange program. Other capital projects on the drawing board but not started yet will draw down this surplus. Depreciation expense accounts for \$644,209 of the total fund's expenses of \$7,077,037, or 9.1 percent.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Management's Discussion and Analysis April 30, 2019

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### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$19,831,565 compared to budgeted revenues of \$20,553,813. For the just completed current fiscal year, in the larger revenue categories, fines and forfeitures was \$202,237 below budget and property tax was \$698,033 below budget.

The General Fund actual expenditures for the year were \$556,356 lower than budgeted (\$21,553,503 actual compared to \$22,109,859 budgeted). Retirements and other staffing movements in the Police Department this past year resulted in the Police budget, the Village's largest department budget, and actual expenditures coming in below budget.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2019 was \$46,742,246 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicle and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,855,413	1,855,413	-	-	1,855,413	1,855,413
Construction in Progress	329,050	320,000	-	-	329,050	320,000
Buildings and Improvements	2,614,927	2,709,888	665,606	600,858	3,280,533	3,310,746
Vehicles and Equipment	3,222,742	2,519,280	524,471	432,295	3,747,213	2,951,575
Infrastructure	8,230,459	8,441,891	29,299,578	29,873,972	37,530,037	38,315,863
Totals	16,252,591	15,846,472	30,489,655	30,907,125	46,742,246	46,753,597

Capital asset additions for the year included:

Construction in Progress	\$ 329,050
Building and Improvements	126,239
Vehicles and Equipment	993,466
	<u>1,448,755</u>

Additional information on the Village's capital assets can be found in note 3 of this report.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Management’s Discussion and Analysis  
April 30, 2019**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**

**Debt Administration**

At year-end, the Village had total outstanding debt of \$1,121,000. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2019	2018
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 1,121,000	1,687,000	-	-	1,121,000	1,687,000

The Village’s outstanding debt decreased by \$566,000 or 33.6 percent in this fiscal year. Additional information on the Village’s long-term debt can be found in Note 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

An improving overall economy allowed the Village’s elected and appointed officials the opportunity to discuss a number of initiatives when setting the fiscal year 2019-20 budget along with the normal yearly budget discussions including tax rates, and fees that will be charged for its various activities. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including a cycle of ups and downs for economic, unemployment, and residential housing. The Village has many economic development initiatives moving forward that will help Homewood have continued fiscal success now and in the years to come.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Homewood’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 Finance Director, Village of Homewood, 2020 Chestnut Road, Homewood, Illinois, 60430.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Net Position  
April 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 7,903,192	13,533,788	21,436,980
Receivables - Net of Allowances	5,704,786	1,796,228	7,501,014
Inventories	142,686	-	142,686
Prepays	1,773,742	-	1,773,742
Total Current Assets	15,524,406	15,330,016	30,854,422
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	2,184,463	-	2,184,463
Depreciable Capital Assets	28,912,380	49,117,918	78,030,298
Accumulated Depreciation	(14,844,252)	(18,628,263)	(33,472,515)
Total Noncurrent Assets	16,252,591	30,489,655	46,742,246
Total Assets	31,776,997	45,819,671	77,596,668
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	2,699,991	274,470	2,974,461
Deferred Items - SLEP	84,624	-	84,624
Deferred Items - Police Pension	5,776,905	-	5,776,905
Deferred Items - Firefighters' Pension	2,775,032	-	2,775,032
Deferred Items - RBP	135,777	13,127	148,904
Total Deferred Outflows of Resources	11,472,329	287,597	11,759,926
Total Assets and Deferred Outflows of Resources	43,249,326	46,107,268	89,356,594

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 369,551	504,691	874,242
Accrued Payroll	517,702	36,775	554,477
Deposits Payable	-	73,409	73,409
Interest Payable	12,840	3,112	15,952
Other Payables	290,932	-	290,932
Retainage Payables	11,719	-	11,719
Current Portion of Long-Term Debt	706,002	54,918	760,920
Total Current Liabilities	1,908,746	672,905	2,581,651
Noncurrent Liabilities			
Compensated Absences Payable	297,100	57,925	355,025
Net Pension Liability - IMRF	4,230,605	430,066	4,660,671
Net Pension Liability - SLEP	432,306	-	432,306
Net Pension Liability - Police Pension	30,105,029	-	30,105,029
Net Pension Liability - Firefighters' Pension	8,919,778	-	8,919,778
Total OPEB Liability - RBP	10,146,653	980,985	11,127,638
General Obligation Bonds Payable	537,000	-	537,000
Installment Contract Payable	91,920	84,365	176,285
Total Noncurrent Liabilities	54,760,391	1,553,341	56,313,732
Total Liabilities	56,669,137	2,226,246	58,895,383
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	553,265	56,243	609,508
Deferred Items - Police Pension	7,094,710	-	7,094,710
Deferred Items - Firefighters' Pension	2,969,623	-	2,969,623
Property Taxes	3,558,248	-	3,558,248
Total Deferred Inflows of Resources	14,175,846	56,243	14,232,089
Total Liabilities and Deferred Inflows of Resources	70,844,983	2,282,489	73,127,472
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,374,261	30,364,853	45,739,114
Restricted - Employee Benefits	235,180	-	235,180
Restricted - Audit	3,680	-	3,680
Restricted - TIF Development	1,076,798	-	1,076,798
Restricted - Law Enforcement	310,598	-	310,598
Restricted - Street Improvement	565,283	-	565,283
Restricted - Fire Department	67,083	-	67,083
Restricted - Telecommunication	577,629	-	577,629
Restricted - Debt Service	64,998	-	64,998
Restricted - Capital Projects	550,715	7,871,161	8,421,876
Unrestricted (Deficit)	(46,421,882)	5,588,765	(40,833,117)
Total Net Position	(27,595,657)	43,824,779	16,229,122

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended April 30, 2019**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 6,890,156	995,781	28,187	-
Public Health/Environment Protection	709,246	4,959	-	-
Maintenance/Development of Public Facilities	3,559,230	83,788	487,087	-
Protect of Persons/Property	13,128,288	1,238,220	-	-
Community Development	1,400,036	243,985	-	-
Interest on Long-Term Debt	32,436	-	-	-
Total Governmental Activities	<u>25,719,392</u>	<u>2,566,733</u>	<u>515,274</u>	<u>-</u>
<b>Business-Type Activities</b>				
Water and Sewer	7,077,037	8,550,730	-	-
Total Primary Government	<u>32,796,429</u>	<u>11,117,463</u>	<u>515,274</u>	<u>-</u>

General Revenues

Taxes

    Property Taxes

    Other Taxes

Intergovernmental - Unrestricted

    Sales Taxes

    Income Taxes

    Replacement Taxes

Interest Income

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(5,866,188)	-	(5,866,188)
(704,287)	-	(704,287)
(2,988,355)	-	(2,988,355)
(11,890,068)	-	(11,890,068)
(1,156,051)	-	(1,156,051)
(32,436)	-	(32,436)
(22,637,385)	-	(22,637,385)
-	1,473,693	1,473,693
(22,637,385)	1,473,693	(21,163,692)
6,256,261	-	6,256,261
4,018,170	-	4,018,170
4,880,527	-	4,880,527
1,999,066	-	1,999,066
51,175	-	51,175
6,808	4,052	10,860
1,975,454	-	1,975,454
970,167	(970,167)	-
20,157,628	(966,115)	19,191,513
(2,479,757)	507,578	(1,972,179)
(25,115,900)	43,317,201	18,201,301
(27,595,657)	43,824,779	16,229,122

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2019**

	General	Special Revenue		Nonmajor	Totals
		CBD TIF Special Allocation	Downtown TOD TIF		
<b>ASSETS</b>					
Cash and Investments	\$ 4,147,261	4,000	575,464	3,176,467	7,903,192
Receivables - Net of Allowances					
Taxes	3,230,969	-	-	406,513	3,637,482
Other Taxes	1,365,419	-	-	-	1,365,419
Receivables	226,885	-	-	21,000	247,885
Due from Other Funds	708,420	-	-	-	708,420
Inventories	142,686	-	-	-	142,686
Prepays	1,773,742	-	-	-	1,773,742
<b>Total Assets</b>	<b>11,595,382</b>	<b>4,000</b>	<b>575,464</b>	<b>3,603,980</b>	<b>15,778,826</b>
<b>LIABILITIES</b>					
Accounts Payable	314,794	-	-	54,757	369,551
Accrued Payroll	517,702	-	-	-	517,702
Other Payables	290,932	-	-	-	290,932
Retainage Payables	11,719	-	-	-	11,719
Due to Other Funds	-	-	638,223	70,197	708,420
<b>Total Liabilities</b>	<b>1,135,147</b>	<b>-</b>	<b>638,223</b>	<b>124,954</b>	<b>1,898,324</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	3,230,969	-	-	327,279	3,558,248
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,366,116</b>	<b>-</b>	<b>638,223</b>	<b>452,233</b>	<b>5,456,572</b>
<b>FUND BALANCES</b>					
Nonspendable	1,916,428	-	-	-	1,916,428
Restricted	238,860	4,000	-	3,221,944	3,464,804
Assigned	259,120	-	-	-	259,120
Unassigned	4,814,858	-	(62,759)	(70,197)	4,681,902
<b>Total Fund Balances</b>	<b>7,229,266</b>	<b>4,000</b>	<b>(62,759)</b>	<b>3,151,747</b>	<b>10,322,254</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>11,595,382</b>	<b>4,000</b>	<b>575,464</b>	<b>3,603,980</b>	<b>15,778,826</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Position - Governmental Activities**

**April 30, 2019**

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**Total Governmental Fund Balances** \$ 10,322,254

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported in the funds. 16,252,591

Deferred outflows (inflows) of resources related to the pensions not  
reported in the funds.

Deferred Items - IMRF	2,146,726
Deferred Items - SLEP	84,624
Deferred Items - Police Pension	(1,317,805)
Deferred Items - Firefighters' Pension	(194,591)
Deferred Items - RBP	135,777

Various Village tax revenues will be collected after year-end but are not available  
soon enough to pay for the current period's expenditures and therefore,  
are deferred in the funds. 454,000

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

Compensated Absences Payable	(371,375)
Net Pension Liability - IMRF	(4,230,605)
Net Pension Liability - SLEP	(432,306)
Net Pension Liability - Police Pension	(30,105,029)
Net Pension Liability - Firefighters' Pension	(8,919,778)
Total OPEB Liability - RBP	(10,146,653)
General Obligation Bonds Payable	(1,121,000)
Installment Contract Payable	(139,647)
Accrued Interest Payable	(12,840)

**Net Position of Governmental Activities** (27,595,657)

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2019**

	Special Revenue				Totals
	General	CBD TIF Special Allocation	Downtown TOD TIF	Nonmajor	
<b>Revenues</b>					
Taxes	\$ 9,111,180	-	100,039	1,091,965	10,303,184
Intergovernmental	6,958,955	-	-	487,087	7,446,042
Charges for Services	1,196,991	-	-	-	1,196,991
Licenses and Permits	754,479	-	-	-	754,479
Fines and Forfeitures	615,263	-	-	-	615,263
Interest	3,142	-	39	3,627	6,808
Miscellaneous	1,191,555	-	525,000	258,899	1,975,454
<b>Total Revenues</b>	<b>19,831,565</b>	<b>-</b>	<b>625,078</b>	<b>1,841,578</b>	<b>22,298,221</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	6,903,679	-	-	46,460	6,950,139
Public Health/ Environment Protection	709,246	-	-	-	709,246
Maintenance/Development of Public Facilities	3,568,302	-	-	408,131	3,976,433
Protect of Persons/Property	9,874,123	-	-	1,381,063	11,255,186
Community Development	432,261	230,312	687,837	49,626	1,400,036
<b>Debt Service</b>					
Principal Retirement	60,037	-	-	566,000	626,037
Interest and Fiscal Charges	5,855	-	-	40,001	45,856
<b>Total Expenditures</b>	<b>21,553,503</b>	<b>230,312</b>	<b>687,837</b>	<b>2,491,281</b>	<b>24,962,933</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,721,938)</b>	<b>(230,312)</b>	<b>(62,759)</b>	<b>(649,703)</b>	<b>(2,664,712)</b>
<b>Other Financing Sources (Uses)</b>					
Disposal of Capital Assets	56,790	-	-	-	56,790
Transfers In	1,036,716	-	-	-	1,036,716
Transfers Out	-	-	-	(66,549)	(66,549)
	<b>1,093,506</b>	<b>-</b>	<b>-</b>	<b>(66,549)</b>	<b>1,026,957</b>
<b>Net Change in Fund Balances</b>	<b>(628,432)</b>	<b>(230,312)</b>	<b>(62,759)</b>	<b>(716,252)</b>	<b>(1,637,755)</b>
<b>Fund Balances - Beginning as Restated</b>	<b>7,857,698</b>	<b>234,312</b>	<b>-</b>	<b>3,867,999</b>	<b>11,960,009</b>
<b>Fund Balances - Ending</b>	<b>7,229,266</b>	<b>4,000</b>	<b>(62,759)</b>	<b>3,151,747</b>	<b>10,322,254</b>

The notes to the financial statements are an integral part of this statement.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2019

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**Net Change in Fund Balances - Total Governmental Funds** \$ (1,637,755)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	1,222,016
Depreciation Expense	(613,472)
Disposals - Cost	(532,964)
Disposals - Accumulated Depreciation	330,539

The net effect of deferred outflows (inflows) of resources related to the pensions  
not reported in the funds.

Change in Deferred Items - IMRF	4,660,502
Change in Deferred Items - SLEP	168,324
Change in Deferred Items - Police Pension	(3,399,368)
Change in Deferred Items - Firefighters' Pension	(1,982,509)
Change in Deferred Items - RBP	135,777

Because various revenues will not be collected for several months after the Village's  
year-end, they are not considered available revenues and are deferred in  
governmental funds.

(28,753)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

(Increase) in Compensated Absences Payable	(9,435)
(Increase) in Net Pension Liability - IMRF	(4,285,873)
(Increase) in Net Pension Liability - SLEP	(182,245)
Decrease in Net Pension Liability - Police Pension	1,561,163
Decrease in Net Pension Liability - Firefighters' Pension	1,432,741
Decrease in Total OPEB Liability - RBP	42,098
Retirement of Debt	626,037

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

13,420

**Changes in Net Position of Governmental Activities**

(2,479,757)

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Net Position - Proprietary Fund  
April 30, 2019**

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	<u>Business-Type Activities</u>
	<u>Water and Sewer</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 13,533,788
Receivables - Net of Allowances	
Accounts	595,838
Unbilled Accounts	1,200,390
Total Current Assets	<u>15,330,016</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	49,117,918
Accumulated Depreciation	<u>(18,628,263)</u>
	<u>30,489,655</u>
Total Assets	<u>45,819,671</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	274,470
Deferred Items - RBP	13,127
Total Deferred Outflows of Resources	<u>287,597</u>
Total Assets and Deferred Outflows of Resources	<u>46,107,268</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities
	Water and Sewer
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 504,691
Accrued Payroll	36,775
Deposits Payable	73,409
Accrued Interest	3,112
Compensated Absences Payable	14,481
Installment Contracts Payable	40,437
Total Current Liabilities	<u>672,905</u>
Noncurrent Liabilities	
Compensated Absences Payable	57,925
Net Pension Liability - IMRF	430,066
Total OPEB Liability - RBP	980,985
Installment Contracts Payable	84,365
Total Noncurrent Liabilities	<u>1,553,341</u>
Total Liabilities	<u>2,226,246</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>56,243</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,282,489</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	30,364,853
Restricted - Capital Projects	7,871,161
Unrestricted	<u>5,588,765</u>
Total Net Position	<u><u>43,824,779</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Fiscal Year Ended April 30, 2019**

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	Business-Type Activities
	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 7,113,734
Sales to the Village of Flossmoor	1,402,805
Miscellaneous	34,191
Total Operating Revenues	<u>8,550,730</u>
Operating Expenses	
Operations	6,432,828
Depreciation	644,209
Total Operating Expenses	<u>7,077,037</u>
Operating Income	1,473,693
Nonoperating Revenues	
Interest Income	<u>4,052</u>
Income Before Transfers	1,477,745
Transfers (Out)	<u>(970,167)</u>
Change in Net Position	507,578
Net Position - Beginning as Restated	<u>43,317,201</u>
Net Position - Ending	<u><u>43,824,779</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Cash Flows - Proprietary Fund  
For the Fiscal Year Ended April 30, 2019**

	Business-Type Activities
	Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 8,416,960
Payments to Employees	(1,302,446)
Payments to Suppliers	(5,210,989)
	<u>1,903,525</u>
Cash Flows from Noncapital Financing Activities	
Transfers (Out)	<u>(970,167)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(226,739)
Payment of Installment Contracts Principal	(39,317)
	<u>(266,056)</u>
Cash Flows from Investing Activities	
Interest Income	<u>4,052</u>
Net Change in Cash and Cash Equivalents	671,354
Cash and Cash Equivalents - Beginning	<u>12,862,434</u>
Cash and Cash Equivalents - Ending	<u><u>13,533,788</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	1,473,693
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	644,209
Other Income	(122,065)
(Increase) Decrease in Current Assets	(133,770)
Increase (Decrease) in Current Liabilities	41,458
	<u>41,458</u>
Net Cash Provided by Operating Activities	<u><u>1,903,525</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Fiduciary Net Position**

**April 30, 2019**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 17,186	16,497
Investments		
U.S. Government Obligations	1,938,064	-
U.S. Agency Obligations	11,306,454	-
Corporate Bonds	1,628,076	-
Municipal Bonds	1,949,821	-
Mutual Funds	27,732,803	-
Money Market Mutual Funds	222,104	-
Receivables - Net of Allowances		
Accrued Interest	122,708	-
Prepays	<u>8,603</u>	<u>-</u>
Total Assets	<u>44,925,819</u>	<u>16,497</u>
<b>LIABILITIES</b>		
Deposits, Builder and Subdivider	-	16,497
Accounts Payable	<u>9,351</u>	<u>-</u>
Total Liabilities	<u>9,351</u>	<u>16,497</u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>44,916,468</u>	

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2019**

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	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,974,586
Contributions - Plan Members	<u>568,570</u>
Total Contributions	<u>2,543,156</u>
Investment Income	
Interest Income	1,911,255
Net Change in Fair Value	<u>983,413</u>
	2,894,668
Less Investment Expenses	<u>(73,463)</u>
Net Investment Income	<u>2,821,205</u>
Total Additions	<u>5,364,361</u>
Deductions	
Administration	72,809
Benefits and Refunds	<u>3,347,142</u>
Total Deductions	<u>3,419,951</u>
Change in Fiduciary Net Position	1,944,410
Net Position Restricted for Pensions	
Beginning	<u>42,972,058</u>
Ending	<u><u>44,916,468</u></u>

The notes to the financial statements are an integral part of this statement.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Homewood, Illinois (the Village) was incorporated February 14, 1893. The Village operates under a Council-Manager form of government and provides services that include police, fire, water utility, sewer utility, street maintenance, health and environment, community development, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Homewood
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In determining the financial reporting entity, the Village 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 Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board.

Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

## **VILLAGE OF HOMEWOOD, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2019**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **REPORTING ENTITY – Continued**

##### **Firefighters' Pension Employees Retirement System**

The Village's sworn firefighter employees 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.

Two members appointed by the Village's President, one elected pension beneficiary and two elected firefighter employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's firefighter employees. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

##### **BASIS OF PRESENTATION**

##### **Government-Wide Financial Statements**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sewer operations and maintenance; depreciation, improvement and extension; and surplus services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns 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 Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Government-Wide Financial Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public health/environment protection, maintenance/development of public facilities, protect of persons/property, community development, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village may from time to time electively add funds, as major funds, which either have debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

*General fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains eleven special revenue funds. The CBD TIF Special Allocation Fund, a major fund, is used to account for incremental property taxes received from the initial and expanded Central Business District (CBD) Tax Increment Finance Districts to be used to further develop facades, streetscape, and parking in the CBD; partially fund 1991 Debt Service for early call; and determine the surplus for distribution to all taxing bodies in Homewood. The Downtown TOD TIF Fund, also a major fund, is used to account for TIF related revenues and expenditures which will drive economic development and redevelopment in the Village's downtown area the next 23 years.

*Debt service funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one nonmajor debt service fund.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Governmental Funds – Continued

*Capital projects funds* are used to account for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains four nonmajor capital projects funds.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

*Enterprise funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one water and sewer related enterprise fund. The Water and Sewer Fund, a major fund, is used to account for amounts credited each month with an amount sufficient, when added to the amount then on deposit in this account, to pay the current month's operating costs.

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Pension trust funds* are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fiduciary Funds – Continued

*Agency funds* are used to account for assets held by the Village in a purely custodial capacity. The Village maintains one agency fund. The Bond and Deposits Fund is used to account for monies held by the Village as developer deposits for damages, nuisance and street openings.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus 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.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

###### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### 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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report utility charges as their major receivables.

##### Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$20,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	75 - 100 Years
Improvements and Equipment	10 Years
Vehicles and Equipment	15 Years
Infrastructure – Bridges	80 Years
Infrastructure – Roads	80 Years
Infrastructure – Water and Sewer	75 - 100 Years

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

In the event of termination, an employee is reimbursed for accumulated vacation days. Terminated employees and retirees are reimbursed for any unused accumulated sick leave earned prior to November 11, 1984 up to 150 days at 50% for their normal pay rate. Sick leave accrued after November 11, 1984 is no longer available for reimbursement. An employee who is eligible and elects to retire may use up to 320 sick leave hours earned from and after May 1, 1991 upon his or her retirement to affect an early retirement. All sick leave used after May 1, 1991 shall first be deducted from hours earned after May 1, 1994.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses at the time of issuance.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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.

Restricted – Consists of net position with constraints placed on the 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 legislations.

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

#### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

##### BUDGETARY INFORMATION

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

- At the first Village Board meeting in March, the Village Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- Public budget hearings are conducted to obtain citizen comments.
- Prior to May 1, the budget is legally enacted for all operating funds except for the Police Pension, the Firefighters Pension, the East CBD TIF, and the Bond and Deposits Funds.
- Total actual expenditures for any fund may not legally exceed the total budgeted for that fund. However, modifications to the budget may be made in that the Village Manager is authorized to transfer budgeted amounts between departments within any fund; any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. Revisions made by the Board on the current year’s budget were in accordance with legal requirements. Budget /appropriations lapse at year-end. During the year, several supplementary appropriations were necessary.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
CBD TIF Special Allocation	\$ 400
Police Seized	238,096
Foreign Fire Insurance	35,427
Network #3 Cook County Telecomm	24,460
Homewood Emergency Medical Equipment	14,220

**DEFICIT FUND BALANCE**

The following fund had a deficit fund balance as of the date of this report:

Fund	Deficit
East CBD TIF	\$ 70,197
Downtown TOD TIF	62,759

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. 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 Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village 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, and commercial paper rated within the three highest classifications by at least two standard rating services.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS

##### DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty-five percent effective July 1, 2012.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits and Investments.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$21,436,980, and the bank balances totaled \$21,630,194.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for an investment.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration of credit risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount and bank balances of the Pension Fund’s demand deposits totaled \$8,411.

*Investments.* The Fund has the following investment fair values and maturities as of April 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Obligations	\$ 1,257,198	50,242	803,737	403,219	-
U.S. Agency Obligations	7,594,676	277,368	1,892,711	5,275,678	148,919
Corporate Bonds	962,486	49,968	364,190	548,328	-
Municipal Bonds	1,237,698	40,298	958,792	202,927	35,681
<b>Totals</b>	<b>11,052,058</b>	<b>417,876</b>	<b>4,019,430</b>	<b>6,430,152</b>	<b>184,600</b>

The Fund has the following recurring fair value measurements as of April 30, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities</b>				
U.S. Government Obligations	\$ 1,257,198	1,257,198	-	-
U.S. Agency Obligations	7,594,676	-	7,594,676	-
Corporate Bonds	962,486	-	962,486	-
Municipal Bonds	1,237,698	-	1,237,698	-
<b>Equity Securities</b>				
Mutual Funds	18,594,898	18,594,898	-	-
Money Market Mutual Funds	142,725	142,725	-	-
<b>Total Investments by Fair Value Level</b>	<b>29,789,681</b>	<b>19,994,821</b>	<b>9,794,860</b>	<b>-</b>

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Credit Risk.* The Fund's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof or to corporate and municipal issues. All securities shall be of "investment grade" quality, which is, at the time of purchases, rated no lower than "BAA" by Moody's and no lower than "BBB" by Standard and Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Unrated (NR) and underrated investments are listed in the following table:

Investment	Par Value	Interst Rate	Maturity Date	Standard & Poors	Moody's
Kane ETC IL Bonds	\$ 40,000	3.80%	December 15, 2019	NR	Aaa
Carroll ETC IL Bonds	50,000	5.15%	December 1, 2020	AA-	NR
Du Page County IL Bonds	50,000	4.35%	December 15, 2020	NR	Aa1
Lake County IL CC Bonds	30,000	5.88%	January 1, 2022	NR	NR
Will ETC CN IL CC Bonds	100,000	5.50%	January 1, 2021	AA	NR
Cook County IL SD Bonds	100,000	5.25%	December 1, 2021	NR	Aaa
Skokie IL Bonds	100,000	1.75%	December 1, 2021	NR	Aa1
Fox Valley Park District Bonds	100,000	5.25%	December 15, 2022	AA+	NR
Vernon Hills IL Bonds	100,000	2.35%	March 30, 2023	AAA	NR
Rock Island IL Bonds	100,000	2.94%	December 1, 2023	NR	A2
Will ETC IL CSD Bonds	100,000	3.00%	January 1, 2024	NR	Aa2
Cook County IL Bonds	100,000	5.39%	December 1, 2024	AA+	NR
Lake County IL CC Bonds	100,000	3.23%	January 1, 2025	AA+	NR
Morton Grove IL Bonds	35,000	6.00%	December 15, 2029	AA	NR

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk.* For deposits, the Fund’s investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund’s investment policy requires that all amount in excess of any insurance limits be collateralized by securities eligible for the for the Village’s investment or any other high-quality, interest-bearing security rated as investment grade by one of the two largest rating services at the time of purchase. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

*Interest Rate Risk.* The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration Risk.* The investment policy places no limit on the amount the Fund any invest in any one issuer. In addition to the securities and fair values listed above, the Fund also has \$142,725 invested in money market mutual funds and \$18,594,898 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in LSV Value Equity Fund of \$1,968,364, Pioneer Equity Income of \$2,029,865, T-Rowe Price Growth Stock of \$4,156,627 and Vanguard 500 Index Fund of \$4,336,668.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40.00%	1.70%
Domestic Equities	54.00%	6.70% - 8.50%
International Equities	6.00%	6.50%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration Risk – Continued.* The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Firefighters' Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount and bank balances of the Pension Fund's demand deposits totaled \$8,775.

*Investments.* The Fund has the following investment fair values and maturities as of April 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Obligations	\$ 680,866	-	373,828	294,177	12,861
U.S. Agency Obligations	3,711,778	123,966	881,846	2,679,915	26,051
Corporate Bonds	665,590	160,758	212,223	292,609	-
Municipal Bonds	712,123	10,036	462,566	218,828	20,693
Totals	5,770,357	294,760	1,930,463	3,485,529	59,605

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

The Fund has the following recurring fair value measurements as of April 30, 2019:

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Government Obligations	\$ 680,866	680,866	-	-
U.S. Agency Obligations	3,711,778	-	3,711,778	-
Corporate Bonds	665,590	-	665,590	-
Municipal Bonds	712,123	-	712,123	-
Equity Securities				
Mutual Funds	9,137,905	9,137,905	-	-
Money Market Mutual Funds	79,379	79,379	-	-
Total Investments by Fair Value Level	14,987,641	9,898,150	5,089,491	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

*Interest Rate Risk.* The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The Fund’s investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof or to corporate and municipal issues. All securities shall be of “investment grade” quality, which is, at the time of purchases, rated no lower than “Baa” by Moody’s and no lower than “BBB” by Standard and Poor’s. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Credit Risk– Continued.* Unrated (NR) and underrated investments are listed in the following table:

Investment	Par Value	Interst Rate	Maturity Date	Standard & Poors	Moody's
Dekalb County IL Bonds	\$ 10,000	3.54%	December 15, 2019	NR	Aa1
Glen Ellyn IL Bonds	25,000	4.75%	January 1, 2021	NR	Aa1
Lake County IL CC Bonds	30,000	5.88%	January 1, 2022	NR	NR
Will ETC CN IL Bonds	50,000	5.50%	January 1, 2021	AA	NR
Cook County IL CCD Bonds	35,000	2.82%	December 1, 2021	NR	Aa1
Rock Island IL Bonds	100,000	2.70%	December 1, 2021	NR	A2
Skokie IL Bonds	50,000	2.05%	December 1, 2022	NR	Aa1
Vernon Hills IL Bonds	50,000	2.35%	March 30, 2023	AAA	NR
Will CN IL FST PR Bonds	100,000	5.50%	December 15, 2025	AA+	NR
Lake County IL CC Bonds	50,000	3.33%	January 1, 2026	AA+	NR
Libertyville IL Bonds	15,000	5.88%	December 15, 2027	NR	Aa2
Champaign IL Bonds	15,000	5.50%	December 15, 2028	NR	Aaa
Will ETC IL FST Bonds	25,000	7.00%	January 1, 2029	AA	NR

*Custodial Credit Risk.* For deposits, the Fund's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund's investment policy requires that all amount in excess of any insurance limits be collateralized by securities eligible for the for the Village's investment or any other high-quality, interest-bearing security rated as investment grade by one of the two largest rating services at the time of purchase. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

*Concentration Risk.* The investment policy places no limit on the amount the Fund any invest in any one issuer. In addition to the securities and fair values listed above, the Fund also has \$79,379 invested in money market mutual funds and \$9,137,905 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in LSV Value Equity Fund of \$981,409, Pioneer Equity Income of \$994,782, T-Rowe Price Growth Stock of \$2,016,016 and Vanguard 500 Index Fund of \$2,148,669.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration Risk.* The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40.00%	1.70%
Domestic Equities	54.00%	6.70% - 8.50%
International Equities	6.00%	6.50%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in May 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of April 30, 2019 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### PROPERTY TAXES

Property taxes for the 2018 levy 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, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,855,413	-	-	1,855,413
Construction in Progress	320,000	329,050	320,000	329,050
	<u>2,175,413</u>	<u>329,050</u>	<u>320,000</u>	<u>2,184,463</u>
<b>Depreciable Capital Assets</b>				
Building and Improvements	4,781,844	-	-	4,781,844
Vehicle and Equipment	6,579,836	1,212,966	532,964	7,259,838
Infrastructure	16,870,698	-	-	16,870,698
	<u>28,232,378</u>	<u>1,212,966</u>	<u>532,964</u>	<u>28,912,380</u>
<b>Less Accumulated Depreciation</b>				
Building and Improvements	2,071,956	94,961	-	2,166,917
Vehicle and Equipment	4,060,556	307,079	330,539	4,037,096
Infrastructure	8,428,807	211,432	-	8,640,239
	<u>14,561,319</u>	<u>613,472</u>	<u>330,539</u>	<u>14,844,252</u>
<b>Total Net Depreciable Capital Assets</b>	<u>13,671,059</u>	<u>599,494</u>	<u>202,425</u>	<u>14,068,128</u>
<b>Total Net Capital Assets</b>	<u>15,846,472</u>	<u>928,544</u>	<u>522,425</u>	<u>16,252,591</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 323,530
Maintenance/Development of Public Facilities	152,071
Protect of Persons/Property	<u>137,871</u>
	<u>613,472</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Building and Improvements	\$ 2,097,904	126,239	-	2,224,143
Vehicle and Equipment	1,144,446	100,500	114,919	1,130,027
Infrastructure	45,763,748	-	-	45,763,748
	<u>49,006,098</u>	<u>226,739</u>	<u>114,919</u>	<u>49,117,918</u>
Less Accumulated Depreciation/Amortization				
Building and Improvements	1,497,046	61,491	-	1,558,537
Vehicle and Equipment	712,151	8,324	114,919	605,556
Infrastructure	15,889,776	574,394	-	16,464,170
	<u>18,098,973</u>	<u>644,209</u>	<u>114,919</u>	<u>18,628,263</u>
Total Net Capital Assets	<u>30,907,125</u>	<u>(417,470)</u>	<u>-</u>	<u>30,489,655</u>

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	<u>\$ 644,209</u>
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**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 70,197
General	Downtown TOD TIF	<u>638,223</u>
		<u>708,420</u>

Interfund balances are in anticipation of receipts.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued**

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Nonmajor Governmental	\$ 66,549
General	Water and Sewer	<u>970,167</u>
		<u><u>1,036,716</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Additionally, the Village transferred the remaining fund balance in the CIP General Sub-Fund, the 1998 Bond Fund, and the 2002 General Bond Issue Fund to the General Fund as of April 30, 2019.

**LONG-TERM DEBT**

**General Obligation Bonds**

The Village 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 Village. General obligation bonds currently outstanding are as follows:

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Bonds of 2014 - Due in annual installments of \$24,000 to \$576,000 plus interest at 0.75% to 1.79% through December 1, 2018.	Debt Service	\$ 24,000	-	24,000	-
General Obligation Limited Tax Bonds of 2017A - Due in annual installments of \$537,000 to \$584,000 plus interest at 1.70% to 2.10% through December 1, 2020.	Debt Service	<u>1,663,000</u>	-	542,000	<u>1,121,000</u>
		<u><u>1,687,000</u></u>	-	<u><u>566,000</u></u>	<u><u>1,121,000</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Installment Contracts**

The Village has established installment contracts payable as follows:

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$66,624 Installment Contract of 2014 - Due in annual installments of \$14,068 including interest at 2.79% through September 2, 2018.	General	\$ 13,686	-	13,686	-
\$36,496 Installment Contract of 2016 - Due in annual installments of \$7,830 including interest at 3.64% through August 9, 2020.	General	21,879	-	7,034	14,845
\$416,226 Installment Contract of 2018 - Due in annual installments of \$87,988 including interest at 2.85% through June 13, 2021.	Water and Sewer	164,119	-	39,317	124,802
	General	164,119	-	39,317	124,802
		<u>363,803</u>	-	<u>99,354</u>	<u>264,449</u>

**Legal Debt Margin**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2018	<u>\$ 361,124,411</u>
Bonded Debt Limit - 8.625% of Assessed Value	31,146,980
Amount of Debt Applicable to Limit	<u>1,121,000</u>
Legal Debt Margin	<u>30,025,980</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 361,940	18,870	9,435	371,375	74,275
Net Pension Liability/(Asset) - IMRF	(55,268)	4,285,873		4,230,605	-
Net Pension Liability - SLEP	250,061	182,245		432,306	-
Net Pension Liability - Police Pension	31,666,192	-	1,561,163	30,105,029	-
Net Pension Liability - Firefighters' Pension	10,352,519	-	1,432,741	8,919,778	-
Total OPEB Liability - RBP	10,188,751	-	42,098	10,146,653	-
General Obligation Bonds	1,687,000	-	566,000	1,121,000	584,000
Installment Contracts Payable	199,684	-	60,037	139,647	47,727
	<u>54,650,879</u>	<u>4,486,988</u>	<u>3,671,474</u>	<u>55,466,393</u>	<u>706,002</u>
<b>Business-Type Activities</b>					
Compensated Absences	67,925	8,962	4,481	72,406	14,481
Net Pension Liability/(Asset) - IMRF	(7,120)	437,186	-	430,066	-
Total OPEB Liability - RBP	985,055	-	4,070	980,985	-
Installment Contracts Payable	164,119	-	39,317	124,802	40,437
	<u>1,209,979</u>	<u>446,148</u>	<u>47,868</u>	<u>1,608,259</u>	<u>54,918</u>

For governmental activities the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. The General Fund makes payments on the installment contracts.

For business-type activities the compensated absences, the net pension liability, the total OPEB liability, and the installment contracts are liquidated by the Water and Sewer Fund.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

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

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds		Installment Contract		Installment Contract	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 584,000	22,373	47,727	4,097	40,437	3,556
2021	537,000	11,277	49,145	2,680	41,589	2,404
2022	-	-	42,775	1,219	42,776	1,219
	<u>1,121,000</u>	<u>33,650</u>	<u>139,647</u>	<u>7,996</u>	<u>124,802</u>	<u>7,179</u>

**NET POSITION/FUND BALANCE**

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 16,252,591
Plus Unspent Bond Proceeds	382,317
Less Capital Related Debt:	
General Obligation Limited Tax Bonds of 2014	(1,121,000)
Installment Contract of 2016	(14,845)
Installment Contract of 2017A	<u>(124,802)</u>
Net Investment in Capital Assets	<u>15,374,261</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	30,489,655
Less Capital Related Debt:	
Installment Contract of 2017A	<u>(124,802)</u>
Net Investment in Capital Assets	<u>30,364,853</u>

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### **Fund Balance Classifications**

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance Policy.* A level of unrestricted fund balances will be maintained in the General Fund and Water and Sewer Fund sufficient to handle emergency needs, cover unfavorable variances in revenue and expenditure estimates, and for cash flow purposes. The established unrestricted fund balance level for these funds should be adequate to cover a minimum of four months of operations.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**NET POSITION/FUND BALANCE – Continued**

**Fund Balance Classifications – Continued**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Nonmajor	Totals
		CBD TIF Special Allocation	Downtown TOD TIF		
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Inventories	\$ 142,686	-	-	-	142,686
Prepays	1,773,742	-	-	-	1,773,742
	<u>1,916,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,916,428</u>
<b>Restricted</b>					
Employee Benefits	235,180	-	-	-	235,180
Audit	3,680	-	-	-	3,680
TIF Development	-	4,000	-	1,072,798	1,076,798
Law Enforcement	-	-	-	310,598	310,598
Street Improvement	-	-	-	565,283	565,283
Fire Department	-	-	-	67,083	67,083
Telecommunication	-	-	-	577,629	577,629
Debt Service	-	-	-	77,838	77,838
Capital Projects	-	-	-	550,715	550,715
	<u>238,860</u>	<u>4,000</u>	<u>-</u>	<u>3,221,944</u>	<u>3,464,804</u>
<b>Assigned</b>					
Non-TIF Incentives	169,420	-	-	-	169,420
Fire Engine	40,000	-	-	-	40,000
Izaak Walton Preserve	49,700	-	-	-	49,700
	<u>259,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,120</u>
<b>Unassigned</b>	4,814,858	-	(62,759)	(70,197)	4,681,902
<b>Total Fund Balances</b>	<u>7,229,266</u>	<u>4,000</u>	<u>(62,759)</u>	<u>3,151,747</u>	<u>10,322,254</u>

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION/FUND BALANCE – Continued

##### Fund Balance/Net Position Restatements

Beginning net position was restated due to the implementation of GASB Statement No. 75. In addition, beginning fund balance in the General Fund was restated to correct an error in recognition of personal property tax receivables. The following is a summary of the fund balances as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ (15,426,860)	(25,115,900)	(9,689,040)
General Fund	7,874,456	7,857,698	(16,758)
Business-Type Activities/Water and Sewer Fund	44,254,894	43,317,201	(937,693)

### NOTE 4 – OTHER INFORMATION

#### RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. 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.

#### Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs.

The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Beginning January 1, 2019, the Village of Homewood has a \$10,000 deductible for each

## **VILLAGE OF HOMEWOOD, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2019**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Intergovernmental Risk Management Agency (IRMA) – Continued**

occurrence. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

###### **Grants**

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 Village expects such amounts, if any, to be immaterial.

##### **COMMITMENTS – TAX ABATEMENTS**

The Village of Homewood has entered into various tax rebate agreements with local corporations under Village code. Under these agreements, the Village rebates a portion of sales and places for eating taxes. For the fiscal year ended April 30, 2019, the Village rebated a total of \$338,094, in taxes, under these agreements.

##### **JOINT VENTURES**

The Village participates in a joint venture with several municipalities, which is known as E-COM, for the mutual operation of a centralized dispatch and communication system. E-COM provides all services necessary for emergency dispatch and communication. The Village pays annual assessments to E-COM. To obtain a copy of the E-COM separately issued financial statements, contact the E-COM Dispatch Center at 1154 Ridge Road, Homewood, Illinois 60430.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the Village at 2020 Chester Road, Homewood Illinois 60430. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the four pension plans is:

IMRF	\$	26,247
SLEP Plan		13,921
Police Pension		3,296,382
Firefighters' Pension		<u>1,066,177</u>
		<u><u>4,402,727</u></u>

#### Illinois Municipal Retirement Fund (IMRF)

##### Plan Descriptions

*Plan Administration.* All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*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).

*IMRF – Regular Plan.* IMRF provides two tiers of pension benefits. 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.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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

###### Plan Descriptions – Continued

*IMRF – Regular Plan – Continued.* 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.

*Sheriff's Law Enforcement Personnel.* SLEP members having accumulated at least 30 years of SLEP service and terminating IMRF on or after July 1, 1998, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

	Regular	SLEP	Totals
Inactive Plan Members Currently Receiving Benefits	95	3	98
Inactive Plan Members Entitled to but not yet Receiving Benefits	49	-	49
Active Plan Members	62	-	62
Total	206	3	209

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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

##### Plan Descriptions – Continued

*Contributions.* As set by statute, the Village'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. For the year-ended April 30, 2019, the Village's contribution was 10.96% of covered payroll.

SLEP members are required to contribute 7.50% of their annual covered salary. For the year-ended April 30, 2019, the Village's contribution was 0.00% of covered payroll.

*Net Pension Liability.* The Village's net pension liability/(asset) was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	
Regular	7.25%
SLEP	7.25%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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

##### Plan Descriptions – Continued

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	25.00%

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25% for both the Regular Plan and SLEP Plan, and 7.50% in the prior valuations. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability			
Regular Plan	\$ 9,064,060	4,660,671	1,032,421
SLEP Plan	569,074	432,306	314,264

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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

##### Changes in the Net Pension Liability/(Asset) – Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2017	\$ 32,883,836	32,946,224	(62,388)
Changes for the Year:			
Service Cost	448,066	-	448,066
Interest on the Total Pension Liability	2,417,525	-	2,417,525
Difference Between Expected and Actual Experience of the Total Pension Liability	294,767	-	294,767
Changes of Assumptions	972,532	-	972,532
Contributions - Employer	-	541,526	(541,526)
Contributions - Employees	-	205,817	(205,817)
Net Investment Income	-	(1,853,820)	1,853,820
Benefit Payments, including Refunds of Employee Contributions	(1,748,402)	(1,748,402)	-
Other (Net Transfer)	-	516,308	(516,308)
Net Changes	2,384,488	(2,338,571)	4,723,059
Balances at December 31, 2018	35,268,324	30,607,653	4,660,671

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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

##### Changes in the Net Pension Liability – SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 1,498,862	1,248,801	250,061
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	107,445	-	107,445
Difference Between Expected and Actual Experience of the Total Pension Liability	19,852	-	19,852
Changes of Assumptions	31,126	-	31,126
Contributions - Employer	-	27,457	(27,457)
Contributions - Employees	-	-	-
Net Investment Income	-	(100,408)	100,408
Benefit Payments, including Refunds of Employee Contributions	(132,530)	(132,530)	-
Other (Net Transfer)	-	49,129	(49,129)
Net Changes	25,893	(156,352)	182,245
Balances at December 31, 2018	1,524,755	1,092,449	432,306

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

For the year ended April 30, 2019, the Village recognized pension expense of \$26,247 for the Regular Plan and \$13,921 for the SLEP Plan. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement (IMRF) – Continued**

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

	Regular Plan		SLEP Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 193,025	(220,038)	-	-
Change in Assumptions	636,852	(389,470)	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,013,957	-	76,331	-
Total Pension Expense to be Recognized in Future Periods	2,843,834	(609,508)	76,331	-
Pension Contributions Made Subsequent to the Measurement Date	130,627	-	8,293	-
Total Deferred Amounts Related to IMRF	2,974,461	(609,508)	84,624	-

\$130,627 for the Regular Plan and \$8,293 for the SLEP Plan are reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. 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:

Fiscal Year	Net Deferred Outflows of Resources	
	Regular	SLEP
2020	\$ 550,900	22,787
2021	590,874	7,065
2022	231,231	8,085
2023	861,321	38,394
2024	-	-
Thereafter	-	-
Totals	2,234,326	76,331

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan**

**Plan Descriptions**

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	38
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>41</u>
Total	<u><u>81</u></u>

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years 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 police officer who retired with 20 or more 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 percent of the original pension and 3 percent compounded annually thereafter.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Police Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 37.20% of covered payroll.

*Concentrations.* At year-end, the Pension Plan does not have any investments over 5 percent of the total net position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Graded by years of Service
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on RP2014 base rates with blue collar adjustment projected to 2019 with scale MP2018.

##### Discount Rate

A Single Discount Rate of 6.28% was used to measure the total pension liability and the discount rate in the prior valuation was 5.91%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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
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 7.00%, the municipal bond rate is 3.79%, and the resulting single discount rate is 6.28%.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Net Pension Liability	\$ 38,505,871	30,105,029	23,220,765

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 60,384,931	28,718,739	31,666,192
Changes for the Year:			
Service Cost	1,301,906	-	1,301,906
Interest on the Total Pension Liability	3,487,726	-	3,487,726
Difference Between Expected and Actual Experience of the Total Pension Liability	2,192,916	-	2,192,916
Changes of Assumptions	(4,853,964)	-	(4,853,964)
Contributions - Employer	-	1,458,177	(1,458,177)
Contributions - Employees	-	401,960	(401,960)
Net Investment Income	-	1,923,453	(1,923,453)
Benefit Payments, including Refunds of Employee Contributions	(2,531,003)	(2,531,003)	-
Administrative Expense	-	(93,843)	93,843
Net Changes	(402,419)	1,158,744	(1,561,163)
Balances at April 30, 2019	59,982,512	29,877,483	30,105,029

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

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

For the year ended April 30, 2019, the Village recognized pension expense of \$3,296,382. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 2,258,446	(659,135)	1,599,311
Change in Assumptions	3,518,459	(6,257,574)	(2,739,115)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(178,001)	(178,001)
Total Deferred Amounts Related to Police Pension	<u>5,776,905</u>	<u>(7,094,710)</u>	<u>(1,317,805)</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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 798,411
2021	467,849
2022	(1,206,934)
2023	(1,207,121)
2024	(170,010)
Thereafter	<u>-</u>
Total	<u>(1,317,805)</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Firefighters’ Pension Plan**

**Plan Descriptions**

*Plan Administration.* The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

*Plan Membership.* At April 30, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	10
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	<u>18</u>
Total	<u><u>34</u></u>

*Benefits Provided.* The following is a summary of the Firefighters’ Pension Plan as provided for in Illinois State Statutes.

The Firefighters’ Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years 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 20 or more 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 percent of the original pension and 3percent compounded annually thereafter.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2019

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Firefighters' Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2019, the Village's contribution was 28.55% of covered payroll.

*Concentrations.* At year-end, the Pension Plan does not have any investments over 5 percent of the total net position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Firefighters' Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	Graded by years of Service
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on RP2014 base rates with blue collar adjustment projected to the valuation date with scale MP2018.

##### Discount Rate

A Single Discount Rate of 6.22% was used to measure the total pension liability and the discount rate in the prior valuation was 5.99%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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
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 7.00%, the municipal bond rate is 3.79%, and the resulting single discount rate is 6.22%.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Firefighters’ Pension Plan – Continued**

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
Net Pension Liability	\$ 12,527,199	8,919,778	5,978,016

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 24,605,838	14,253,319	10,352,519
Changes for the Year:			
Service Cost	693,265	-	693,265
Interest on the Total Pension Liability	1,447,660	-	1,447,660
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(746,603)	-	(746,603)
Changes of Assumptions	(1,225,258)	-	(1,225,258)
Contributions - Employer	-	516,409	(516,409)
Contributions - Employees	-	166,610	(166,610)
Net Investment Income	-	971,215	(971,215)
Benefit Payments, including Refunds of Employee Contributions	(816,139)	(816,139)	-
Administrative Expense	-	(52,429)	52,429
Net Changes	(647,075)	785,666	(1,432,741)
Balances at April 30, 2019	23,958,763	15,038,985	8,919,778

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Firefighters’ Pension Plan – Continued**

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

For the year ended April 30, 2019, the Village recognized pension expense of \$1,066,177. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 791,315	(895,146)	(103,831)
Change in Assumptions	1,983,717	(1,996,054)	(12,337)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(78,423)	(78,423)
Total Deferred Amounts Related to Firefighters' Pension	<u>2,775,032</u>	<u>(2,969,623)</u>	<u>(194,591)</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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 83,097
2021	(72,652)
2022	21,309
2023	42,063
2024	(310,859)
Thereafter	<u>42,451</u>
Total	<u>(194,591)</u>

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

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

*Benefits Provided.* RBP provides healthcare for retirees and their dependents. The Village provides the cost of coverage for 80 percent of health insurance premiums for all employees and their dependents. The cost of coverage ends once the employee turns 65 and is eligible for Medicare.

*Plan Membership.* As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>109</u>
Total	<u><u>174</u></u>

##### Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Total OPEB Liability – Continued

###### *Actuarial assumptions and other inputs – Continued.*

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	3.79%
Healthcare Cost Trend Rates	7.5% for 2019, decreasing 0.5% per year to an ultimate rate of 5.0% for 2029 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year muni bond rates.

Mortality rates were based on the RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2019.

##### Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2018	<u>\$ 11,173,806</u>
Changes for the Year:	
Service Cost	184,861
Interest on the Total Pension Liability	427,107
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	172,772
Benefit Payments	<u>(830,908)</u>
Net Changes	<u>(46,168)</u>
Balance at April 30, 2019	<u><u>11,127,638</u></u>

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, 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 (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	\$ 12,181,785	11,127,638	10,224,569

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

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 9.50%, 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:

	(6.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% decreasing to 5.00%)	(8.50% decreasing to 6.00%)
Total OPEB Liability	\$ 10,168,442	11,127,638	12,250,987

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2019**

**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

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

For the year ended April 30, 2019, the Village recognized OPEB expense of \$635,836. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	148,904	-	148,904
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>148,904</u>	<u>-</u>	<u>148,904</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 23,868
2021	23,868
2022	23,868
2023	23,868
2024	23,868
Thereafter	<u>29,564</u>
Total	<u>148,904</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund - Regular
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund - Regular
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
  
- Budgetary Comparison Schedule
  - General Fund
  - CBD TIF Special Allocation – Special Revenue Fund
  - Downtown TOD TIF – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Illinois Municipal Retirement Fund - Regular**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 540,294	\$ 539,165	\$ (1,129)	\$ 4,339,711	12.42%
2017	565,405	565,405	-	4,424,137	12.78%
2018	544,074	544,074	-	4,475,920	12.16%
2019	505,744	505,744	-	4,613,275	10.96%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 8,185	\$ 8,185	\$ -	\$ 27,394	29.88%
2018	23,600	23,600	-	-	0.00%
2019	26,598	26,598	-	-	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 921,705	\$ 943,272	\$ 21,567	\$ 3,244,330	29.07%
2016	1,019,402	1,075,111	55,709	3,815,399	28.18%
2017	1,401,026	1,480,797	79,771	3,538,459	41.85%
2018	1,611,978	1,598,078	(13,900)	3,662,305	43.64%
2019	1,636,498	1,458,177	(178,321)	3,919,645	37.20%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent actuary 2016 Illinois Police Mortality Rates

Note:

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 293,372	\$ 297,928	\$ 4,556	\$ 1,587,266	18.77%
2016	375,122	468,660	93,538	1,949,295	24.04%
2017	529,555	553,240	23,685	1,694,378	32.65%
2018	555,764	537,675	(18,089)	1,753,681	30.66%
2019	570,125	516,409	(53,716)	1,808,708	28.55%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	Graded by years of service
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent actuary 2016 Illinois Fire Mortality Rates

Note:

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

VILLAGE OF HOMEWOOD, ILLINOIS

Illinois Municipal Retirement Fund - Regular

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2019

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 474,972
Interest	2,291,035
Differences Between Expected and Actual Experience	496,795
Change of Assumptions	39,972
Benefit Payments, Including Refunds of Member Contributions	<u>(1,557,446)</u>
Net Change in Total Pension Liability	1,745,328
Total Pension Liability - Beginning	<u>31,129,157</u>
Total Pension Liability - Ending	<u><u>32,874,485</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 539,165
Contributions - Members	203,806
Net Investment Income	143,712
Benefit Payments, Including Refunds of Member Contributions	<u>(1,557,446)</u>
Other (Net Transfer)	<u>265,213</u>
Net Change in Plan Fiduciary Net Position	(405,550)
Plan Net Position - Beginning	<u>29,149,597</u>
Plan Net Position - Ending	<u><u>28,744,047</u></u>
Employer's Net Pension Liability/(Asset)	<u>\$ 4,130,438</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.44%
Covered Payroll	\$ 4,339,711
Employer's Net Pension Liability as a Percentage of Covered Payroll	95.18%

Note:

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

12/31/2016	12/31/2017	12/31/2018
496,752	480,406	448,066
2,411,756	2,450,727	2,417,525
(666,544)	(561,812)	294,767
(80,738)	(1,082,358)	972,532
(1,760,257)	(1,678,581)	(1,748,402)
400,969	(391,618)	2,384,488
32,874,485	33,275,454	32,883,836
33,275,454	32,883,836	35,268,324
565,405	539,772	541,526
199,086	197,517	205,817
1,979,636	5,299,596	(1,853,820)
(1,760,257)	(1,678,581)	(1,748,402)
(64,337)	(1,075,660)	516,308
919,533	3,282,644	(2,338,571)
28,744,047	29,663,580	32,946,224
29,663,580	32,946,224	30,607,653
3,611,874	(62,388)	4,660,671
89.15%	100.19%	86.79%
4,424,137	4,388,394	4,573,695
81.64%	(1.42%)	101.90%

VILLAGE OF HOMEWOOD, ILLINOIS

Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2019

	<u>12/31/2016</u>
Total Pension Liability	
Service Cost	\$ 24,281
Interest	104,193
Differences Between Expected and Actual Experience	71,857
Change of Assumptions	(65,508)
Benefit Payments, Including Refunds of Member Contributions	<u>(117,106)</u>
Net Change in Total Pension Liability	17,717
Total Pension Liability - Beginning	<u>1,526,431</u>
Total Pension Liability - Ending	<u><u>1,544,148</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 8,185
Contributions - Members	2,055
Net Investment Income	88,115
Benefit Payments, Including Refunds of Member Contributions	(117,106)
Administrative Expense	<u>32,111</u>
Net Change in Plan Fiduciary Net Position	13,360
Plan Net Position - Beginning	<u>1,144,297</u>
Plan Net Position - Ending	<u><u>1,157,657</u></u>
Employer's Net Pension Liability	<u><u>\$ 386,491</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.97%
Covered Payroll	\$ 27,394
Employer's Net Pension Liability as a Percentage of Covered Payroll	1410.86%

Note:

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

12/31/2017	12/31/2018
-	-
110,940	107,445
17,802	19,852
(44,128)	31,126
(129,900)	(132,530)
(45,286)	25,893
1,544,148	1,498,862
1,498,862	1,524,755
21,673	27,457
-	-
233,048	(100,408)
(129,900)	(132,530)
(33,677)	49,129
91,144	(156,352)
1,157,657	1,248,801
1,248,801	1,092,449
250,061	432,306
83.32%	71.65%
81,233	-
307.83%	0.00%

## VILLAGE OF HOMEWOOD, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2019

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 804,245
Interest	2,713,356
Differences Between Expected and Actual Experience	737,948
Change of Assumptions	5,822,646
Benefit Payments, Including	
Refunds of Member Contributions	<u>(2,116,317)</u>
Net Change in Total Pension Liability	7,961,878
Total Pension Liability - Beginning	<u>39,820,392</u>
Total Pension Liability - Ending	<u><u>47,782,270</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 943,272
Contributions - Members	482,034
Net Investment Income	1,973,355
Benefit Payments, Including	
Refunds of Member Contributions	(2,116,317)
Administrative Expense	<u>(38,273)</u>
Net Change in Plan Fiduciary Net Position	1,244,071
Plan Net Position - Beginning	<u>24,200,527</u>
Plan Net Position - Ending	<u><u>25,444,598</u></u>
Employer's Net Pension Liability	<u><u>\$ 22,337,672</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.25%
Covered Payroll	\$ 3,244,330
Employer's Net Pension Liability as a Percentage of Covered Payroll	688.51%

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

2016	2017	2018	2019
1,184,771	1,094,625	1,159,098	1,301,906
2,509,051	3,528,677	3,367,305	3,487,726
1,217,293	(1,154,726)	95,173	2,192,916
10,451,391	(3,850,052)	(165,805)	(4,853,964)
(2,117,578)	(2,235,155)	(2,481,407)	(2,531,003)
13,244,928	(2,616,631)	1,974,364	(402,419)
47,782,270	61,027,198	58,410,567	60,384,931
61,027,198	58,410,567	60,384,931	59,982,512
1,075,111	1,480,797	1,598,078	1,458,177
391,865	364,506	375,173	401,960
104,056	2,735,424	2,133,783	1,923,453
(2,117,578)	(2,235,155)	(2,481,407)	(2,531,003)
(41,784)	(64,089)	(44,639)	(93,843)
(588,330)	2,281,483	1,580,988	1,158,744
25,444,598	24,856,268	27,137,751	28,718,739
24,856,268	27,137,751	28,718,739	29,877,483
36,170,930	31,272,816	31,666,192	30,105,029
40.73%	46.46%	47.56%	49.81%
3,815,399	3,538,459	3,662,305	3,919,645
948.02%	883.80%	864.65%	768.05%

## VILLAGE OF HOMEWOOD, ILLINOIS

### Firefighters' Pension Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2019

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 461,750
Interest	1,117,202
Differences Between Expected and Actual Experience	84,327
Change of Assumptions	751,401
Benefit Payments, Including	
Refunds of Member Contributions	<u>(629,721)</u>
Net Change in Total Pension Liability	1,784,959
Total Pension Liability - Beginning	<u>16,274,891</u>
Total Pension Liability - Ending	<u><u>18,059,850</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 297,928
Contributions - Members	154,338
Net Investment Income	953,095
Benefit Payments, Including	
Refunds of Member Contributions	(629,721)
Administrative Expense	<u>(28,587)</u>
Net Change in Plan Fiduciary Net Position	747,053
Plan Net Position - Beginning	<u>11,264,400</u>
Plan Net Position - Ending	<u><u>12,011,453</u></u>
Employer's Net Pension Liability	<u><u>\$ 6,048,397</u></u>
Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	66.51%
Covered Payroll	\$ 1,587,266
Employer's Net Pension Liability as a	
Percentage of Covered Payroll	381.06%

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

2016	2017	2018	2019
600,559	575,757	610,705	693,265
982,420	1,424,222	1,374,528	1,447,660
1,401,465	(512,264)	85,206	(746,603)
3,407,022	(1,574,980)	287,464	(1,225,258)
(653,288)	(669,452)	(793,376)	(816,139)
5,738,178	(756,717)	1,564,527	(647,075)
18,059,850	23,798,028	23,041,311	24,605,838
23,798,028	23,041,311	24,605,838	23,958,763
468,660	553,240	537,675	516,409
158,302	160,870	159,466	166,610
60,065	1,311,465	1,033,535	971,215
(653,288)	(669,452)	(793,376)	(816,139)
(30,225)	(26,746)	(28,325)	(52,429)
3,514	1,329,377	908,975	785,666
12,011,453	12,014,967	13,344,344	14,253,319
12,014,967	13,344,344	14,253,319	15,038,985
11,783,061	9,696,967	10,352,519	8,919,778
50.49%	57.91%	57.93%	62.77%
1,949,295	1,694,378	1,753,681	1,808,708
604.48%	572.30%	590.33%	493.16%

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2019**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	8.28%
2016	0.41%
2017	11.09%
2018	7.95%
2019	6.61%

Note:

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2019**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	8.55%
2016	0.35%
2017	10.93%
2018	7.79%
2019	6.69%

Note:

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Retiree Benefits Plan**

**Required Supplementary Information  
Schedule of Changes in the Employer's Total OPEB Liability  
April 30, 2019**

	2019
Total OPEB Liability	
Service Cost	\$ 184,861
Interest	427,107
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	172,772
Benefit Payments	(830,908)
Net Change in Total OPEB Liability	(46,168)
Total OPEB Liability - Beginning	11,173,806
Total OPEB Liability - Ending	11,127,638
Covered Payroll	\$ 9,577,200
Total OPEB Liability as a Percentage of Covered Payroll	116.19%

Notes:

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

*Changes of Benefit Terms.* There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2020	7.25%
2021	7.00%
2022	6.75%
2023	6.50%
2024	6.25%
2025	6.00%
2026	5.75%
2027	5.50%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Fund**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	General Subfund		
	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,783,213	8,783,213	8,247,942
Intergovernmental	7,150,280	7,150,280	6,958,955
Charges for Services	1,047,620	1,047,620	1,196,991
Licenses and Permits	749,500	749,500	754,479
Fines and Forfeitures	817,500	817,500	615,263
Interest	3,000	3,000	2,907
Miscellaneous	976,550	976,550	1,191,555
Total Revenues	<u>19,527,663</u>	<u>19,527,663</u>	<u>18,968,092</u>
Expenditures			
General Government	5,882,926	5,947,414	5,907,343
Public Health/Environment Protection	779,251	779,251	709,246
Maintenance/Development of Public Facilities	3,526,877	3,682,598	3,568,302
Protect of Persons/Property	10,148,310	10,216,713	9,874,123
Community Development	388,409	434,086	432,261
Debt Service			
Principal Retirement	45,500	45,500	60,037
Interest and Fiscal Charges	-	-	5,855
Total Expenditures	<u>20,771,273</u>	<u>21,105,562</u>	<u>20,557,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,243,610)</u>	<u>(1,577,899)</u>	<u>(1,589,075)</u>
Other Financing Sources			
Disposal of Capital Assets	-	-	56,790
Transfers In	1,316,167	1,316,167	1,036,716
	<u>1,316,167</u>	<u>1,316,167</u>	<u>1,093,506</u>
Net Change in Fund Balance	<u>72,557</u>	<u>(261,732)</u>	(495,569)
Fund Balance - Beginning as Restated			<u>7,489,655</u>
Fund Balance - Ending			<u>6,994,086</u>

Illinois Municipal Retirement Subfund			Totals		
Budget		Actual	Budget		Actual
Original	Final		Original	Final	
1,026,000	1,026,000	863,238	9,809,213	9,809,213	9,111,180
-	-	-	7,150,280	7,150,280	6,958,955
-	-	-	1,047,620	1,047,620	1,196,991
-	-	-	749,500	749,500	754,479
-	-	-	817,500	817,500	615,263
150	150	235	3,150	3,150	3,142
-	-	-	976,550	976,550	1,191,555
1,026,150	1,026,150	863,473	20,553,813	20,553,813	19,831,565
1,004,297	1,004,297	996,336	6,887,223	6,951,711	6,903,679
-	-	-	779,251	779,251	709,246
-	-	-	3,526,877	3,682,598	3,568,302
-	-	-	10,148,310	10,216,713	9,874,123
-	-	-	388,409	434,086	432,261
-	-	-	45,500	45,500	60,037
-	-	-	-	-	5,855
1,004,297	1,004,297	996,336	21,775,570	22,109,859	21,553,503
21,853	21,853	(132,863)	(1,221,757)	(1,556,046)	(1,721,938)
-	-	-	-	-	56,790
-	-	-	1,316,167	1,316,167	1,036,716
-	-	-	1,316,167	1,316,167	1,093,506
21,853	21,853	(132,863)	94,410	(239,879)	(628,432)
		368,043			7,857,698
		235,180			7,229,266

VILLAGE OF HOMEWOOD, ILLINOIS

CBD TIF Special Allocation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
Community Development	229,912	229,912	230,312
Net Change in Fund Balance	<u>(229,912)</u>	<u>(229,912)</u>	(230,312)
Fund Balance - Beginning			<u>234,312</u>
Fund Balance - Ending			<u>4,000</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Downtown TOD TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	100,039
Interest Income	50	50	39
Miscellaneous	-	-	525,000
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>625,078</u>
Expenditures			
Maintenance/Development of Public Facilities	-	660,000	-
Community Development	4,000	15,750	687,837
Total Expenditures	<u>4,000</u>	<u>675,750</u>	<u>687,837</u>
Net Change in Fund Balance	<u>(2,950)</u>	<u>(674,700)</u>	(62,759)
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u><u>(62,759)</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements – General Fund Subfunds
- Budgetary Comparison Schedules – General Fund Subfunds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Enterprise Fund
- Combining Statements – Pension Trust Funds
- Schedule of Changes in Assets and Liabilities – Agency Fund

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

### **CBD TIF Special Allocation Fund**

The CBD TIF Special Allocation Fund is used to account for incremental property taxes received from the initial and expanded Central Business District (CBD) Tax Increment Finance Districts to be used to further develop facades, streetscape, and parking in the CBD; partially fund 1991 Debt Service for early call; and determine the surplus for distribution to all taxing bodies in Homewood.

### **Downtown TOD TIF**

The Downtown TOD TIF is used to account for TIF related revenues and expenditures which will drive economic development and redevelopment in the Village's downtown area the next 23 years.

### **Police Seized Fund**

The Police Seized Fund is used to account for money confiscated from drug-related arrests that can only be used in affiliation with further drug investigation activity.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes. These allotments are received from the State of Illinois.

### **Foreign Fire Insurance Fund**

The Foreign Fire Insurance Fund is used to account for a special tax on insurance companies located outside of the State of Illinois selling fire insurance in the Village.

### **2006 Bond Fund**

The 2006 Bond Fund is used to account for the proceeds of the 2006 bond issue for various projects in the Village.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **SPECIAL REVENUE FUNDS – Continued**

### **Network #3 Cook County Telecomm Fund**

The Network #3 Cook County Telecomm Fund is used to account for a joint effort by eight south suburban community law enforcement agencies to maintain a UHF radio communication system. The Village was the coordinator of the federal grant received to partially finance this project at its inception in 1978.

### **Homewood Emergency Medical Equipment Fund**

The Homewood Emergency Medical Equipment Fund is used to account for the accumulation of resources generated from the efforts of the Homewood Fire Department association and the Chamber of Commerce to be used towards purchase of emergency medical equipment, including ambulances.

### **Northeast TIF Fund**

The Northeast TIF Fund is used to account for revenues derived from the Northeast Tax Increment District to pay development cost.

### **Southwest TIF Special Allocation Fund**

The Southwest TIF Special Allocation Fund is used to account for incremental property taxes received from the Southwest Central Business Tax Increment Finance District created in 1999 to be used for incentives and façade and streetscape improvements funded from a one-time transfer of \$925,000 from the successful Central Business Tax Increment Finance District.

### **East CBD TIF Fund**

The East CBD TIF Fund is used to account for revenues derived from the East CBD Tax Increment District to pay development cost.

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## **DEBT SERVICE FUNDS**

Debt Service Funds are created to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

### **Bond Debt Service Fund**

The Bond Debt Service Fund is used to accumulate monies for payments of \$2,200,000 2010 General Obligation Bonds. The amounts being accumulated are financed by a specific annual tax levy.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by proprietary funds.

### **South Gate TIF Fund**

The South Gate TIF Fund is used to account for a State of Illinois Department of Commerce and Economic Opportunity Grant and accumulated interest for land acquisition for a TIF District for the property known as the South Gate Commercial area.

### **Capital Improvement (CIP) General Fund**

The CIP General Fund is used to account for the cost of planned current and future major projects for building, infrastructure improvements, traffic and environmental projects, fire training and safety programs, and police capital equipment purchases. Financing has been provided from General Fund equity transfers; two –year state income tax surcharge; Water-Sewer equity transfers; a 1991 Corporate Purpose Bond Sale; and various federal, state, and county grants as available. Other funding sources have been the Village’s share of declared TIF surpluses and interest.

### **2002 General Bond Issue Fund**

The 2002 General Bond Issue Fund is used to account for the costs of various capital projects within the Village. Financing is provided by 2002 general obligation bonds in the amount of \$1,400,000.

### **Bond Capital Projects Fund**

The Bond Capital Projects Fund is used to account for the accumulation of monies for payments of \$2,200,000 2010 General Obligation Bonds. Amounts being accumulated are financed by a specific annual levy.

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## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Village’s enterprise funds are both major funds.

### **Water and Sewer Fund**

The Water and Sewer Fund is used to account for amounts credited each month with an amount sufficient, when added to the amount then on deposit in this account, to pay the current month’s operating costs.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

#### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **AGENCY FUND**

#### **Bond and Deposits Fund**

The Bond and Deposits Fund is used to account for monies held by the Village as developer deposits for damages, nuisance and street openings.

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**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Fund**

**Combining Balance Sheet by Subfund  
April 30, 2019**

	General Subfund	Illinois Municipal Retirement Subfund	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 3,984,451	233,007	4,217,458
Receivables - Net of Allowances			
Taxes	2,752,570	478,399	3,230,969
Other Taxes	1,365,419	-	1,365,419
Receivables	224,712	2,173	226,885
Due from Other Funds	638,223	-	638,223
Inventories	142,686	-	142,686
Prepays	1,773,742	-	1,773,742
	<u>10,881,803</u>	<u>713,579</u>	<u>11,595,382</u>
<b>LIABILITIES</b>			
Accounts Payable	314,794	-	314,794
Accrued Payroll	517,702	-	517,702
Other Payables	290,932	-	290,932
Retainage Payable	11,719	-	11,719
Total Liabilities	<u>1,135,147</u>	<u>-</u>	<u>1,135,147</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	2,752,570	478,399	3,230,969
Total Liabilities and Deferred Inflows of Resources	<u>3,887,717</u>	<u>478,399</u>	<u>4,366,116</u>
<b>FUND BALANES</b>			
Nonspendable	1,916,428	-	1,916,428
Restricted	3,680	235,180	238,860
Assigned	259,120	-	259,120
Unassigned	4,814,858	-	4,814,858
Total Fund Balances	<u>6,994,086</u>	<u>235,180</u>	<u>7,229,266</u>
	<u>10,881,803</u>	<u>713,579</u>	<u>11,595,382</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>10,881,803</u>	<u>713,579</u>	<u>11,595,382</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Fund**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Subfund  
For the Fiscal Year Ended April 30, 2019**

	General Subfund	Illinois Municipal Retirement Subfund	Totals
<b>Revenues</b>			
Taxes	\$ 8,247,942	863,238	9,111,180
Intergovernmental	6,958,955	-	6,958,955
Charges for Services	1,196,991	-	1,196,991
Licenses and Permits	754,479	-	754,479
Fines and Forfeitures	615,263	-	615,263
Interest	2,907	235	3,142
Miscellaneous	1,191,555	-	1,191,555
<b>Total Revenues</b>	<b>18,968,092</b>	<b>863,473</b>	<b>19,831,565</b>
<b>Expenditures</b>			
General Government	5,907,343	996,336	6,903,679
Public Health/Environment Protection	709,246	-	709,246
Maintenance/Development of Public Facilities	3,568,302	-	3,568,302
Protect of Persons/Property	9,874,123	-	9,874,123
Community Development	432,261	-	432,261
Debt Service			
Principal Retirement	60,037	-	60,037
Interest and Fiscal Charges	5,855	-	5,855
<b>Total Expenditures</b>	<b>20,557,167</b>	<b>996,336</b>	<b>21,553,503</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(1,589,075)</b>	<b>(132,863)</b>	<b>(1,721,938)</b>
<b>Other Financing Sources</b>			
Disposal of Capital Assets	56,790	-	56,790
Transfers In	1,036,716	-	1,036,716
	<b>1,093,506</b>	<b>-</b>	<b>1,093,506</b>
Net Change in Fund Balance	(495,569)	(132,863)	(628,432)
Fund Balances - Beginning as Restated	7,489,655	368,043	7,857,698
Fund Balances - Ending	<b>6,994,086</b>	<b>235,180</b>	<b>7,229,266</b>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Subfund - General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 8,783,213	8,783,213	8,247,942
Intergovernmental	7,150,280	7,150,280	6,958,955
Charges for Services	1,047,620	1,047,620	1,196,991
Licenses and Permits	749,500	749,500	754,479
Fines and Forfeitures	817,500	817,500	615,263
Interest	3,000	3,000	2,907
Miscellaneous	976,550	976,550	1,191,555
<b>Total Revenues</b>	<b>19,527,663</b>	<b>19,527,663</b>	<b>18,968,092</b>
<b>Expenditures</b>			
General Government	5,882,926	5,947,414	5,907,343
Public Health/Environment Protection	779,251	779,251	709,246
Maintenance/Development of Public Facilities	3,526,877	3,682,598	3,568,302
Protect of Persons/Property	10,148,310	10,216,713	9,874,123
Community Development	388,409	434,086	432,261
Debt Service			
Principal Retirement	45,500	45,500	60,037
Interest and Fiscal Charges	-	-	5,855
<b>Total Expenditures</b>	<b>20,771,273</b>	<b>21,105,562</b>	<b>20,557,167</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,243,610)	(1,577,899)	(1,589,075)
<b>Other Financing Sources</b>			
Disposal of Capital Assets	-	-	56,790
Transfers In	1,316,167	1,316,167	1,036,716
	<b>1,316,167</b>	<b>1,316,167</b>	<b>1,093,506</b>
Net Change in Fund Balance	<u>72,557</u>	<u>(261,732)</u>	(495,569)
Fund Balance - Beginning as Restated			<u>7,489,655</u>
Fund Balance - Ending			<u><u>6,994,086</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Subfund - General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 2,516,290	2,516,290	2,249,953
Property Taxes - Prior Years	50,000	50,000	20,936
Property Taxes - Police Pension	1,636,498	1,636,498	1,454,897
Property Taxes - Fire Pension	570,125	570,125	515,245
Use Taxes	472,060	472,060	591,857
Electric Utility Taxes	660,000	660,000	686,729
Natural Gas Utility Taxes	325,000	325,000	284,915
Telecommunications Taxes	650,000	650,000	598,888
Cable TV Franchise Taxes	390,000	390,000	341,614
Video Gaming Machines Taxes	66,000	66,000	76,769
Hotel Tax	30,000	30,000	34,585
Places of Eating Tax	1,347,240	1,347,240	1,337,376
Township Road and Bridge Taxes	70,000	70,000	54,178
<b>Total Taxes</b>	<b>8,783,213</b>	<b>8,783,213</b>	<b>8,247,942</b>
<b>Intergovernmental</b>			
Sales Taxes	5,237,530	5,237,530	4,880,527
State Income Tax	1,840,000	1,840,000	1,999,066
Replacement Tax	70,000	70,000	51,175
State Grants	1,750	1,750	3,141
Federal Grants	1,000	1,000	2,331
County Grants	-	-	22,715
<b>Total Intergovernmental</b>	<b>7,150,280</b>	<b>7,150,280</b>	<b>6,958,955</b>
<b>Charges for Services</b>			
Ambulance Fees	550,000	550,000	573,836
Municipal Bond Fee	12,100	12,100	7,955
Fire Inspection Fees	-	-	9,626
Building Inspection Fees	75,000	75,000	72,958
Zoning & Subdivision Fees	5,000	5,000	1,300
Parking Fees	25,000	25,000	25,117
State Route Maintenance	70,000	70,000	78,333
Special Events	25,000	25,000	35,599
Taxi Coupons	2,000	2,000	396
Foreclosure Registration Fee	-	-	41,720
Sidewalk Program	3,000	3,000	5,455

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Subfund - General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
<b>Charges for Services - Continued</b>			
Tower Rental	249,520	249,520	287,812
Tree Sales	\$ 3,000	3,000	4,959
Natural Gas Franchise Fee	28,000	28,000	51,925
<b>Total Charges for Services</b>	<b>1,047,620</b>	<b>1,047,620</b>	<b>1,196,991</b>
<b>Licenses and Permits</b>			
Liquor Licenses	54,000	54,000	55,994
Business Licenses	104,000	104,000	106,016
Building Permits	125,000	125,000	120,052
Animal License	7,000	7,000	7,312
Tobacco License	7,500	7,500	3,833
Vehicle Licenses	412,000	412,000	421,777
Alarm Permit	40,000	40,000	39,495
<b>Total Licenses and Permits</b>	<b>749,500</b>	<b>749,500</b>	<b>754,479</b>
<b>Fines and Forfeitures</b>			
State Court Fines	50,000	50,000	46,177
DUI Fines	5,000	5,000	3,553
Red Light Traffic Enforcement	95,000	95,000	100,612
Building Code Violations	12,000	12,000	9,768
Court Supervision Fines	5,000	5,000	2,349
Alarm Fines	22,000	22,000	28,521
Municipal Ordinance Violation	25,000	25,000	38,833
Impoundment Fine	200,000	200,000	179,560
Parking and Compliance	400,000	400,000	203,840
Animal Impounds	3,500	3,500	2,050
<b>Total Fines and Forfeitures</b>	<b>817,500</b>	<b>817,500</b>	<b>615,263</b>
<b>Interest</b>			
Interest Income	3,000	3,000	2,907
<b>Miscellaneous</b>			
Employee Insurance Contributions	497,550	497,550	458,675
General Liens	50,000	50,000	18,354
Miscellaneous	429,000	429,000	714,526
<b>Total Miscellaneous</b>	<b>976,550</b>	<b>976,550</b>	<b>1,191,555</b>
<b>Total Revenues</b>	<b>19,527,663</b>	<b>19,527,663</b>	<b>18,968,092</b>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Subfund - General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
Public Representation	\$ 120,800	120,800	95,076
Village Administration	1,082,149	1,140,137	1,250,474
Legal Services	202,875	190,635	208,885
Information Technology	444,060	456,300	422,337
Finance	1,151,419	1,157,919	1,303,309
Pensioner Costs	2,881,623	2,881,623	2,627,262
<b>Total General Government</b>	<b>5,882,926</b>	<b>5,947,414</b>	<b>5,907,343</b>
<b>Public Health/Environment Protection</b>			
Landscape and Maintenance	779,251	779,251	709,246
<b>Maintenance/Development of Public Facilities</b>			
Traffic Control and Street Lights	202,368	212,368	193,100
General Street Maintenance	489,287	489,287	441,872
Snow and Ice	498,638	498,638	253,163
Stormwater Management	216,363	391,284	415,979
Street Administration	190,701	190,701	189,660
Engineering	396,013	354,955	444,752
Building Maintenance	457,792	464,392	447,247
Vehicle Maintenance	729,715	739,715	793,487
Vehicle Acquisition and Replacement	346,000	341,258	389,042
<b>Total Maintenance/Development of Public Facilities</b>	<b>3,526,877</b>	<b>3,682,598</b>	<b>3,568,302</b>
<b>Protect of Persons/Property</b>			
Fire Operation	2,634,003	2,664,003	2,562,879
Fire Administration	448,884	448,884	435,744
Emergency Preparedness	327,614	335,614	329,145
Patrol Services	4,055,786	4,055,786	3,900,463
Criminal Investigation	1,156,274	1,156,274	1,115,751
Communications	870,315	870,315	852,714

**VILLAGE OF HOMEWOOD, ILLINOIS**

**General Subfund - General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Protect of Persons/Property - Continued			
Police Administration	\$ 655,434	685,837	677,427
Total Protect of Persons/Property	10,148,310	10,216,713	9,874,123
Community Development			
Community Events	246,660	255,037	253,272
Homewood Science Center	141,749	179,049	178,989
Total Community Development	388,409	434,086	432,261
Debt Service			
Principal Retirement	45,500	45,500	60,037
Interest and Fiscal Charges	-	-	5,855
Total Debt Service	45,500	45,500	65,892
Total Expenditures	20,771,273	21,105,562	20,557,167

VILLAGE OF HOMEWOOD, ILLINOIS

Illinois Municipal Retirement Subfund - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,014,000	1,014,000	851,238
Other Taxes	12,000	12,000	12,000
Interest Income	150	150	235
Total Revenues	<u>1,026,150</u>	<u>1,026,150</u>	863,473
Expenditures			
General Government			
Pension Fund Contributions	<u>1,004,297</u>	<u>1,004,297</u>	996,336
Net Change in Fund Balance	<u>21,853</u>	<u>21,853</u>	(132,863)
Fund Balance - Beginning			<u>368,043</u>
Fund Balance - Ending			<u>235,180</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2019**

	Special Revenue	Debt Service Bond Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 2,264,136	58,879	853,452	3,176,467
Receivables - Net of Allowances				
Taxes	79,234	327,279	-	406,513
Receivables	21,000	-	-	21,000
Total Assets	<u>2,364,370</u>	<u>386,158</u>	<u>853,452</u>	<u>3,603,980</u>
<b>LIABILITIES</b>				
Accounts Payable	1,658	-	53,099	54,757
Due to Other Funds	70,197	-	-	70,197
Total Liabilities	<u>71,855</u>	<u>-</u>	<u>53,099</u>	<u>124,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	327,279	-	327,279
Total Liabilities and Deferred Inflows of Resources	<u>71,855</u>	<u>327,279</u>	<u>53,099</u>	<u>452,233</u>
<b>FUND BALANCES</b>				
Restricted	2,362,712	58,879	800,353	3,221,944
Unassigned	(70,197)	-	-	(70,197)
Total Fund Balances	<u>2,292,515</u>	<u>58,879</u>	<u>800,353</u>	<u>3,151,747</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>2,364,370</u>	<u>386,158</u>	<u>853,452</u>	<u>3,603,980</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2019**

	Special Revenue	Debt Service <u>Bond Debt</u> Service	Capital Projects	Totals
Revenues				
Taxes	\$ 452,671	566,634	72,660	1,091,965
Intergovernmental	487,087	-	-	487,087
Interest Income	3,287	126	214	3,627
Miscellaneous	200,721	-	58,178	258,899
Total Revenues	<u>1,143,766</u>	<u>566,760</u>	<u>131,052</u>	<u>1,841,578</u>
Expenditures				
Current				
General Government	46,460	-	-	46,460
Maintenance/Development of Public Facilities	408,131	-	-	408,131
Protect of Persons/Property	315,085	-	1,065,978	1,381,063
Community Development	594	-	49,032	49,626
Debt Service				
Principal Retirement	-	566,000	-	566,000
Interest and Fiscal Charges	-	40,001	-	40,001
Total Expenditures	<u>770,270</u>	<u>606,001</u>	<u>1,115,010</u>	<u>2,491,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	373,496	(39,241)	(983,958)	(649,703)
Other Financing (Uses)				
Transfers (Out)	(65,500)	-	(1,049)	(66,549)
Net Change in Fund Balances	307,996	(39,241)	(985,007)	(716,252)
Fund Balances - Beginning	<u>1,984,519</u>	<u>98,120</u>	<u>1,785,360</u>	<u>3,867,999</u>
Fund Balances - Ending	<u>2,292,515</u>	<u>58,879</u>	<u>800,353</u>	<u>3,151,747</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2019**

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	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
<b>ASSETS</b>			
Cash and Investments	\$ 310,598	486,049	67,083
Receivables - Net of Allowances			
Taxes	-	79,234	-
Receivables	-	-	-
	<hr/>		
Total Assets	<u>310,598</u>	<u>565,283</u>	<u>67,083</u>
<b>LIABILITIES</b>			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<hr/>		
	-	-	-
<b>FUND BALANCES</b>			
Restricted	310,598	565,283	67,083
Unassigned	-	-	-
Total Fund Balances	<hr/>		
	310,598	565,283	67,083
	<hr/>		
Total Liabilities and Fund Balances	<u>310,598</u>	<u>565,283</u>	<u>67,083</u>

2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
20,617	548,434	8,195	611,362	211,798	-	2,264,136
-	-	-	-	-	-	79,234
-	21,000	-	-	-	-	21,000
20,617	569,434	8,195	611,362	211,798	-	2,364,370
1,658	-	-	-	-	-	1,658
-	-	-	-	-	70,197	70,197
1,658	-	-	-	-	70,197	71,855
18,959	569,434	8,195	611,362	211,798	-	2,362,712
-	-	-	-	-	(70,197)	(70,197)
18,959	569,434	8,195	611,362	211,798	(70,197)	2,292,515
20,617	569,434	8,195	611,362	211,798	-	2,364,370

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2019**

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	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
Revenues			
Taxes	\$ -	-	28,012
Intergovernmental	-	487,087	-
Interest Income	2,565	101	-
Miscellaneous	126,891	-	-
Total Revenues	<u>129,456</u>	<u>487,188</u>	<u>28,012</u>
Expenditures			
General Government	-	-	-
Maintenance/Development of Public Facilities	-	363,037	-
Protect of Persons/Property	238,096	-	35,427
Community Development	-	-	-
Total Expenditures	<u>238,096</u>	<u>363,037</u>	<u>35,427</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,640)	124,151	(7,415)
Other Financing (Uses) Transfers (Out)	<u>-</u>	<u>(65,500)</u>	<u>-</u>
Net Change in Fund Balances	(108,640)	58,651	(7,415)
Fund Balances - Beginning	<u>419,238</u>	<u>506,632</u>	<u>74,498</u>
Fund Balances - Ending	<u><u>310,598</u></u>	<u><u>565,283</u></u>	<u><u>67,083</u></u>

2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
-	-	-	398,502	26,157	-	452,671
-	-	-	-	-	-	487,087
-	104	9	326	182	-	3,287
-	72,000	1,830	-	-	-	200,721
-	72,104	1,839	398,828	26,339	-	1,143,766
-	46,460	-	-	-	-	46,460
-	-	-	-	45,094	-	408,131
27,342	-	14,220	-	-	-	315,085
-	-	-	594	-	-	594
27,342	46,460	14,220	594	45,094	-	770,270
(27,342)	25,644	(12,381)	398,234	(18,755)	-	373,496
-	-	-	-	-	-	(65,500)
(27,342)	25,644	(12,381)	398,234	(18,755)	-	307,996
46,301	543,790	20,576	213,128	230,553	(70,197)	1,984,519
18,959	569,434	8,195	611,362	211,798	(70,197)	2,292,515

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Police Seized - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 200	200	2,565
Miscellaneous	50,000	50,000	126,891
Total Revenues	50,200	50,200	129,456
Expenditures			
Protect of Persons/Property	-	-	238,096
Net Change in Fund Balance	<u>50,200</u>	<u>50,200</u>	(108,640)
Fund Balance - Beginning			<u>419,238</u>
Fund Balance - Ending			<u>310,598</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 491,400	491,400	487,087
Interest Income	25	25	101
Total Revenues	<u>491,425</u>	<u>491,425</u>	<u>487,188</u>
Expenditures			
Maintenance/Development of Public Facilities	<u>1,009,280</u>	<u>1,009,280</u>	<u>363,037</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(517,855)	(517,855)	124,151
Other Financing (Uses)			
Transfers (Out)	<u>(346,000)</u>	<u>(346,000)</u>	<u>(65,500)</u>
Net Change in Fund Balance	<u>(863,855)</u>	<u>(863,855)</u>	58,651
Fund Balance - Beginning			<u>506,632</u>
Fund Balance - Ending			<u>565,283</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Foreign Fire Insurance - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes	\$ 25,000	25,000	28,012
Expenditures			
Protect of Persons/Property	-	-	35,427
Net Change in Fund Balance	<u>25,000</u>	<u>25,000</u>	(7,415)
Fund Balance - Beginning			<u>74,498</u>
Fund Balance - Ending			<u>67,083</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**2006 Bond - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	-
Expenditures			
Protect of Persons/Property	39,690	30,690	27,342
Net Change in Fund Balance	<u>(39,690)</u>	<u>(30,690)</u>	(27,342)
Fund Balance - Beginning			<u>46,301</u>
Fund Balance - Ending			<u>18,959</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Network #3 Cook County Telecomm - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 25	25	104
Miscellaneous	100,000	100,000	72,000
Total Revenues	100,025	100,025	72,104
Expenditures			
General Government	22,000	22,000	46,460
Net Change in Fund Balance	<u>78,025</u>	<u>78,025</u>	25,644
Fund Balance - Beginning			<u>543,790</u>
Fund Balance - Ending			<u>569,434</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Homewood Emergency Medical Equipment - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 25	25	9
Miscellaneous	5,000	5,000	1,830
Total Revenues	5,025	5,025	1,839
Expenditures			
Protect of Persons/Property	-	-	14,220
Net Change in Fund Balance	5,025	5,025	(12,381)
Fund Balance - Beginning			20,576
Fund Balance - Ending			8,195

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Northeast TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 80,000	80,000	398,502
Interest Income	100	100	326
Total Revenues	<u>80,100</u>	<u>80,100</u>	<u>398,828</u>
Expenditures			
Community Development	<u>108,189</u>	<u>108,189</u>	<u>594</u>
Net Change in Fund Balance	<u>(28,089)</u>	<u>(28,089)</u>	398,234
Fund Balance - Beginning			<u>213,128</u>
Fund Balance - Ending			<u><u>611,362</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Southwest TIF Special Allocation - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,000	2,000	26,157
Interest Income	100	100	182
Total Revenues	<u>2,100</u>	<u>2,100</u>	<u>26,339</u>
Expenditures			
Maintenance/Development of Public Facilities	<u>411,678</u>	<u>421,928</u>	<u>45,094</u>
Net Change in Fund Balance	<u>(409,578)</u>	<u>(419,828)</u>	(18,755)
Fund Balance - Beginning			<u>230,553</u>
Fund Balance - Ending			<u><u>211,798</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Bond Debt Service - Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 606,373	606,373	566,634
Interest Income	25	25	126
Total Revenues	<u>606,398</u>	<u>606,398</u>	<u>566,760</u>
Expenditures			
Debt Service			
Principal Retirement	584,000	568,206	566,000
Interest and Fiscal Charges	22,373	38,167	40,001
Total Expenditures	<u>606,373</u>	<u>606,373</u>	<u>606,001</u>
Net Change in Fund Balance	<u>25</u>	<u>25</u>	(39,241)
Fund Balance - Beginning			<u>98,120</u>
Fund Balance - Ending			<u><u>58,879</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2019**

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	South Gate TIF	CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 249,638	32,879	-	570,935	853,452
Due from Other Government	-	-	-	6,123	6,123
Total Assets	<u>249,638</u>	<u>32,879</u>	<u>-</u>	<u>577,058</u>	<u>859,575</u>
<b>LIABILITIES</b>					
Accounts Payable	-	-	-	53,099	53,099
Other Payables	-	-	-	6,123	6,123
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,222</u>	<u>59,222</u>
<b>FUND BALANCES</b>					
Restricted	<u>249,638</u>	<u>32,879</u>	<u>-</u>	<u>517,836</u>	<u>800,353</u>
Total Liabilities and Fund Balances	<u>249,638</u>	<u>32,879</u>	<u>-</u>	<u>577,058</u>	<u>859,575</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2019**

	South Gate TIF	CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
Revenues					
Taxes	\$ 72,660	-	-	-	72,660
Interest Income	205	9	-	-	214
Miscellaneous	-	60	-	58,118	58,178
Total Revenues	<u>72,865</u>	<u>69</u>	<u>-</u>	<u>58,118</u>	<u>131,052</u>
Expenditures					
Protect of Persons/Property	-	-	1,429	1,064,549	1,065,978
Community Development	48,975	57	-	-	49,032
Total Expenditures	<u>48,975</u>	<u>57</u>	<u>1,429</u>	<u>1,064,549</u>	<u>1,115,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,890</u>	<u>12</u>	<u>(1,429)</u>	<u>(1,006,431)</u>	<u>(983,958)</u>
Other Financing (Uses) Transfers (Out)	<u>-</u>	<u>(650)</u>	<u>(399)</u>	<u>-</u>	<u>(1,049)</u>
Net Change in Fund Balances	23,890	(638)	(1,828)	(1,006,431)	(985,007)
Fund Balances - Beginning	<u>225,748</u>	<u>33,517</u>	<u>1,828</u>	<u>1,524,267</u>	<u>1,785,360</u>
Fund Balances - Ending	<u>249,638</u>	<u>32,879</u>	<u>-</u>	<u>517,836</u>	<u>800,353</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**South Gate TIF - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 80,000	80,000	72,660
Interest Income	100	100	205
Total Revenues	<u>80,100</u>	<u>80,100</u>	<u>72,865</u>
Expenditures			
Community Development	<u>308,172</u>	<u>322,672</u>	<u>48,975</u>
Net Change in Fund Balance	<u>(228,072)</u>	<u>(242,572)</u>	23,890
Fund Balance - Beginning			<u>225,748</u>
Fund Balance - Ending			<u>249,638</u>

VILLAGE OF HOMEWOOD, ILLINOIS

CIP General - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	9
Miscellaneous	-	-	60
Total Revenues	-	-	69
Expenditures			
Community Development	12,040	12,040	57
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,040)	(12,040)	12
Other Financing (Uses)			
Transfer (Out)	-	-	(650)
Net Change in Fund Balance	<u>(12,040)</u>	<u>(12,040)</u>	(638)
Fund Balance - Beginning			<u>33,517</u>
Fund Balance - Ending			<u>32,879</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**2002 General Bond Issue - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Protect of Persons/Property	2,100	2,100	1,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,100)	(2,100)	(1,429)
Other Financing (Uses)			
Transfers (Out)	-	-	(399)
Net Change in Fund Balance	<u>(2,100)</u>	<u>(2,100)</u>	(1,828)
Fund Balance - Beginning			<u>1,828</u>
Fund Balance - Ending			<u>-</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Bond Capital Projects - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

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	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ 6,000	6,000	58,118
Expenditures			
Protect of Persons/Property	1,445,170	1,499,598	1,064,549
Net Change in Fund Balance	<u>(1,439,170)</u>	<u>(1,493,598)</u>	(1,006,431)
Fund Balance - Beginning			<u>1,524,267</u>
Fund Balance - Ending			<u>517,836</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 7,267,132	7,267,132	7,113,734
Sales to the Village of Flossmoor	1,778,025	1,778,025	1,402,805
Miscellaneous	133,000	133,000	34,191
Total Operating Revenues	<u>9,178,157</u>	<u>9,178,157</u>	<u>8,550,730</u>
Operating Expenses			
Operations			
Water Delivery	1,933,756	1,933,756	1,375,991
Water Acquisition	2,759,951	2,785,951	2,495,212
Water Distribution	594,460	633,960	558,897
Wastewater Distribution	319,601	319,601	299,929
W/S Meters and Lift Stations	511,045	511,045	429,712
Utilities Administration	1,279,277	1,319,777	759,583
Public Works	1,975,604	2,080,410	513,504
Depreciation	-	-	644,209
Total Operating Expenses	<u>9,373,694</u>	<u>9,584,500</u>	<u>7,077,037</u>
Operating Income (Loss)	(195,537)	(406,343)	1,473,693
Nonoperating Revenues			
Interest Income	<u>1,800</u>	<u>1,800</u>	<u>4,052</u>
Income (Loss) Before Transfers	(193,737)	(404,543)	1,477,745
Transfers Out	<u>(1,232,010)</u>	<u>(1,232,010)</u>	<u>(970,167)</u>
Change in Net Position	<u>(1,425,747)</u>	<u>(1,636,553)</u>	507,578
Net Position - Beginning as Restated			<u>43,317,201</u>
Net Position - Ending			<u><u>43,824,779</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position  
April 30, 2019**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,411	8,775	17,186
Investments			
U.S. Government Obligations	1,257,198	680,866	1,938,064
U.S. Agency Obligations	7,594,676	3,711,778	11,306,454
Corporate Bonds	962,486	665,590	1,628,076
Municipal Bonds	1,237,698	712,123	1,949,821
Mutual Funds	18,594,898	9,137,905	27,732,803
Money Market Mutual Funds	142,725	79,379	222,104
Receivables - Net of Allowances			
Accrued Interest	79,595	43,113	122,708
Prepays	5,424	3,179	8,603
Total Assets	29,883,111	15,042,708	44,925,819
<b>LIABILITIES</b>			
Accounts Payable	5,628	3,723	9,351
<b>NET POSITION</b>			
Net Position Restricted for Pensions	29,877,483	15,038,985	44,916,468

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**VILLAGE OF HOMEWOOD, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2019**

	Police Pension	Firefighters' Pension	Totals
<hr/>			
Additions			
Contributions - Employer	\$ 1,458,177	516,409	1,974,586
Contributions - Plan Members	401,960	166,610	568,570
Total Contributions	1,860,137	683,019	2,543,156
<hr/>			
Investment Income			
Interest Income	1,276,800	634,455	1,911,255
Net Change in Fair Value	646,653	336,760	983,413
	1,923,453	971,215	2,894,668
Less Investment Expenses	(48,945)	(24,518)	(73,463)
Net Investment Income	1,874,508	946,697	2,821,205
<hr/>			
Total Additions	3,734,645	1,629,716	5,364,361
<hr/>			
Deductions			
Administration	44,898	27,911	72,809
Benefits and Refunds	2,531,003	816,139	3,347,142
Total Deductions	2,575,901	844,050	3,419,951
<hr/>			
Changes in Fiduciary Net Position	1,158,744	785,666	1,944,410
<hr/>			
Net Position Restricted for Pensions			
Beginning	28,718,739	14,253,319	42,972,058
Ending	29,877,483	15,038,985	44,916,468

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Bond and Deposits - Agency Fund**

**Schedule of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2019**

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	\$ 110,121	-	93,624	16,497
<b>LIABILITIES</b>				
Deposits, Builder and Subdivider	110,121	-	93,624	16,497

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**VILLAGE OF HOMEWOOD, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2019**

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CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement Program	\$ 1,925	-	-	1,925
494-00-1002	Safe Routes to School Program	27	-	-	27
494-00-1488	Motor Fuel Tax Program	428,537	-	-	428,537
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	13,389	-	-	13,389
592-00-1730	Firefighter Training Programs	1,216	-	-	1,216
	Other Grant Programs and Activities	-	257,122	58,281	315,403
	All Other Costs Not Allocated	-	-	32,035,932	32,035,932
	Totals	445,094	257,122	32,094,213	32,796,429

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

September 3, 2019

The Honorable Village President  
Members of the Board of Trustees  
Village of Homewood, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Homewood, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 3, 2019. Our report includes a reference to other auditors who audited the financial statements of the Police Pension Fund and Firefighters' Pension Fund, as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Bonds of 2017A  
April 30, 2019**

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Date of Issue	August 30, 2017
Date of Maturity	December 1, 2020
Authorized Issue	\$1,663,000
Denomination of Bonds	\$5,000
Interest Rates	1.70% to 2.10%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Park Ridge Community Bank

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 584,000	22,373	606,373
2021	537,000	11,277	548,277
	<u>1,121,000</u>	<u>33,650</u>	<u>1,154,650</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2016**

**April 30, 2019**

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Date of Contract	August 9, 2016
Date of Maturity	August 9, 2020
Original Amount of Contract	\$36,496
Interest Rates	3.64%
Interest Dates	August 9
Payable to	Tax -Exempt Leasing Corporation

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 7,290	540	7,830
2021	7,555	275	7,830
	<u>14,845</u>	<u>815</u>	<u>15,660</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract of 2018**

**April 30, 2019**

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Date of Contract	June 13, 2017
Date of Maturity	June 13, 2021
Original Amount of Contract	\$416,226
Interest Rates	2.85%
Interest Dates	June 13
Payable to	Tax - Exempt Leasing Corporation

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 80,875	7,113	87,988
2021	83,179	4,809	87,988
2022	85,550	2,438	87,988
	<u>249,604</u>	<u>14,360</u>	<u>263,964</u>

## **STATISTICAL SECTION (Unaudited)**

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

### **Financial Trends**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

	2010	2011	2012
Governmental Activities			
Net Investment in Capital Assets	\$ 12,996,935	12,915,146	13,393,397
Restricted	1,677,512	872,567	7,222,903
Unrestricted	15,528,635	14,281,221	4,762,783
Total Governmental Activities Net Position	30,203,082	28,068,934	25,379,083
Business-Type Activities			
Net Investment in Capital Assets	35,333,831	34,693,040	34,054,854
Restricted	3,435,055	4,075,242	4,464,456
Unrestricted	1,051,755	1,578,206	2,100,264
Total Business-Type Activities Net Position	39,820,641	40,346,488	40,619,574
Total Primary Government			
Net Investment in Capital Assets	48,330,766	47,608,186	47,448,251
Restricted	5,112,567	4,947,809	11,687,359
Unrestricted	16,580,390	15,859,427	6,863,047
Total Primary Government Net Position	70,023,723	68,415,422	65,998,657

Data Source: Village Records

2013	2014	2015	2016	2017	2018	2019
13,773,930	14,011,793	14,809,283	15,362,185	15,640,718	14,993,025	15,374,261
7,219,103	6,960,745	7,830,408	3,914,277	3,513,409	4,516,476	3,451,964
3,725,199	1,942,655	1,917,384	(28,213,557)	(31,517,676)	(34,936,361)	(46,421,882)
24,718,232	22,915,193	24,557,075	(8,937,095)	(12,363,549)	(15,426,860)	(27,595,657)
33,428,109	32,807,926	32,216,205	31,603,942	31,087,716	30,907,125	30,364,853
5,273,188	5,479,821	3,956,468	4,850,939	5,283,023	6,920,233	7,871,161
2,992,908	4,871,451	5,698,432	6,937,860	7,600,049	6,427,536	5,588,765
41,694,205	43,159,198	41,871,105	43,392,741	43,970,788	44,254,894	43,824,779
47,202,039	46,819,719	47,025,488	46,966,127	46,728,434	45,900,150	45,739,114
12,492,291	12,440,566	11,786,876	8,765,216	8,796,432	11,436,709	11,323,125
6,718,107	6,814,106	7,615,816	(21,275,697)	(23,917,627)	(28,508,825)	(40,833,117)
66,412,437	66,074,391	66,428,180	34,455,646	31,607,239	28,828,034	16,229,122

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 5,926,771	6,146,339	6,984,811	7,138,367	5,583,662	4,323,743	4,914,479	6,760,866	7,139,187	6,890,156
Public Health/Environmental Protection	457,905	463,774	574,442	562,772	591,222	586,032	573,686	625,178	715,611	709,246
Maint./Development of Public Facilities	2,343,295	3,366,139	1,468,025	3,267,714	3,666,558	3,651,912	3,542,003	3,713,326	3,754,736	3,559,230
Protection of Persons/Property	7,729,281	8,500,408	9,329,611	8,515,614	8,564,469	10,949,380	15,832,756	13,254,380	12,883,194	13,128,288
Community Development	7,363,617	6,685,767	3,729,956	1,351,200	2,350,460	2,582,810	3,022,452	799,506	569,515	1,400,036
Interest On Long-Term Debt	103,137	80,771	59,776	40,000	4,304	37,782	19,380	14,458	32,029	32,436
	<u>23,924,006</u>	<u>25,243,198</u>	<u>22,146,621</u>	<u>20,875,667</u>	<u>20,760,675</u>	<u>22,131,659</u>	<u>27,904,756</u>	<u>25,167,714</u>	<u>25,094,272</u>	<u>25,719,392</u>
<b>Business-Type Activities</b>										
Water and Sewer*	4,225,916	4,333,661	4,495,685	5,290,273	5,851,318	8,758,208	6,660,476	7,548,704	7,422,164	7,077,037
Sewer	557,729	602,304	936,315	458,565	816,440	-	-	-	-	-
	<u>4,783,645</u>	<u>4,935,965</u>	<u>5,432,000</u>	<u>5,748,838</u>	<u>6,667,758</u>	<u>8,758,208</u>	<u>6,660,476</u>	<u>7,548,704</u>	<u>7,422,164</u>	<u>7,077,037</u>
<b>Total Primary Government Expenses</b>	<u>28,707,651</u>	<u>30,179,163</u>	<u>27,578,621</u>	<u>26,624,505</u>	<u>27,428,433</u>	<u>30,889,867</u>	<u>34,565,232</u>	<u>32,716,418</u>	<u>32,516,436</u>	<u>32,796,429</u>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services	3,932,311	3,054,180	3,443,541	3,372,029	2,515,088	2,485,856	2,358,022	2,565,178	2,255,706	2,566,733
Operating Grants and Contributions	525,832	1,480,002	826,756	583,263	603,739	667,376	496,820	497,229	504,379	515,274
Capital Grants and Contributions	175,269	-	8,440	971,106	54,785	2,109,988	220,436	12,442	-	-
	<u>4,633,412</u>	<u>4,534,182</u>	<u>4,278,737</u>	<u>4,926,398</u>	<u>3,173,612</u>	<u>5,263,220</u>	<u>3,075,278</u>	<u>3,074,849</u>	<u>2,760,085</u>	<u>3,082,007</u>
<b>Business-Type Activities</b>										
Charges for Services	4,249,711	4,752,587	4,966,963	5,794,748	8,050,766	8,318,372	9,266,599	9,044,369	8,824,277	8,550,730
Water and Sewer*	1,137,881	1,404,927	1,425,651	1,642,122	9,807	-	-	-	-	-
Sewer	-	-	-	12,500	37,500	-	-	-	-	-
Operating Grants and Contributions	5,387,592	6,157,514	6,392,614	7,449,370	8,098,073	8,318,372	9,266,599	9,044,369	8,824,277	8,550,730
	<u>10,021,004</u>	<u>10,691,696</u>	<u>10,671,351</u>	<u>12,375,768</u>	<u>11,271,685</u>	<u>13,581,592</u>	<u>12,341,877</u>	<u>12,119,218</u>	<u>11,584,362</u>	<u>11,632,737</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expenses)/Revenues</b>										
Governmental Activities	\$ (19,619,707)	(20,709,016)	(17,867,884)	(15,949,269)	(17,587,063)	(16,868,439)	(24,829,478)	(22,092,865)	(22,334,187)	(22,637,385)
Business-Type Activities	95,055	1,221,549	960,614	1,700,532	1,430,315	(439,836)	2,606,123	1,495,665	1,402,113	1,473,693
<b>Total Primary Government Net (Expenses)/Revenues</b>	<b>(19,524,652)</b>	<b>(19,487,467)</b>	<b>(16,907,270)</b>	<b>(14,248,737)</b>	<b>(16,156,748)</b>	<b>(17,308,275)</b>	<b>(22,223,355)</b>	<b>(20,597,200)</b>	<b>(20,932,074)</b>	<b>(21,163,692)</b>
<b>General Revenues</b>										
Governmental Activities										
Property Taxes	13,371,129	9,087,710	6,743,098	6,437,480	6,248,045	5,642,684	5,928,427	6,076,725	6,017,665	6,256,261
Sales Tax	3,755,243	3,804,390	3,788,842	3,955,180	3,811,471	5,586,364	4,507,283	4,470,363	4,838,615	4,880,527
Other Tax	2,101,518	2,961,558	3,001,058	3,199,627	4,574,978	4,021,303	5,753,184	4,055,736	4,022,135	4,018,170
Other Revenues	864,658	1,096,849	891,875	907,723	1,092,138	2,411,098	911,446	3,148,430	3,272,432	4,032,503
Transfers	736,766	756,403	753,360	788,408	824,148	848,872	923,404	915,157	1,120,029	970,167
	20,829,314	17,706,910	15,178,233	15,288,418	16,550,780	18,510,321	18,023,744	18,666,411	19,270,876	20,157,628
<b>Business-Type Activities</b>										
Other Revenues	87,051	60,701	65,832	162,507	5,759	615	2,796	(2,361)	2,022	4,052
Transfers	(736,766)	(756,403)	(753,360)	(788,408)	(824,148)	(848,872)	(923,404)	(915,157)	(1,120,029)	(970,167)
	(649,715)	(695,702)	(687,528)	(625,901)	(818,389)	(848,257)	(920,608)	(917,518)	(1,118,007)	(966,115)
<b>Total Primary Government</b>	<b>20,179,599</b>	<b>17,011,208</b>	<b>14,490,705</b>	<b>14,662,517</b>	<b>15,732,391</b>	<b>17,662,064</b>	<b>17,103,136</b>	<b>17,748,893</b>	<b>18,152,869</b>	<b>19,191,513</b>
<b>Change in Net Position</b>										
Governmental Activities	1,209,607	(3,002,106)	(2,689,651)	(660,851)	(1,036,283)	1,641,882	(6,805,734)	(3,426,454)	(3,063,311)	(2,479,757)
Business-Type Activities	(554,660)	525,847	273,086	1,074,631	611,926	(1,288,093)	1,685,515	578,147	284,106	507,578
<b>Total Primary Government</b>	<b>654,947</b>	<b>(2,476,259)</b>	<b>(2,416,565)</b>	<b>413,780</b>	<b>(424,357)</b>	<b>353,789</b>	<b>(5,120,219)</b>	<b>(2,848,307)</b>	<b>(2,779,205)</b>	<b>(1,972,179)</b>

\*Water and Sewer were combined into one fund in FY15.

Data Source: Village Records

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

	2010	2011	2012
General Fund			
Reserved	\$ 957,286	2,570,829	-
Unreserved	6,055,410	5,876,857	-
Nonspendable	-	-	1,818,825
Restricted	-	-	1,067,405
Assigned	-	-	-
Unassigned	-	-	4,496,002
Total General Fund	<u>7,012,696</u>	<u>8,447,686</u>	<u>7,382,232</u>
All Other Governmental Funds			
Reserved	3,320,945	1,772,715	-
Unreserved, Reported in			
Special Revenue Fund	8,874,206	6,419,145	-
Capital Project Fund	1,171,660	2,281,429	-
Debt Service Fund	-	-	-
Nonspendable	-	-	-
Restricted	-	-	6,175,014
Assigned	-	-	1,019,812
Unassigned	-	-	(98,266)
Total All Other Governmental Funds	<u>13,366,811</u>	<u>10,473,289</u>	<u>7,096,560</u>
Total All Governmental Funds	<u><u>20,379,507</u></u>	<u><u>18,920,975</u></u>	<u><u>14,478,792</u></u>

Data Source: Village Records

Note: The Village implemented GASB No. 54 for the year ended April 30, 2012.

2013	2014	2015	2016	2017	2018	2019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,934,122	1,373,461	1,426,732	1,398,879	1,553,446	1,676,632	1,916,428
924,362	766,998	658,716	608,780	505,518	370,228	238,860
-	-	138,000	490,075	252,825	276,809	259,120
3,716,986	3,307,491	4,412,844	5,420,936	5,615,528	5,550,787	4,814,858
6,575,470	5,447,950	6,636,292	7,918,670	7,927,317	7,874,456	7,229,266
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,003,371	6,198,039	7,185,466	3,312,703	3,012,930	4,172,508	3,225,944
-	-	-	-	-	-	-
(33,991)	(89,587)	(138,407)	(81,963)	(69,719)	(70,197)	(132,956)
6,969,380	6,108,452	7,047,059	3,230,740	2,943,211	4,102,311	3,092,988
13,544,850	11,556,402	13,683,351	11,149,410	10,870,528	11,976,767	10,322,254

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

	2010	2011	2012
<b>Revenues</b>			
Property Taxes	\$ 12,294,548	9,087,710	6,743,098
Other Taxes	6,484,181	6,751,210	6,789,686
Licenses and Permits	496,211	524,316	511,786
Intergovernmental Revenues	1,261,557	2,418,641	1,933,706
Fines and Forfeitures	1,327,079	1,289,751	1,295,230
Charges for Services	-	-	-
Permits	82,671	96,877	127,238
Interest Revenue	80,802	47,937	9,571
Miscellaneous Revenue	1,174,127	1,454,874	1,282,886
<b>Total Revenues</b>	<b>23,201,176</b>	<b>21,671,316</b>	<b>18,693,201</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	5,373,564	5,647,609	6,403,608
Public Health/Environmental Protection	457,905	463,774	574,442
Maint/Development of Public Facilities	2,560,316	3,284,983	2,320,664
Protection of Persons/Property	7,829,611	7,951,819	10,200,980
Community Development	7,384,119	6,695,185	3,732,019
<b>Debt Service</b>			
Principal	1,040,000	650,000	670,000
Interest and Fiscal Charges	110,471	78,561	68,375
<b>Total Expenditures</b>	<b>24,755,986</b>	<b>24,771,931</b>	<b>23,970,088</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(1,554,810)</b>	<b>(3,100,615)</b>	<b>(5,276,887)</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	-	-
Bond Premium on Debt Issuance	-	-	-
Disposal of Capital Assets	34,758	17,650	81,416
Transfers In	1,765,705	1,181,131	954,413
Transfers Out	(1,028,939)	(424,728)	(201,053)
	<b>771,524</b>	<b>774,053</b>	<b>834,776</b>
<b>Net Change in Fund Balances</b>	<b>637,616</b>	<b>(2,326,562)</b>	<b>(4,442,111)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.2%</b>	<b>3.0%</b>	<b>3.4%</b>

Data Source: Village Records

2013	2014	2015	2016	2017	2018	2019
6,437,480	6,248,045	5,642,684	5,642,684	6,076,725	6,017,665	6,256,261
7,137,477	2,677,138	3,564,536	4,000,872	3,986,989	4,013,027	4,046,923
536,857	707,598	623,245	662,679	704,161	642,953	754,479
2,557,556	6,386,380	8,818,750	7,269,696	6,877,583	7,156,673	7,446,042
1,271,072	761,391	800,061	647,310	652,865	593,631	615,263
-	1,046,099	1,062,550	1,048,033	1,208,152	1,019,122	1,196,991
115,421	-	-	-	-	-	-
12,459	1,821	4,476	4,661	2,191	3,300	6,808
1,330,356	1,090,317	2,406,622	906,785	1,248,690	1,455,453	1,975,454
19,398,678	18,918,789	22,922,924	20,182,720	20,757,356	20,901,824	22,298,221
6,556,457	5,370,303	5,373,060	6,201,294	6,549,006	6,679,566	6,950,139
562,772	591,222	586,032	573,686	625,178	715,611	709,246
3,335,769	3,541,144	3,475,365	3,355,884	3,528,431	3,798,544	3,976,433
8,589,697	8,383,000	10,882,039	10,472,073	9,897,018	10,404,372	11,255,186
1,350,378	2,350,460	2,582,810	3,022,452	799,506	569,515	1,400,036
690,000	715,000	529,068	573,602	590,783	640,096	626,037
47,438	28,988	28,300	25,948	16,625	10,808	45,856
21,132,511	20,980,117	23,456,674	24,224,939	22,006,547	22,818,512	24,962,933
(1,733,833)	(2,061,328)	(533,750)	(4,042,219)	(1,249,191)	(1,916,688)	(2,664,712)
-	-	1,797,624	-	36,496	1,871,113	-
-	-	-	-	-	-	-
11,483	15,488	14,203	584,874	18,656	31,785	56,790
1,129,063	1,533,489	1,178,949	1,261,277	1,038,101	1,165,529	1,036,716
(340,655)	(709,341)	(330,077)	(337,873)	(122,944)	(45,500)	(66,549)
799,891	839,636	2,660,699	1,508,278	970,309	3,022,927	1,026,957
(933,942)	(1,221,692)	2,126,949	(2,533,941)	(278,882)	1,106,239	(1,637,755)
3.6%	3.6%	2.5%	2.6%	2.9%	2.9%	2.8%

## VILLAGE OF HOMEWOOD, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2019 (Unaudited)

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property
2009	\$ 321,102,256	83,568,511	26,395,498	3,260,978
2010	332,194,996	131,198,885	25,575,022	3,476,738
2011	267,892,510	112,285,898	23,429,284	3,769,288
2012	240,831,331	101,519,189	21,798,572	3,806,717
2013	225,670,838	93,953,010	19,820,953	3,906,622
2014	213,464,518	103,301,375	6,949,143	3,869,430
2015	207,622,129	99,124,699	6,252,185	4,132,666
2016	216,753,116	108,749,102	6,912,089	4,070,644
2017	240,942,083	120,391,644	7,054,157	3,798,284
2018	N/A	N/A	N/A	N/A

Data Source: Cook County Clerk's Office

Notes: Property in Cook County is reassessed once every three years. The County assesses property at approximately 36 percent of actual value for commercial and industrial property and 16 percent for residential property. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentage. Tax rates are per \$1,000 of assessed value.

N/A - Not Available

Farm Property	Total Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value	Estimated Actual Taxable Value	Total Direct Tax Rate
-	434,327,243	33%	1,302,981,729	1.153
-	492,445,641	33%	1,476,436,923	1.145
-	407,376,980	33%	1,222,130,940	1.404
-	367,955,809	33%	1,103,867,427	1.599
-	343,351,423	33%	1,030,054,269	1.674
-	327,584,466	33%	992,680,200	1.817
-	317,131,679	33%	951,395,037	1.895
-	336,484,951	33%	1,009,454,853	1.803
-	372,186,168	33%	1,116,558,504	1.670
-	361,124,411	33%	1,083,373,233	1.755

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2019 (Unaudited)**

Taxing Body	2009	2010	2011	2012
<b>Direct Rates</b>				
Corporate	0.171	0.183	0.201	0.248
Fire and Police Protection	0.155	0.165	0.180	0.223
Debt Service	0.176	0.157	0.190	0.213
Pensions Including Soc. Sec.	0.378	0.399	0.534	0.575
All Other	0.273	0.241	0.299	0.340
Total Village	1.153	1.145	1.404	1.599
<b>Overlapping Rates *</b>				
County and Forest Preserve	0.443	0.474	0.520	0.594
Schools	7.380	7.394	9.548	10.912
All Other	1.468	1.464	1.842	1.994

Data Source: Cook County Clerk's Office

Notes: The provisions of the Property Tax Extension Limitation Law (the "Limitation Law") are applicable to non-home rule taxing districts in Cook County including the Village. The Limitation Law limits the annual growth in property tax extensions for the Village to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the relevant levy year. Generally, extensions can be increased beyond this limitation due to new construction and referendum approval of tax or limitation rate increases.

\* - Overlapping rates are those of local and county governments that apply to property owners within the Village of Homewood. The rates shown are for those taxpayers in the largest tax code and are representative of rates that apply to Village taxpayers.

2013	2014	2015	2016	2017	2018
0.271	0.271	0.246	0.230	0.195	0.203
0.244	0.244	0.221	0.207	0.171	0.182
0.161	0.188	0.194	-	0.171	0.176
0.493	0.578	0.889	0.767	0.844	0.894
0.505	0.535	0.345	0.599	0.289	0.300
1.674	1.817	1.895	1.803	1.670	1.755
0.660	0.654	0.621	0.596	0.589	0.549
11.849	12.660	13.267	12.847	11.843	11.940
2.463	2.103	2.155	2.467	2.319	2.447

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2019 (Unaudited)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Washington Park Plaza LLC	\$ 14,345,737	1	3.97%	\$ 14,781,083	1	3.40%
Menard Inc.	6,936,916	2	1.92%	4,019,114	9	0.93%
Kohls	4,952,946	3	1.37%	6,094,772	4	1.40%
Healthcare & Retirement	4,781,794	4	1.32%			
Albertson's	4,374,486	5	1.21%	6,125,851	3	1.41%
Target	4,266,640	6	1.18%	5,394,081	5	1.24%
Home Depot	3,700,589	7	1.02%	5,009,401	6	1.15%
Homewood Mercy Property	3,367,376	8	0.93%			
Dika Homewood LLC	3,157,468	9	0.87%	3,973,163	10	0.91%
KM Homewood LLC	3,100,836	10	0.86%			
K-Mart Corporation				13,465,396	2	3.10%
Homewood Associates				4,717,746	7	1.09%
Dan Development				4,690,333	8	1.08%
	<u>52,984,788</u>		<u>14.67%</u>	<u>68,270,940</u>		<u>15.72%</u>
Total Village Taxable Assessed Value	<u>361,124,411</u>			<u>434,327,243</u>		

Data Source: Cook County Clerk's Office

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 5,049,000	\$ 2,270,000	44.96%	\$ 2,930,305	\$ 5,200,305	103.00%
2011	6,158,000	3,313,000	53.80%	3,258,699	6,571,699	106.72%
2012	5,766,000	3,163,000	54.86%	3,290,333	6,453,333	111.92%
2013	5,928,000	3,073,000	51.84%	3,230,184	6,303,184	106.33%
2014	5,747,495	2,899,898	50.45%	2,711,759	5,611,657	97.64%
2015	5,988,457	2,825,058	47.18%	2,824,745	5,649,803	94.34%
2016	5,952,210	2,962,112	49.76%	2,902,614	5,864,726	98.53%
2017	6,375,240	2,956,327	46.37%	2,832,944	5,789,271	90.81%
2018	6,213,671	2,888,176	46.48%	2,755,117	5,643,293	90.82%
2019	6,448,178	2,111,661	32.75%	-	2,111,661	32.75%

Data Source: Village of Homewood property tax levy and collection records.

Note: Large WP TIF expired 2011. Non home rule tax caps caused this expired TIF value to be estimated higher for levy purposes. Later, the county backs the levy estimate down to actual number based on tax caps. All taxing bodies in Homewood estimated their levies higher assuming that the % actually collected will be lower when the final levy value was determined by Cook County.

Tax collections from the County in theory could exceed 100%. Cook County adds 3% to the Village's levy for uncollectible taxes (5% for debt service funds) and incorporates this allowance into the total extension.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Taxable Sales by Category - Last Ten Calendar Years  
April 30, 2019 (Unaudited)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Merchandise	\$ 654,097	644,999	636,152
Food	746,906	699,893	669,347
Drinking/Eating Places	332,936	362,146	375,907
Apparel	49,512	50,287	56,680
Furniture/Household/Radio	240,204	237,418	222,670
Lumber/Bldg/Hardware	418,571	416,814	391,645
Automobile/Filling Stations	429,140	631,908	743,802
Drugs & Misc. Retail	619,369	578,648	595,760
Agriculture & Others	107,734	115,906	99,286
Manufacturing	<u>11,200</u>	<u>15,392</u>	<u>4,182</u>
Totals	<u>3,609,669</u>	<u>3,753,411</u>	<u>3,795,431</u>
Village Sales Tax Rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>

Data Source: Illinois Department of Revenue

Note: State of Illinois Department of Revenue information is not available on a April 30 fiscal year basis so we use their calendar year reporting.

2012	2013	2014	2015	2016	2017	2018
602,553	585,896	446,341	440,911	540,576	986,906	1,082,063
668,740	671,951	737,234	737,074	629,998	579,096	599,188
398,657	433,416	480,685	545,958	589,189	633,651	645,942
60,713	57,241	57,449	60,023	57,471	97,618	104,569
226,438	229,636	219,665	233,835	224,768	240,516	272,160
396,135	417,327	423,156	430,626	371,125	439,696	520,826
738,288	752,288	768,365	849,460	898,842	852,769	765,921
636,614	695,113	659,177	963,109	883,691	796,864	744,080
91,545	99,662	165,086	175,712	165,272	173,715	172,412
3,276	3,080	3,471	2,430	11,695	13,155	15,312
3,822,959	3,945,610	3,960,629	4,439,138	4,372,627	4,813,986	4,922,473
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

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Fiscal Year	Village of Homewood Rate	Cook County Rate	State of Illinois Rate	Regional Transit Authority Rate
2010	1.00%	1.25%	5.00%	1.25%
2011	1.00%	1.25%	5.00%	1.25%
2012	1.00%	1.25%	5.00%	1.25%
2013	1.00%	0.75%	5.00%	1.25%
2014	1.00%	0.75%	5.00%	1.25%
2015	1.00%	0.75%	5.00%	1.25%
2016	1.00%	1.75%	5.00%	1.25%
2017	1.00%	1.75%	5.00%	1.25%
2018	1.00%	1.75%	5.00%	1.25%
2019	1.00%	1.75%	5.00%	1.25%

Data Sources: Village of Homewood Finance Department  
Cook County Treasurer's Office  
Illinois Department of Revenue  
RTA

Notes:

- 2010 County made the decision to decrease their rate.
- 2013 County made the decision to decrease their rate.
- 2016 County made the decision to increase their rate.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation (G.O.) Bonds	Installment Contract	Installment Contract			
2010	\$ 3,287,486	\$ -	\$ -	\$ 3,287,486	0.58%	\$ 168.22
2011	2,627,493	-	-	2,627,493	0.45%	135.98
2012	1,947,298	-	-	1,947,298	0.33%	100.78
2013	1,246,898	-	-	1,246,898	0.21%	64.53
2014	515,000	-	-	515,000	0.09%	26.65
2015	1,731,000	52,556	-	1,783,556	0.30%	92.30
2016	1,170,000	39,954	-	1,209,954	0.21%	62.62
2017	600,000	55,667	-	655,667	0.11%	33.93
2018	1,687,000	199,684	164,119	2,050,803	0.35%	106.13
2019	1,121,000	139,647	124,802	1,385,449	0.24%	71.70

Data Source: Village Records

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2019 (Unaudited)

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Fiscal Year	General Obligation (G. O.) Bonds	Percentage of Equalized Assessed Value of Property (1)	Per Capita (2)
2010	\$ 3,287,486	0.76%	\$ 168.22
2011	2,627,493	0.53%	135.98
2012	1,947,298	0.48%	100.78
2013	1,246,898	0.34%	64.53
2014	515,000	0.15%	26.65
2015	1,731,000	0.53%	89.58
2016	1,170,000	0.37%	60.55
2017	600,000	0.18%	31.05
2018	1,687,000	0.45%	87.31
2019	1,121,000	0.31%	58.01

Data Source: Village Records

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

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

(2) See the Schedule of Demographic and Economic Statistics for population data.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Direct and Overlapping Governmental Activities Debt  
April 30, 2019 (Unaudited)**

Governmental Unit	(1) Outstanding Debt	(2) Percentage of Debt Applicable to Village	(3) Village's Share of Debt
Direct			
Village of Homewood	\$ 1,260,647	100.00%	\$ 1,260,647
Overlapping			
Homewood School District No. 153	15,884,606	93.250%	14,812,395
Flossmoor School District No. 161	5,120,000	16.610%	850,432
Hazel Crest School District No. 152 1/2	4,549,288	3.150%	143,303
Thornton School District No. 154	1,371,000	0.520%	7,129
Homewood-Flossmoor H.S.D. No. 233	22,615,000	49.990%	11,305,239
Thornton H.S.D. No. 205	76,169,746	0.280%	213,275
Prairie State Community College No. 515	9,775,000	10.920%	1,067,430
Thornton Community College No. 510	24,451,288	0.110%	26,896
Cook County, Including Forest Preserve District	4,092,481,750	0.230%	9,412,708
Metropolitan Water Reclamation District	2,348,253,000	0.020%	469,651
Homewood-Flossmoor Park District	13,400,000	59.090%	7,918,060
Total Overlapping Debt	6,614,070,678		46,226,518
Total Direct and Overlapping Debt	6,615,331,325		47,487,165

Data Sources:

(1) Data Source: Cook County Tax Extension Department

(2) Determined by ratio of assessed value of property subject to taxation in the Village to value of property subject to taxation in overlapping unit.

(3) Amount in column (2) by amount in column (1).

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Debt Margin Information - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2010	\$ 43,675,703	3,240,000	40,435,703	0.64%
2011	43,688,667	2,590,000	41,098,667	0.51%
2012	37,293,168	1,920,000	35,373,168	0.44%
2013	31,736,189	1,230,000	30,506,189	0.33%
2014	29,614,060	515,000	29,099,060	0.15%
2015	28,254,160	1,731,000	26,523,160	0.53%
2016	27,352,607	1,170,000	26,182,607	0.37%
2017	29,021,827	600,000	28,421,827	0.18%
2018	32,101,057	1,687,000	30,414,057	0.45%
2019	31,146,980	1,121,000	30,025,980	0.31%

Legal Debt Margin Calculation for Fiscal Year 2019

Total Equalized Assessed Valuation - 2018	<u>\$ 361,124,411</u>
Debt Limit - 8.625% of Total EAV	31,146,980
General Obligation Bonds	1,121,000
Less: TIF Supported Debt	-
Net Debt Applicable to Limit	<u>1,121,000</u>
Legal Debt Margin	<u>30,025,980</u>

Data Source: Cook County Clerk and Village Records

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

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Fiscal Year	(1) Population	Per Capita Income	Total Personal Income	Median Age	Education Level in Years of Schooling	(2) School Enrollment	Unemployment Rate
2010	19,543	\$ 28,797	\$ 562,779,771	39.9	13.8	3,941	11.5%
2011	19,323	30,336	586,182,528	41.5	14.0	3,941	8.7%
2012	19,323	30,336	586,182,528	41.5	14.0	3,941	8.7%
2013	19,323	30,336	586,182,528	42.5	14.0	3,493	7.4%
2014	19,323	30,336	586,182,528	42.5	14.0	3,493	7.4%
2015	19,323	30,336	586,182,528	42.5	14.0	3,493	7.4%
2016	19,323	30,336	586,182,528	42.5	14.0	3,493	5.5%
2017	19,323	30,336	586,182,528	42.5	14.0	3,493	5.5%
2018	19,323	30,336	586,182,528	42.5	14.0	3,493	5.5%
2019	19,323	30,336	586,182,528	42.5	14.0	3,493	5.5%

Data Sources:

(1) 2010 is from first pass 2010 census. 2011 - 2019 is from final 2010 Census.

(2) School Enrollment is from Elementary School Districts 153, 161, and High School District 233.

Remaining categories are from Community Development Department.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2019 (Unaudited)**

Employer	2019			2010		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
CN Railroad	700	1	3.62%	700	1	3.62%
Comcast	450	2	2.33%	450	2	2.33%
Jewel/Osco (2 stores)	450	3	2.33%	450	3	2.33%
School District 153	330	4	1.71%	331	4	1.71%
Walmart	300	5	1.55%			
Village of Homewood	190	6	0.98%	210	5	1.09%
Menards	165	7	0.85%	120	10	0.62%
Target	150	8	0.78%	150	7	0.78%
Manor Health Care	150	9	0.78%	150	8	0.78%
Portillo's	150	10	0.78%			
Super Kmart				210	6	1.09%
Home Depot				125	9	0.65%
Totals	<u>3,035</u>		<u>15.71%</u>	<u>2,896</u>		<u>14.99%</u>

Source: 2010 data is from Illinois Dept. Commerce and Economic Opportunity  
2019 data is from Village's Community Development Department/Finance Dept.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Function	2010	2011	2012
Village Hall			
Manager's Office	5.50	5.50	5.50
Finance (a)	7.00	6.50	6.50
Community Development	5.00	4.00	4.00
Public Safety			
Fire (c)			
Sworn Firefighters/EMT	36.50	36.50	36.00
Non Sworn Staff	5.50	5.50	5.50
Police (b)			
Sworn Officers	17.00	17.00	17.00
Non Sworn Staff	2.00	1.00	1.00
Public Works			
Streets	14.00	14.00	13.00
Building/Maint	11.50	11.50	11.50
Vehicles	3.00	3.00	3.00
Sewer/Water	9.00	9.00	9.00
Totals	<u>116.00</u>	<u>113.50</u>	<u>112.00</u>

Data Source: Village of Homewood Budget

A full time employee is scheduled to work 2080 hours per year (including vacation and sick time)  
FTE is calculated by dividing total labor hours by 2080.

Notes:

- (a) Full time water billing clerk and part time water meter reader are included in finance numbers but their expenses are budgeted for each year in Public Works budget.
- (b) Police utilize 3,692 Part Time hours per year to assist covering their front window which is open 24/7. Number of part time employees varies year to year on availability.
- (c) 20 Part Time Firefighters/EMTs are utilized in the Village at up to 1,296 hours per year plus one training assistant at 400 hours.

2013	2014	2015	2016	2017	2018	2019
5.50	5.00	5.00	5.00	6.00	7.00	8.50
6.50	6.00	6.50	7.00	6.00	6.00	6.50
5.00	5.00	3.00	-	-	-	-
36.00	36.00	37.50	17.00	17.00	17.00	17.00
5.50	5.50	6.50	4.00	4.00	4.00	4.00
17.00	17.00	17.00	39.50	39.50	40.00	41.00
1.00	1.00	1.00	6.50	6.50	6.50	7.50
13.00	13.00	6.00	7.00	7.00	7.00	7.00
11.50	11.50	10.00	11.00	11.50	11.00	11.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00
9.00	9.00	7.00	10.00	10.00	10.00	11.00
113.00	112.00	102.50	110.00	110.50	111.50	116.50

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Operating Indicators by Function - Last Ten Fiscal Years  
April 30, 2019 (Unaudited)**

Function	2010	2011	2012
<b>Police</b>			
Number of Employees			
Full Time	42	41	41
Reserve	14	13	13
Crossing Guards	16	19	19
Part-time Clerical	7	7	7
Miles Patrolled	260,000	260,000	260,000
Calls for Service	19,459	20,429	27,901
Part I Crimes Reported	683	632	751
Part I Crimes Cleared	263	235	389
Part II Crimes Reported	1,297	1,385	1,997
Part II Crimes Cleared	518	666	1,215
Number of Traffic Citations Issued	2,478	2,977	5,183
Number of Arrests Made	781	937	1,604
Jail Facilities	7	7	7
Jail Population	290	310	345
Number of Auto Accidents	665	693	610
<b>Vehicles</b>			
Patrol Units	12	12	12
Administrative	6	6	6
Motorcycles	1	1	1
<b>Fire</b>			
Number of Stations	1	1	1
Number of Employees	18	18	18
Number of Paid-on-Call	17	12	16
Number of Fire Responses	862	802	703
Est. \$ Loss from Fires	\$ 402,346	\$ 192,778	\$ 799,713
Number of Fire Prevention Inspections	2,300	981	1,311
Number of Public Education Presentations	70	65	33
Number of Emergency Medical Responses	1,736	1,614	1,794
<b>Health &amp; Environment</b>			
Number of Food Service Establishment Inspections	299	283	292
Number of Swimming Pool Inspections	3	68	7
Number of Property Code Inspections	1,297	997	1,112
Building Permits Issued	991	992	994

Note: Volume usage of capital assets is not available. The Village instead elected to present the above statistics as it was deemed to be a more accurate reflection of the services offered.

2013	2014	2015	2016	2017	2018	2019
41	41	42	43	43	45	46
13	13	13	10	13	13	14
19	19	19	18	18	19	19
7	7	7	6	7	6	6
260,000	260,000	260,000	260,000	260,000	260,000	260,000
26,620	26,620	22,673	22,280	22,172	24,210	24,262
737	737	538	499	588	821	834
327	327	247	203	304	399	397
1,893	1,893	1,923	1,880	1,468	1,493	1,460
1,083	1,083	1,036	1,200	880	912	959
3,681	3,681	3,542	4,995	3,444	3,483	3,493
1,410	1,410	1,283	1,403	1,184	1,311	1,356
7	7	7	7	7	7	7
345	345	772	1,020	828	962	996
657	657	668	792	876	937	940
12	0	12	12	12	12	12
6	-	6	6	6	7	7
2	-	-	-	-	-	-
1	1	1	1	1	1	1
18	18	18	18	18	18	18
14	18	15	15	15	11	12
713	811	814	690	643	639	915
\$ 883,612	\$ 1,926,700	\$ 1,237,545	\$ 432,950	\$ 280,470	\$ 120,000	\$ 706,300
1,988	1,539	1,155	1,155	1,002	881	857
52	40	33	31	23	22	32
1,735	1,897	1,984	2,041	2,318	2,357	2,392
303	220	220	220	212	229	229
178	5	5	4	3	193	193
1,280	1,402	1,402	1,826	1,333	1,746	1,746
1,015	1,208	1,208	1,233	1,145	1,277	1,277