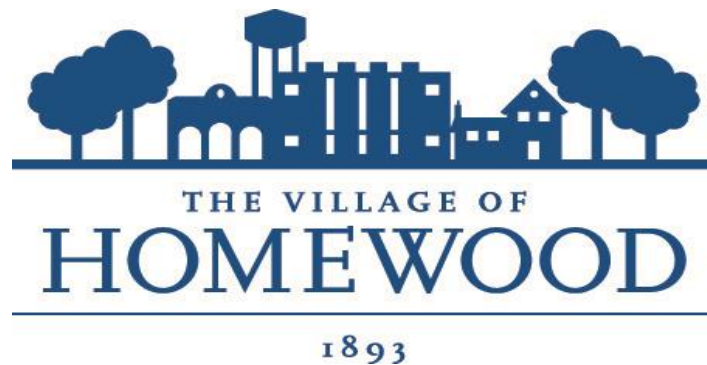


VILLAGE OF HOMEWOOD, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

VILLAGE OF HOMEWOOD, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2018**

Prepared by:

Department of Finance

Dennis Bubenik
Director of Finance

VILLAGE OF HOMEWOOD, ILLINOIS

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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, 2018**

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



July 17, 2018

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

Dear Mr. Marino:

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

The Comprehensive Annual Financial Report (CAFR) for the Village of Homewood, Illinois for the fiscal year ended April 30, 2018 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 comprise 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 of April 30, 2016 is incorporated in the MD&A found later in this document with comparisons of April 30, 2018 to April 30, 2017. 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.

- 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 will be opening in 2018 after extensive renovations to the space. Freddy's Frozen Custard and Steakburgers is under construction on the site of the former Taco Bell and expected to open fall 2018. Panera Bread & Chik Fil A will replace the office building on the northwest corner of 175th and Halsted Streets. Construction will begin in late 2018

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

Rabid Brewing, a local craft brewery, opened on Bretz Drive in fall 2017.

The Shirley Ryan Ability Lab (formerly Rehabilitation Institute of Chicago) has an approved site plan to construct a new facility at the corner of Holbrook & Halsted.

In the **Downtown area**, the Vice District, a craft beer brewing company from Chicago, plans to open a location in the heart of downtown Homewood on Dixie Highway in 2018. Boutique stores catering in specialized home items opening in the downtown this past year were the Villager Gift Shop. Bookie's Bookstore is renovating a store and expects to open in September 2018. Farm to table restaurant Redbird Café opened in May 2017. Grady's Grille underwent a redesign and is now known as Grady's Snack n Dine. The Village has purchased the Triumph Building and is marketing the property as part of an effort to redevelop five sites in downtown Homewood including the Savoia's site for Transit Oriented Development. The Village has engaged a consultant to conduct a feasibility study for a performing arts center in downtown Homewood. Grape & Grain, a local entertainment establishment completed renovations in spring 2018.

The Village has acquired the former Bogart's property on Dixie Highway, will demolish the vacant restaurant in August 2018 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.

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.

YEAR	EQUALIZED ASSESSED VALUATION
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

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.

YEAR	VALUE OF ALL BUILDING PERMITS
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

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.

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*.

Facilities Security Upgrade. In 2012 Police Chief Alcott conducted a Village wide security analysis which identified areas for improvement to secure our facilities. Previously, the Village had a mix of swipe card access and punch key door access to our facilities. The Village also had a mix of analog and digital video recording systems. The Police Chief's analysis identified significant security issues at water treatment facilities, Police Department video recording, and access/video recording to all Village locations. To address these concerns, the Village conducted a Request for Proposals process in October of 2015 for building security improvements. In December 2015, the Village received six proposals to complete security upgrades. In January 2016, the Village interviewed four vendors to better understand their approach to making security improvements at Village facilities. The solution provides the needed updates in security the Village first identified in 2012. The upgrade to secure our facilities was completed in April 2017.

Indoor and Wednesday Night Farmers' Markets. 2016 was the first year Homewood coordinated an indoor farmers market. The markets were held the last Saturday of each month of January, February, March, and April, from 9:00 AM to 12:00 PM at St. Joseph Parish Hall. The indoor market was an opportunity to engage our local consumers and beyond offering most of the same products from the outdoor market. Having an indoor market, we were able to continue the momentum of the market growth and then transition to the outdoor farmers' market, from the last Saturday in May to the second Saturday in October. Beginning in July 2017, a Wednesday night Farmer's Market was introduced in addition to the weekend market. The purpose was two-fold: one to provide consumers with a place to gather and purchase products mid-week as well as providing foot traffic to our downtown which provided additional business to the restaurants and shops in the downtown area. The Wednesday night Farmer's Market continues to be a huge success and runs through the end of August.

Downtown Transit Oriented Development. In 2017, 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.

Anti-Icing Program. The Public Works Department started an anti-icing program for winter 2015-2016 operations. A brine mix can be applied before a storm as opposed to salting which starts when the storm starts. The Fleet Department fitted a vehicle to obtain the needs of performing this operation. Brine has the potential to provide cost savings versus the high cost of salt these past ten years. Staff continues to review the benefits of anti-icing in the snow removal operations.

MABAS Facility. Homewood's involvement with MABAS continues to be an important factor in our overall ability to respond to emergencies as a Department and as a Division. 2015-16 saw the opening of the MABAS 24 Division building in Homewood. This is the first MABAS Division (there are 65 in the State) to have its own facility. This will allow for specialty teams to respond anywhere in the district from its most central location.

Police Drills. All too often these past years across the United States we see stories in the media of criminal situations ranging from theft to hostage taking. When those events occur at schools, the story takes on added emergency. While the next school situation can't be predicted and is totally random, The Village of Homewood Police Department has been actively engaged with local public and private schools. This engagement can be as simple as information exchange all the way up to actual drills at the schools. Should there ever be an event, there is no time to waste. Gaining an understanding of the campus layout and knowing the responsibilities of all parties during an event will allow for the quickest resolution of the event. This past year saw the another drill at a Homewood school with the Police Department. After the drill there is review of what happened and how to improve response.

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, 2018 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 SYSYTEM

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, 2018 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%
TOTAL	100%

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 \$5,314 of interest income this past fiscal year. Investment return rates continue at historically low levels

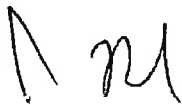
INDEPENDENT AUDIT

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.

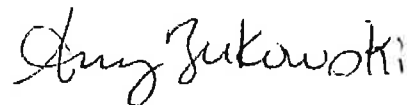
ACKNOWLEDGMENTS

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

July 17, 2018

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, 2018, 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 Firefighter's Pension Funds of the Village of Homewood, Illinois. 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 Firefighter's Pension Funds of the Village of Homewood, Illinois, 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 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, 2018, 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 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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, 2018

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, 2018. Please read it in conjunction with the transmittal letter which begins on page iii and the Village's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- The Village's net position, of the governmental activities decreased by \$3,063,311 or 24.8 percent and the net position of business-type activities increased by \$284,106, or 0.6 percent.
- During the year, government-wide revenues for the primary government totaled \$29,737,231, while expenses totaled \$32,516,436, resulting in a decrease to net position of \$2,779,205.
- The Village's net position totaled \$28,828,034 on April 30, 2018, which includes \$45,900,150 net investment in capital assets, \$11,436,709 subject to external restrictions, and \$28,508,825 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 \$7,874,456, a decrease of less than one percent.

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 4 - 7) 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 8. 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, 2018

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 4 - 7 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, 2018

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 sixteen 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 and CBD TIF Special Allocation Funds, both of which are considered major funds. Data from the other eighteen 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 8 - 11 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 12 - 15 of this report.

VILLAGE OF HOMEWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 16 -17 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 18 - 68 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 and CBD TIF Special Allocation Funds. Required supplementary information can be found on pages 69 - 84 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 85 - 118 of this report.

VILLAGE OF HOMEWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2018

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 \$28,828,034.

	Governmental		Net Position		Totals	
	Activities		Business-Type			
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 16,851,241	15,662,532	14,532,012	13,881,620	31,383,253	29,544,152
Capital Assets	15,846,472	15,908,145	30,907,125	31,087,716	46,753,597	46,995,861
Total Assets	32,697,713	31,570,677	45,439,137	44,969,336	78,136,850	76,540,013
Deferred Outflows	11,299,338	14,446,723	121,226	205,947	11,420,564	14,652,670
Total Assets/ Def. Outflows	43,997,051	46,017,400	45,560,363	45,175,283	89,557,414	91,192,683
Long-Term Debt	44,335,440	45,620,028	226,504	563,669	44,561,944	46,183,697
Other Liabilities	1,625,302	1,578,736	633,912	578,390	2,259,214	2,157,126
Total Liabilities	45,960,742	47,198,764	860,416	1,142,059	46,821,158	48,340,823
Deferred Inflows	13,463,169	11,182,185	445,053	62,436	13,908,222	11,244,621
Total Liabilities/Def. Inflows	59,423,911	58,380,949	1,305,469	1,204,495	60,729,380	59,585,444
Net Position						
Net Investment in						
Capital Assets	14,993,025	15,640,718	30,907,125	31,087,716	45,900,150	46,728,434
Restricted	4,516,476	3,513,409	6,920,233	5,283,023	11,436,709	8,796,432
Unrestricted	(34,936,361)	(31,517,676)	6,427,536	7,600,049	(28,508,825)	(23,917,627)
Total Net Position	(15,426,860)	(12,363,549)	44,254,894	43,970,788	28,828,034	31,607,239

A large portion of the Village's net position, \$45,900,150, 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, \$11,436,709, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$28,508,825), 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, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2018	2017
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 2,255,706	2,565,178	8,824,277	9,044,369	11,079,983	11,609,547
Operating Grants/Contrib.	504,379	497,229	-	-	504,379	497,229
Capital Grants/Contrib.	-	12,442	-	-	-	12,442
General Revenues						
Property Taxes	6,017,665	6,076,725	-	-	6,017,665	6,076,725
Income Taxes	1,758,277	1,821,924	-	-	1,758,277	1,821,924
Sales Taxes	4,838,615	4,470,363	-	-	4,838,615	4,470,363
Replacement Taxes	55,402	75,625	-	-	55,402	75,625
Other Taxes	4,022,135	4,055,736	-	-	4,022,135	4,055,736
Interest Income	3,300	2,191	2,022	1,570	5,322	3,761
Miscellaneous	1,455,453	1,248,690	-	(3,931)	1,455,453	1,244,759
Total Revenues	20,910,932	20,826,103	8,826,299	9,042,008	29,737,231	29,868,111
Expenses						
General Government	7,139,187	6,760,866	-	-	7,139,187	6,760,866
Public Health/ Environment Protection	715,611	625,178	-	-	715,611	625,178
Maintenance/Development of						
Public Facilities	3,754,736	3,713,326	-	-	3,754,736	3,713,326
Protect of Persons/Property	12,883,194	13,254,380	-	-	12,883,194	13,254,380
Community Development	569,515	799,506	-	-	569,515	799,506
Interest on Long-Term Debt	32,029	14,458	-	-	32,029	14,458
Water and Sewer	-	-	6,780,903	6,934,578	6,780,903	6,934,578
Depreciation	-	-	641,261	614,126	641,261	614,126
Total Expenses	25,094,272	25,167,714	7,422,164	7,548,704	32,516,436	32,716,418
Change Before Transfers	(4,183,340)	(4,341,611)	1,404,135	1,493,304	(2,779,205)	(2,848,307)
Internal Activity-Transfers	1,120,029	915,157	(1,120,029)	(915,157)	-	-
Change in Net Position	(3,063,311)	(3,426,454)	284,106	578,147	(2,779,205)	(2,848,307)
Net Position-Beginning	(12,363,549)	(8,937,095)	43,970,788	43,392,641	31,607,239	34,455,546
Net Position-Ending	(15,426,860)	(12,363,549)	44,254,894	43,970,788	28,828,034	31,607,239

Net position of the Village's governmental activities decreased by 24.8 percent [(\$12,363,549) in 2017 compared to (\$15,426,860) in 2018]. Unrestricted governmental activities net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled (\$34,936,361) at April 30, 2018.

Net position of business-type activities increased by 0.6 percent (\$43,970,788 in 2017 compared to \$44,254,894 in 2018).

VILLAGE OF HOMEWOOD, ILLINOIS

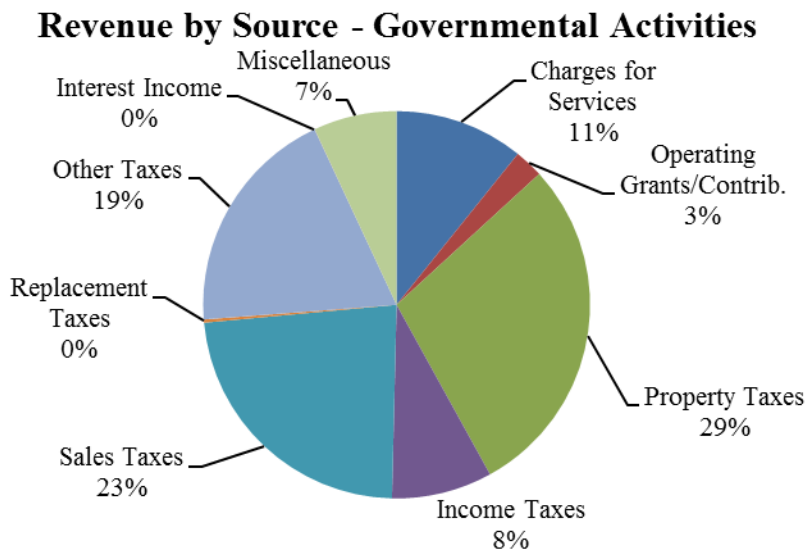
Management's Discussion and Analysis April 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

Revenues for governmental activities totaled \$20,910,932, while the cost of all governmental functions totaled \$25,094,272. This results in a deficit of \$4,183,340 prior to transfers in of \$1,120,029. The Village saw revenues increase \$84,829 or 0.4 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.

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.

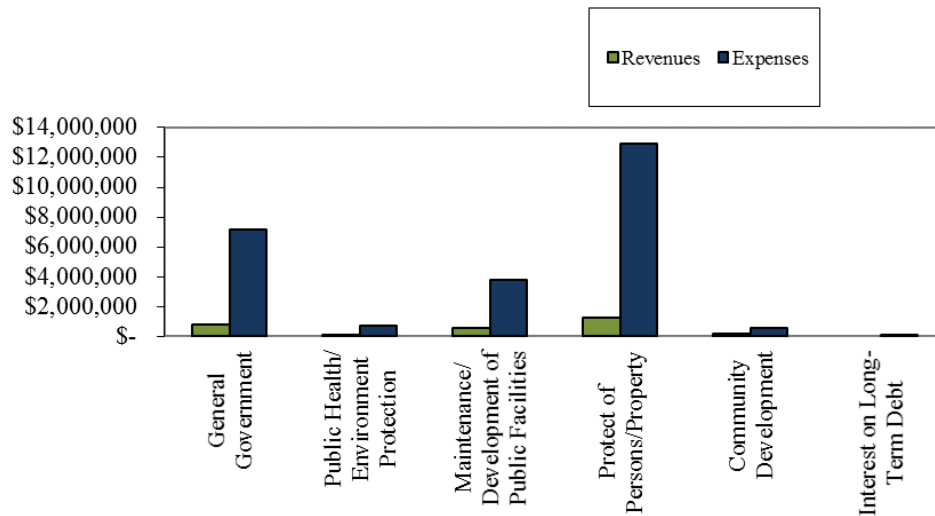
VILLAGE OF HOMEWOOD, ILLINOIS

**Management’s Discussion and Analysis
April 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

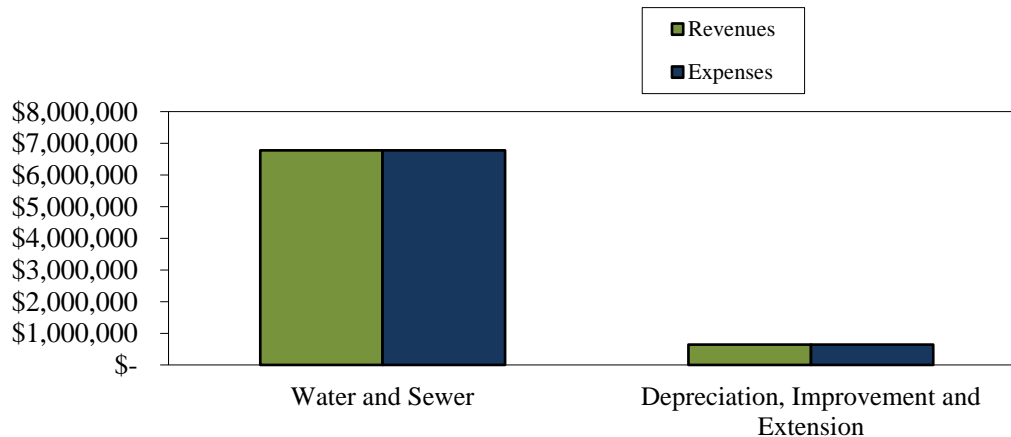
Expenses and Program Revenues - Governmental Activities



Business-Type activities

Business-Type activities posted total revenues of \$8,826,299, while the cost of all business-type activities totaled \$7,422,164. This results in a surplus of \$1,404,135, prior to transfers out of \$1,120,029. The surplus is primarily due to the completion of the water meter exchange program. Other capital projects on the drawing board have not yet started but will draw down current surplus when they do. 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, 2018

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 \$11,976,767, which is \$1,106,239, or 10.2 percent, higher than last year's total of \$10,870,528. Of the \$11,976,767 total, \$7,434,031, or approximately 62.1 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 (\$52,861), a decrease of less than one percent.

The General Fund is the chief operating fund of the Village. At April 30, 2018, unassigned fund balance in the General Fund was \$5,550,787, which represents 70.5 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 26.9 percent of total General Fund expenditures.

The CBD TIF Special Allocation Fund reported a deficit change in fund balance of (\$8,633). The TIF ended December 31, 2014. Planned community development expenditures continue to be paid out of the TIF.

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 \$284,106. 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 \$641,261 of the total fund's expenses of \$7,422,164, or 8.6 percent.

VILLAGE OF HOMEWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$19,211,124 compared to budgeted revenues of \$20,163,133. For the just completed current fiscal year, in the larger revenue categories, sales tax was \$212,385 below budget and property tax was \$325,753 below budget.

The General Fund actual expenditures for the year were \$990,618 lower than budgeted (\$21,660,030 actual compared to \$20,669,412 budgeted). A milder than expected winter resulted in snow & ice expenditures coming in under budget. Retirements and other staffing movements in the Police Department this past year resulted in the Police budget, the Village's largest department budget, actual expenses 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, 2018 was \$46,753,597 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,855,413	1,855,413	-	-	1,855,413	1,855,413
Construction in Progress	320,000	130,550	-	71,639	320,000	202,189
Buildings and Improvements	2,709,888	2,677,747	600,858	520,790	3,310,746	3,198,537
Vehicles and Equipment	2,519,280	2,596,497	432,295	46,947	2,951,575	2,643,444
Infrastructure	8,441,891	8,647,938	29,873,972	30,448,340	38,315,863	39,096,278
Totals	15,846,472	15,908,145	30,907,125	31,087,716	46,753,597	46,995,861

Capital asset additions for the year included:

Construction in Progress	\$ 320,000
Building and Improvements	57,393
Vehicles and Equipment	662,242
	<u>1,039,635</u>

Additional information on the Village's capital assets can be found in note 3 on pages 38 - 39 of this report.

VILLAGE OF HOMEWOOD, ILLINOIS

Management's Discussion and Analysis April 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$1,687,000. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2018	2017
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 1,687,000	600,000	-	-	1,687,000	600,000

The Village's outstanding debt increased by \$1,687,000 or 181.2 percent in this fiscal year. Additional information on the Village's long-term debt can be found in Note 3 on pages 41 - 44 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 2018-19 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 projection for the coming year shows more optimism on top of the optimism seen in this current budget year.

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, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 9,575,499	12,862,434	22,437,933
Receivables - Net of Allowances	5,543,842	1,662,458	7,206,300
Inventories	145,976	-	145,976
Prepays	1,530,656	-	1,530,656
Total Current Assets	16,795,973	14,524,892	31,320,865
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	2,175,413	-	2,175,413
Depreciable Capital Assets	28,232,378	49,006,098	77,238,476
Accumulated Depreciation	(14,561,319)	(18,098,973)	(32,660,292)
	15,846,472	30,907,125	46,753,597
Other Assets			
Net Pension Asset - IMRF	55,268	7,120	62,388
Total Noncurrent Assets	15,901,740	30,914,245	46,815,985
Total Assets	32,697,713	45,439,137	78,136,850
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	941,039	121,226	1,062,265
Deferred Items - SLEP	40,594	-	40,594
Deferred Items - Police Pension	6,606,054	-	6,606,054
Deferred Items - Firefighters' Pension	3,711,651	-	3,711,651
Total Deferred Outflows of Resources	11,299,338	121,226	11,420,564
Total Assets and Deferred Outflows of Resources	43,997,051	45,560,363	89,557,414

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 274,507	446,224	720,731
Accrued Payroll	399,165	52,921	452,086
Deposits Payable	-	77,772	77,772
Interest Payable	26,260	4,093	30,353
Other Payables	226,945	-	226,945
Current Portion of Long-Term Debt	698,425	52,902	751,327
Total Current Liabilities	1,625,302	633,912	2,259,214
Noncurrent Liabilities			
Compensated Absences Payable	289,552	54,340	343,892
Net Pension Liability - SLEP	250,061	-	250,061
Net Pension Liability - Police Pension	31,666,192	-	31,666,192
Net Pension Liability - Firefighters' Pension	10,352,519	-	10,352,519
Net Other Post-Employment Benefit Obligation Payable	516,469	47,362	563,831
General Obligation Bonds Payable	1,121,000	-	1,121,000
Installment Contract Payable	139,647	124,802	264,449
Total Noncurrent Liabilities	44,335,440	226,504	44,561,944
Total Liabilities	45,960,742	860,416	46,821,158
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	3,454,815	445,053	3,899,868
Deferred Items - SLEP	124,294	-	124,294
Deferred Items - Police Pension	4,524,491	-	4,524,491
Deferred Items - Firefighters' Pension	1,923,733	-	1,923,733
Property Taxes	3,435,836	-	3,435,836
Total Deferred Inflows of Resources	13,463,169	445,053	13,908,222
Total Liabilities and Deferred Inflows of Resources	59,423,911	1,305,469	60,729,380
NET POSITION			
Net Investment in Capital Assets	14,993,025	30,907,125	45,900,150
Restricted - Employee Benefits	368,043	-	368,043
Restricted - Audit	2,185	-	2,185
Restricted - TIF Development	903,741	-	903,741
Restricted - Law Enforcement	419,238	-	419,238
Restricted - Street Improvement	506,632	-	506,632
Restricted - Fire Department	74,498	-	74,498
Restricted - Telecommunication	564,366	-	564,366
Restricted - Debt Service	71,860	-	71,860
Restricted - Capital Projects	1,605,913	6,920,233	8,526,146
Unrestricted (Deficit)	(34,936,361)	6,427,536	(28,508,825)
Total Net Position	(15,426,860)	44,254,894	28,828,034

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, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 7,139,187	797,379	10,880	-
Public Health/Environment Protection	715,611	1,888	-	-
Maintenance/Development of Public Facilities	3,754,736	61,865	493,499	-
Protect of Persons/Property	12,883,194	1,218,137	-	-
Community Development	569,515	176,437	-	-
Interest on Long-Term Debt	32,029	-	-	-
Total Governmental Activities	<u>25,094,272</u>	<u>2,255,706</u>	<u>504,379</u>	<u>-</u>
Business-Type Activities				
Water and Sewer	7,422,164	8,824,277	-	-
Total Primary Government	<u>32,516,436</u>	<u>11,079,983</u>	<u>504,379</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

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
(6,330,928)	-	(6,330,928)
(713,723)	-	(713,723)
(3,199,372)	-	(3,199,372)
(11,665,057)	-	(11,665,057)
(393,078)	-	(393,078)
(32,029)	-	(32,029)
(22,334,187)	-	(22,334,187)
-	1,402,113	1,402,113
(22,334,187)	1,402,113	(20,932,074)
6,017,665	-	6,017,665
4,022,135	-	4,022,135
4,838,615	-	4,838,615
1,758,277	-	1,758,277
55,402	-	55,402
3,300	2,022	5,322
1,455,453	-	1,455,453
1,120,029	(1,120,029)	-
19,270,876	(1,118,007)	18,152,869
(3,063,311)	284,106	(2,779,205)
(12,363,549)	43,970,788	31,607,239
(15,426,860)	44,254,894	28,828,034

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

VILLAGE OF HOMEWOOD, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2018**

	General	Special Revenue CBD TIF Special Allocation	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 5,468,704	234,312	3,872,483	9,575,499
Receivables - Net of Allowances				
Taxes	3,101,026	-	418,929	3,519,955
Other Taxes	1,284,433	-	-	1,284,433
Receivables	247,701	-	9,000	256,701
Due from Other Funds	70,197	-	-	70,197
Inventories	145,976	-	-	145,976
Prepays	1,530,656	-	-	1,530,656
Total Assets	11,848,693	234,312	4,300,412	16,383,417
LIABILITIES				
Accounts Payable	247,101	-	27,406	274,507
Accrued Payroll	399,165	-	-	399,165
Other Payables	226,945	-	-	226,945
Due to Other Funds	-	-	70,197	70,197
Total Liabilities	873,211	-	97,603	970,814
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,101,026	-	334,810	3,435,836
Total Liabilities and Deferred Inflows of Resources	3,974,237	-	432,413	4,406,650
FUND BALANCES				
Nonspendable	1,676,632	-	-	1,676,632
Restricted	370,228	234,312	3,938,196	4,542,736
Assigned	276,809	-	-	276,809
Unassigned	5,550,787	-	(70,197)	5,480,590
Total Fund Balances	7,874,456	234,312	3,867,999	11,976,767
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,848,693	234,312	4,300,412	16,383,417

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, 2018

Total Governmental Fund Balances \$ 11,976,767

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. 15,846,472

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

 Deferred Items - IMRF (2,513,776)

 Deferred Items - SLEP (83,700)

 Deferred Items - Police Pension 2,081,563

 Deferred Items - Firefighters' Pension 1,787,918

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. 482,753

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

 Compensated Absences Payable (361,940)

 Net Pension Liability - IMRF 55,268

 Net Pension Liability - SLEP (250,061)

 Net Pension Liability - Police Pension (31,666,192)

 Net Pension Liability - Firefighters' Pension (10,352,519)

 Net Other Post-Employment Benefit Obligation Payable (516,469)

 General Obligation Bonds Payable (1,687,000)

 Installment Contract Payable (199,684)

 Accrued Interest Payable (26,260)

Net Position of Governmental Activities (15,426,860)

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, 2018**

	General	Special Revenue CBD TIF Special Allocation	Nonmajor	Totals
Revenues				
Taxes	\$ 9,247,553	-	783,139	10,030,692
Intergovernmental	6,663,174	-	493,499	7,156,673
Charges for Services	1,019,122	-	-	1,019,122
Licenses and Permits	642,953	-	-	642,953
Fines and Forfeitures	593,631	-	-	593,631
Interest	2,038	-	1,262	3,300
Miscellaneous	1,042,653	-	412,800	1,455,453
Total Revenues	19,211,124	-	1,690,700	20,901,824
Expenditures				
Current				
General Government	6,641,905	-	37,661	6,679,566
Public Health/Environment Protection	715,611	-	-	715,611
Maintenance/Development of Public Facilities	3,291,843	-	506,701	3,798,544
Protect of Persons/Property	9,559,767	-	844,605	10,404,372
Community Development	394,394	8,653	166,468	569,515
Debt Service				
Principal Retirement	64,096	-	576,000	640,096
Interest and Fiscal Charges	1,796	-	9,012	10,808
Total Expenditures	20,669,412	8,653	2,140,447	22,818,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,458,288)	(8,653)	(449,747)	(1,916,688)
Other Financing Sources (Uses)				
Debt Issuance	208,113	-	1,663,000	1,871,113
Disposal of Capital Assets	31,785	-	-	31,785
Transfers In	1,165,529	-	-	1,165,529
Transfers Out	-	-	(45,500)	(45,500)
	1,405,427	-	1,617,500	3,022,927
Net Change in Fund Balances	(52,861)	(8,653)	1,167,753	1,106,239
Fund Balances - Beginning	7,927,317	242,965	2,700,246	10,870,528
Fund Balances - Ending	7,874,456	234,312	3,867,999	11,976,767

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 1,106,239
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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	578,965
Depreciation Expense	(607,055)
Disposals - Cost Net of Accumulated Depreciation	(33,583)

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

Change in Deferred Items - IMRF	(3,531,749)
Change in Deferred Items - SLEP	(135,906)
Change in Deferred Items - Police Pension	(1,610,723)
Change in Deferred Items - Firefighters' Pension	(133,067)

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.

9,108

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.

Decrease in Compensated Absences Payable	28,799
Decrease in Net Pension Liability - IMRF	3,220,866
Decrease in Net Pension Liability - SLEP	136,430
(Increase) in Net Pension Liability - Police Pension	(393,376)
(Increase) in Net Pension Liability - Firefighters' Pension	(655,552)
Decrease in Net Other Post-Employment Benefit Obligation Payable	209,531
Issuance of Debt	(1,871,113)
Retirement of Debt	640,096

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.

(21,221)

Changes in Net Position of Governmental Activities

(3,063,311)

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, 2018**

	<u>Business-Type Activities</u>
	<u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 12,862,434
Receivables - Net of Allowances	
Accounts	462,631
Unbilled Accounts	1,199,827
Total Current Assets	<u>14,524,892</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	49,006,098
Accumulated Depreciation	<u>(18,098,973)</u>
	30,907,125
Other Assets	
Net Pension Asset - IMRF	<u>7,120</u>
Total Noncurrent Assets	<u>30,914,245</u>
Total Assets	45,439,137
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>121,226</u>
Total Assets and Deferred Outflows of Resources	<u>45,560,363</u>

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

	Business-Type Activities
	<u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 446,224
Accrued Payroll	52,921
Deposits Payable	77,772
Accrued Interest	4,093
Compensated Absences Payable	13,585
Installment Contracts Payable	39,317
Total Current Liabilities	<u>633,912</u>
Noncurrent Liabilities	
Compensated Absences Payable	54,340
Net Other Post-Employment Benefit Obligation Payable	47,362
Installment Contracts Payable	124,802
Total Noncurrent Liabilities	<u>226,504</u>
Total Liabilities	<u>860,416</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	445,053
Total Liabilities and Deferred Inflows of Resources	<u>1,305,469</u>
NET POSITION	
Investment in Capital Assets	30,907,125
Restricted - Capital Projects	6,920,233
Unrestricted	6,427,536
Total Net Position	<u><u>44,254,894</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, 2018**

	Business-Type Activities
	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 7,236,032
Sales to the Village of Flossmoor	1,487,391
Miscellaneous	100,854
Total Operating Revenues	<u>8,824,277</u>
Operating Expenses	
Operations	6,780,903
Depreciation	641,261
Total Operating Expenses	<u>7,422,164</u>
Operating Income	1,402,113
Nonoperating Revenues	
Interest Income	<u>2,022</u>
Income Before Transfers	1,404,135
Transfers Out	<u>(1,120,029)</u>
Change in Net Position	284,106
Net Position - Beginning	<u>43,970,788</u>
Net Position - Ending	<u><u>44,254,894</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, 2018**

	Business-Type Activities
	<u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 9,032,966
Payments to Employees	(1,302,446)
Payments to Suppliers	(5,541,602)
	<u>2,188,918</u>
Cash Flows from Noncapital Financing Activities	
Transfers (Out)	<u>(1,120,029)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(460,670)
Issuance of Installment Contracts	208,113
Payment of Installment Contracts Principal	(43,994)
	<u>(296,551)</u>
Cash Flows from Investing Activities	
Interest Income	<u>2,022</u>
Net Change in Cash and Cash Equivalents	774,360
Cash and Cash Equivalents - Beginning	<u>12,088,074</u>
Cash and Cash Equivalents - Ending	<u><u>12,862,434</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	1,402,113
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	641,261
(Increase) Decrease in Current Assets	208,689
Increase (Decrease) in Current Liabilities	(63,145)
	<u>(63,145)</u>
Net Cash Provided by Operating Activities	<u><u>2,188,918</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, 2018**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 17,681	110,121
Investments		
U.S. Government Obligations	2,072,535	-
U.S. Agency Obligations	9,894,856	-
Corporate Bonds	1,900,276	-
Municipal Bonds	2,058,083	-
Mutual Funds	26,599,971	-
Money Market Mutual Funds	303,956	-
Receivables - Net of Allowances		
Accrued Interest	122,948	-
Prepays	9,645	-
Total Assets	<u>42,979,951</u>	<u>110,121</u>
LIABILITIES		
Deposits, Builder and Subdivider	-	110,121
Accounts Payable	7,893	-
Total Liabilities	<u>7,893</u>	<u>110,121</u>
NET POSITION		
Net Position Restricted for Pensions	<u>42,972,058</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, 2018**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 2,135,753
Contributions - Plan Members	<u>534,639</u>
Total Contributions	<u>2,670,392</u>
Investment Income	
Interest Income	1,926,041
Net Change in Fair Value	<u>1,313,626</u>
	3,239,667
Less Investment Expenses	<u>(72,349)</u>
Net Investment Income	<u>3,167,318</u>
Total Additions	<u>5,837,710</u>
Deductions	
Administration	72,964
Benefits and Refunds	<u>3,274,783</u>
Total Deductions	<u>3,347,747</u>
Change in Fiduciary Net Position	2,489,963
Net Position Restricted for Pensions	
Beginning	<u>40,482,095</u>
Ending	<u><u>42,972,058</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, 2018

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, 2018

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, 2018

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, 2018

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 ten 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.

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 debt service fund.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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 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, 2018

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, 2018

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, 2018

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, 2018

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 fair market 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, 2018

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, 2018

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, 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, 2018**

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
Police Seized	\$ 23,576
Foreign Fire Insurance	5,762
Network #3 Cook County Telecomm	15,661
Northeast TIF	478

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

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, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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 \$10,147,063, and the bank balances totaled \$10,163,426. Additionally, the Village has \$12,290,870 invested in the Illinois Funds, which are measured at the net asset value per share as determined by the pool.

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. The Village's investment in the Illinois Funds has an average maturity of less than one year.

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. At year-end, the Village's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

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. At year-end, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

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 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, 2018**

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 \$8,871.

Investments. The Fund has the following investment fair values and maturities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Obligations	\$ 1,403,913	318,522	938,485	146,906	-
U.S. Agency Obligations	6,639,764	4,097	1,261,758	5,015,787	358,122
Corporate Bonds	1,172,061	314,106	392,983	464,972	-
Municipal Bonds	1,336,515	101,099	899,800	299,192	36,424
Totals	10,552,253	737,824	3,493,026	5,926,857	394,546

The Fund has the following recurring fair value measurements as of April 30, 2018:

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)
Debt Securities				
U.S. Government Obligations	\$ 1,403,913	1,403,913	-	-
U.S. Agency Obligations	6,639,764	-	6,639,764	-
Corporate Bonds	1,172,061	-	1,172,061	-
Municipal Bonds	1,336,515	-	1,336,515	-
Equity Securities				
Mutual Funds	17,830,430	17,830,430	-	-
Money Market Mutual Funds	246,689	246,689	-	-
Total Investments by Fair Value Level	28,629,372	19,481,032	9,148,340	-

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.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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

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
Carroll ETC IL Bonds	\$ 50,000	5.15%	December 1, 2020	AA-	NR
Cook County IL CC Bonds	100,000	5.39%	December 1, 2024	AA+	NR
Cook County IL SD Bonds	100,000	5.25%	December 1, 2021	NR	Aaa
Du Page County IL Bonds	50,000	4.35%	December 15, 2020	NR	Aa1
Federal Farm Credit Bank	150,000	2.95%	February 8, 2028	AA+	NR
Federal Farm Credit Bank	150,000	2.70%	November 25, 2025	AA+	NR
Federal Farm Credit Bank	100,000	2.77%	July 1, 2024	AA+	NR
Fox Valley Park District Bonds	100,000	5.25%	December 15, 2022	AA+	NR
Kane ETC IL Bonds	40,000	3.80%	December 15, 2019	NR	Aaa
Lake County IL CC Bonds	30,000	5.88%	January 1, 2022	NR	NR
Morton Grove IL Bonds	35,000	6.00%	December 15, 2029	AA	NR
Rock Island IL Bonds	100,000	2.94%	December 1, 2023	NR	A1
Rock River Water IL Bonds	100,000	4.20%	December 15, 2018	NR	Aa2
Skokie IL Bonds	100,000	1.75%	December 1, 2021	NR	Aa1
Vernon Hills IL Bonds	100,000	2.35%	March 30, 2023	AAA	NR
Will ETC County IL Bonds	100,000	5.50%	January 1, 2021	AA	NR
Will ETC IL CSD Bonds	100,000	3.00%	January 1, 2024	NR	Aa2
Winnebago ETC IL Bonds	100,000	5.25%	January 1, 2020	AA-	NR

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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 \$246,689 invested in money market mutual funds and \$17,830,430 invested in equities. At year-end, the Fund does not have any investments over 5 percent of net plan 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).

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%	1.50%
Domestic Equities	54.00%	6.70% - 8.60%
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, 2018

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 2018 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, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.95%. 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 \$8,810.

Investments. The Fund has the following investment fair values and maturities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Obligations	\$ 668,622	99,938	368,098	159,859	40,727
U.S. Agency Obligations	3,255,092	-	634,222	2,591,044	29,826
Corporate Bonds	728,215	59,683	431,575	236,957	-
Municipal Bonds	721,568	15,021	518,315	125,652	62,580
Totals	5,373,497	174,642	1,952,210	3,113,512	133,133

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018:

	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	\$ 668,622	668,622	-	-
U.S. Agency Obligations	3,255,092	-	3,255,092	-
Corporate Bonds	728,215	-	728,215	-
Municipal Bonds	721,568	-	721,568	-
Equity Securities				
Mutual Funds	8,769,541	8,769,541	-	-
Money Market Mutual Funds	57,267	57,267	-	-
Total Investments by Fair Value Level	14,200,305	9,495,430	4,704,875	-

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 Complied 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, 2018

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
Champaign IL Bonds	\$ 15,000	5.50%	December 15, 2028	NR	Aaa
Cook County IL CCD Bonds	35,000	2.82%	December 1, 2021	NR	Aa1
Cook County IL HSD Bonds	15,000	4.15%	December 1, 2018	AA+	NR
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
Libertyville IL Bonds	15,000	5.88%	December 15, 2027	NR	Aa2
Rock Island IL Bonds	100,000	2.70%	December 1, 2021	NR	A1
Skokie IL Bonds	50,000	2.05%	December 1, 2022	NR	Aa1
Vernon Hills IL Bonds	50,000	2.35%	March 30, 2023	NR	AAA
Will CN IL FST PR Bonds	100,000	5.50%	December 15, 2025	AA+	NR
Will ETC CN IL Bonds	50,000	5.50%	January 1, 2021	AA	NR
Will ETC IL FST Bonds	25,000	7.00%	January 1, 2029	AA	NR
Winnebago ETC IL Bonds	50,000	5.25%	January 1, 2020	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 \$57,267 invested in money market mutual funds and \$8,769,541 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of net plan 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, 2018

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%	1.50%
Domestic Equities	54.00%	6.70% - 8.60%
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 2018 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, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.79%. 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 2017 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, 2018**

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
Nondepreciable Capital Assets				
Land	\$ 1,855,413	-	-	1,855,413
Construction in Progress	130,550	320,000	130,550	320,000
	<u>1,985,963</u>	<u>320,000</u>	<u>130,550</u>	<u>2,175,413</u>
Depreciable Capital Assets				
Building and Improvements	4,651,294	130,550	-	4,781,844
Vehicle and Equipment	6,567,690	258,965	246,819	6,579,836
Infrastructure	16,870,698	-	-	16,870,698
	<u>28,089,682</u>	<u>389,515</u>	<u>246,819</u>	<u>28,232,378</u>
Less Accumulated Depreciation				
Building and Improvements	1,973,547	98,409	-	2,071,956
Vehicle and Equipment	3,971,193	302,599	213,236	4,060,556
Infrastructure	8,222,760	206,047	-	8,428,807
	<u>14,167,500</u>	<u>607,055</u>	<u>213,236</u>	<u>14,561,319</u>
Total Net Depreciable Capital Assets	<u>13,922,182</u>	<u>(217,540)</u>	<u>33,583</u>	<u>13,671,059</u>
Total Net Capital Assets	<u>15,908,145</u>	<u>102,460</u>	<u>164,133</u>	<u>15,846,472</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 385,794
Maintenance/Development of Public Facilities	164,305
Protect of Persons/Property	<u>56,956</u>
	<u>607,055</u>

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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
Nondepreciable Capital Assets				
Construction in Progress	\$ 71,639	-	71,639	-
Depreciable Capital Assets				
Building and Improvements	1,968,872	129,032	-	2,097,904
Vehicle and Equipment	741,169	403,277	-	1,144,446
Infrastructure	45,763,748	-	-	45,763,748
	<u>48,473,789</u>	<u>532,309</u>	<u>-</u>	<u>49,006,098</u>
Less Accumulated Depreciation/Amortization				
Building and Improvements	1,448,082	48,964	-	1,497,046
Vehicle and Equipment	694,222	17,929	-	712,151
Infrastructure	15,315,408	574,368	-	15,889,776
	<u>17,457,712</u>	<u>641,261</u>	<u>-</u>	<u>18,098,973</u>
Total Net Capital Assets	<u>31,087,716</u>	<u>(108,952)</u>	<u>71,639</u>	<u>30,907,125</u>

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

Water and Sewer \$ 641,261

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	<u>\$ 70,197</u>

Interfund balances are in anticipation of receipts.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	\$ 45,500
General	Water and Sewer	<u>1,120,029</u>
		<u><u>1,165,529</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.

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	\$ 600,000	-	576,000	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	-	1,663,000	-	1,663,000
		<u>600,000</u>	<u>1,663,000</u>	<u>576,000</u>	<u><u>1,687,000</u></u>

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	\$ 27,001	-	13,315	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	28,666	-	6,787	21,879
\$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	-	208,113	43,994	164,119
	General	-	208,113	43,994	164,119
		<u>55,667</u>	<u>416,226</u>	<u>108,090</u>	<u>363,803</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 - 2017	<u>\$ 372,186,168</u>
Bonded Debt Limit - 8.625% of Assessed Value	32,101,057
Amount of Debt Applicable to Limit	<u>1,687,000</u>
Legal Debt Margin	<u>30,414,057</u>

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 390,739	28,799	57,598	361,940	72,388
Net Pension Liability/(Asset) - IMRF	3,165,598	-	3,220,866	(55,268)	-
Net Pension Liability - SLEP	386,491	-	136,430	250,061	-
Net Pension Liability - Police Pension	31,272,816	393,376	-	31,666,192	-
Net Pension Liability - Firefighters' Pension	9,696,967	655,552	-	10,352,519	-
Net Other Post-Employment Benefit Obligation	726,000	-	209,531	516,469	-
General Obligation Bonds	600,000	1,663,000	576,000	1,687,000	566,000
Installment Contracts Payable	55,667	208,113	64,096	199,684	60,037
	<u>46,294,278</u>	<u>2,948,840</u>	<u>4,264,521</u>	<u>44,978,597</u>	<u>698,425</u>
Business-Type Activities					
Compensated Absences	63,521	8,808	4,404	67,925	13,585
Net Pension Liability/(Asset) - IMRF	446,276	-	453,396	(7,120)	-
Net Other Post-Employment Benefit Obligation	66,576	-	19,214	47,362	-
Installment Contracts Payable	-	208,113	43,994	164,119	39,317
	<u>576,373</u>	<u>216,921</u>	<u>521,008</u>	<u>272,286</u>	<u>52,902</u>

For governmental activities the compensated absences, the net pension liabilities, and the net other post-employment benefit obligation 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 net other post-employment benefit obligation, and the installment contracts are liquidated by the Water and Sewer Fund.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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		Installment		Installment	
	Obligation Bonds		Contract		Contract	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 566,000	40,001	60,037	5,855	39,317	4,677
2020	584,000	22,373	47,727	4,097	40,438	3,556
2021	537,000	11,277	49,145	2,680	41,589	2,404
2022	-	-	42,775	1,219	42,775	1,219
	<u>1,687,000</u>	<u>73,651</u>	<u>199,684</u>	<u>13,851</u>	<u>164,119</u>	<u>11,856</u>

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 15,846,472
Plus Unspent Bond Proceeds	1,033,237
Less Capital Related Debt:	
General Obligation Limited Tax Bonds of 2014	(1,687,000)
Installment Contract of 2014	(13,686)
Installment Contract of 2016	(21,879)
Installment Contract of 2017A	<u>(164,119)</u>
Net Investment in Capital Assets	<u>14,993,025</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>30,907,125</u>

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2018**

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 CBD TIF Special Allocation	Nonmajor	Totals
Fund Balances				
Nonspendable				
Inventories	\$ 145,976	-	-	145,976
Prepays	1,530,656	-	-	1,530,656
	<u>1,676,632</u>	<u>-</u>	<u>-</u>	<u>1,676,632</u>
Restricted				
Employee Benefits	368,043	-	-	368,043
Audit	2,185	-	-	2,185
TIF Development	-	234,312	669,429	903,741
Law Enforcement	-	-	419,238	419,238
Street Improvement	-	-	506,632	506,632
Fire Department	-	-	74,498	74,498
Telecommunication	-	-	564,366	564,366
Debt Service	-	-	98,120	98,120
Capital Projects	-	-	1,605,913	1,605,913
	<u>370,228</u>	<u>234,312</u>	<u>3,938,196</u>	<u>4,542,736</u>
Assigned				
Capital Projects	276,809	-	-	276,809
Unassigned				
	<u>5,550,787</u>	<u>-</u>	<u>(70,197)</u>	<u>5,480,590</u>
Total Fund Balances	<u>7,874,456</u>	<u>234,312</u>	<u>3,867,999</u>	<u>11,976,767</u>

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

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. The Village has purchased insurance from private insurance companies. 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. Most members assume the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Beginning January 1, 2018, the Village has a \$10,000 deductible for each 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.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

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, hotel, and places for eating taxes. For the fiscal year ended April 30, 2018, the Village rebated a total of \$212,595, 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.

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. 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.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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, 2017, the measurement date, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>SLEP</u>	<u>Totals</u>
Inactive Plan Members Currently Receiving Benefits	95	3	98
Inactive Plan Members Entitled to but not yet Receiving Benefits	51	-	51
Active Plan Members	<u>59</u>	<u>-</u>	<u>59</u>
Total	<u>205</u>	<u>3</u>	<u>208</u>

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, 2018, the Village's contribution was 12.16% of covered payroll.

SLEP members are required to contribute 7.50% of their annual covered salary. For the year-ended April 30, 2018, the Village's contribution was 26.68% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	
Regular	7.50%
SLEP	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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:

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both the Regular Plan and SLEP Plan, the same as 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/(asset) 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/(asset) 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Regular Plan	\$ 4,048,961	(62,388)	(3,455,556)
SLEP Plan	385,794	250,061	133,098

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2016	\$ 33,275,454	29,663,580	3,611,874
Changes for the Year:			
Service Cost	480,406	-	480,406
Interest on the Total Pension Liability	2,450,727	-	2,450,727
Difference Between Expected and Actual Experience of the Total Pension Liability	(561,812)	-	(561,812)
Changes of Assumptions	(1,082,358)	-	(1,082,358)
Contributions - Employer	-	539,772	(539,772)
Contributions - Employees	-	197,517	(197,517)
Net Investment Income	-	5,299,596	(5,299,596)
Benefit Payments, including Refunds of Employee Contributions	(1,678,581)	(1,678,581)	-
Other (Net Transfer)	-	(1,075,660)	1,075,660
Net Changes	(391,618)	3,282,644	(3,674,262)
Balances at December 31, 2017	32,883,836	32,946,224	(62,388)

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2016	\$ 1,544,148	1,157,657	386,491
Changes for the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	110,940	-	110,940
Difference Between Expected and Actual Experience of the Total Pension Liability	17,802	-	17,802
Changes of Assumptions	(44,128)	-	(44,128)
Contributions - Employer	-	21,673	(21,673)
Contributions - Employees	-	-	-
Net Investment Income	-	233,048	(233,048)
Benefit Payments, including Refunds of Employee Contributions	(129,900)	(129,900)	-
Other (Net Transfer)	-	(33,677)	33,677
Net Changes	(45,286)	91,144	(136,430)
Balances at December 31, 2017	1,498,862	1,248,801	250,061

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

For the year ended April 30, 2018, the Village recognized pension expense of \$893,163 for the Regular Plan and \$23,076 for the SLEP Plan. At April 30, 2018, 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, 2018**

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	\$ 4,855	(616,286)	-	-
Change in Assumptions	390	(763,212)	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	890,612	(2,520,370)	31,442	(124,294)
Total Pension Expense to be Recognized in Future Periods	895,857	(3,899,868)	31,442	(124,294)
Pension Contributions Made Subsequent to the Measurement Date	166,408	-	9,152	-
Total Deferred Amounts Related to IMRF	1,062,265	(3,899,868)	40,594	(124,294)

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 (Inflows) of Resources	
	Regular	SLEP
2019	\$ (963,173)	(15,607)
2020	(747,844)	(15,607)
2021	(662,903)	(31,329)
2022	(630,091)	(30,309)
2023	-	-
Thereafter	-	-
Totals	(3,004,011)	(92,852)

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>39</u>
Total	<u><u>76</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, 2018

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 1st 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 preceding 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, 2018, the Village's contribution was 43.64% 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, 2018**

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, 2018, 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	4.00% - 11.51%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Police mortality rates with the RP-2014 mortality table for blue collar workers. These rates are improved generationally using MP-2016 improvement rates.

Discount Rate

A Single Discount Rate of 5.91% was used to measure the total pension liability and the discount rate in the prior valuation was 5.89%. 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 3.97%, and the resulting single discount rate is 5.91%.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (4.91%)	Current Discount Rate (5.91%)	1% Increase (6.91%)
Net Pension Liability	\$ 40,909,381	31,666,192	24,204,588

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 58,410,567	27,137,751	31,272,816
Changes for the Year:			
Service Cost	1,159,098	-	1,159,098
Interest on the Total Pension Liability	3,367,305	-	3,367,305
Difference Between Expected and Actual Experience of the Total Pension Liability	95,173	-	95,173
Changes of Assumptions	(165,805)	-	(165,805)
Contributions - Employer	-	1,598,078	(1,598,078)
Contributions - Employees	-	375,173	(375,173)
Net Investment Income	-	2,133,783	(2,133,783)
Benefit Payments, including Refunds of Employee Contributions	(2,481,407)	(2,481,407)	-
Administrative Expense	-	(44,639)	44,639
Net Changes	1,974,364	1,580,988	393,376
Balances at April 30, 2018	60,384,931	28,718,739	31,666,192

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2018, the Village recognized pension expense of \$3,602,177. At April 30, 2018, 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	\$ 693,231	(824,332)	(131,101)
Change in Assumptions	5,251,692	(2,890,546)	2,361,146
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	661,131	(809,613)	(148,482)
Total Deferred Amounts Related to Police Pension	<u>6,606,054</u>	<u>(4,524,491)</u>	<u>2,081,563</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
2019	\$ 1,286,603
2020	1,286,600
2021	956,038
2022	(718,745)
2023	(718,931)
Thereafter	<u>(10,002)</u>
Total	<u>2,081,563</u>

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>17</u>
Total	<u><u>28</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, 2018

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 1st 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 9.455% 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, 2018, the Village's contribution was 30.66% 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, 2018**

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, 2018, 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	4.00% - 13.33%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Firefighters’ Officers with the RP-2014 mortality table for blue collar workers.

Discount Rate

A Single Discount Rate of 5.99% was used to measure the total pension liability and the discount rate in the prior valuation was 6.07%. 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 3.97%, and the resulting single discount rate is 5.99%.

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (4.99%)	Current Discount Rate (5.99%)	1% Increase (6.99%)
Net Pension Liability	\$ 14,413,331	10,352,519	7,091,593

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 23,041,311	13,344,344	9,696,967
Changes for the Year:			
Service Cost	610,705	-	610,705
Interest on the Total Pension Liability	1,374,528	-	1,374,528
Difference Between Expected and Actual Experience of the Total Pension Liability	85,206	-	85,206
Changes of Assumptions	287,464	-	287,464
Contributions - Employer	-	537,675	(537,675)
Contributions - Employees	-	158,166	(158,166)
Contributions - Others	-	1,300	(1,300)
Net Investment Income	-	1,033,535	(1,033,535)
Benefit Payments, including Refunds of Employee Contributions	(793,376)	(793,376)	-
Administrative Expense	-	(28,325)	28,325
Net Changes	1,564,527	908,975	655,552
Balances at April 30, 2018	24,605,838	14,253,319	10,352,519

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

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, 2018, the Village recognized pension expense of \$1,326,294. At April 30, 2018, 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	\$ 970,547	(382,576)	587,971
Change in Assumptions	2,429,603	(1,176,250)	1,253,353
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	311,501	(364,907)	(53,406)
Total Deferred Amounts Related to Firefighters' Pension	<u>3,711,651</u>	<u>(1,923,733)</u>	<u>1,787,918</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 of Resources
2019	\$ 401,944
2020	401,941
2021	246,192
2022	340,153
2023	360,909
Thereafter	<u>36,779</u>
Total	<u>1,787,918</u>

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for retired employees. All retired employees of the Village are entitled to medical benefits. An individual shall be considered a ‘retired employee’ only if he/she has terminated his/her employment with the Village at a point in time when, based on his/her age and length of service, he/she would be immediately eligible to receive a full non-disability pension under either the Illinois Municipal Retirement Fund (40 ILCS 5/7 et seq.), the Police Pension Fund (40 ILCS 5/3 et seq.) or the Firefighters’ Pension Fund (40 ILCS 5/4 et seq.). The group health plan is not accounted for as a trust fund and an irrevocable trust has not been established. The Village does not issue a separate financial report for the group health insurance plan.

The cost to the Village depends on the health care provider chosen. For Fire Department union employees hired before January 1, 1997, Police Department union employees hired before May 1, 1996, Public Works union employees hired before May 1, 1994, and non-union employees hired before May 1, 1996 who retire with 20 years of service or more and are at least 50 years of age at time of retirement, the Village will pay the same portion of the group health insurance premium for them as it does for full-time employees, which is 80% of the single coverage cost and presently 80% of the dependent cost. There is no life insurance benefit for retirees.

When a retired employee or their dependent become eligible for Medicare, membership for that individual in the Village’s group insurance plan ceases. However, the retired employee with 20 years of service may purchase a Medicare supplement policy and the Village will reimburse them 80%. It should be noted that Police Pension Fund and Firefighters’ Pension Fund employees hired before March 31, 1986 are not eligible for Medicare unless these two groups hold an election to participate in Medicare.

Funding is provided by the Village on a pay-as-you-go basis. For the fiscal year ended April 30, 2018 retirees contributed \$110,777.

At April 30, 2016, the date of the latest actuarial valuation, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	63
Active Employees	<u>92</u>
Total	<u>155</u>
Participating Employers	1

VILLAGE OF HOMEWOOD, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2018 was calculated as follows:

Annual Required Contribution	\$ 564,434
Interest on the NOPEBO	31,703
Adjustment to the ARC	<u>(26,419)</u>
Annual OPEB Cost	569,718
Actual Contribution	<u>798,463</u>
Change in the NOPEBO	(228,745)
NOPEBO - Beginning	<u>792,576</u>
NOPEBO - Ending	<u><u>563,831</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 529,569	\$ 675,760	127.61%	\$ 1,011,605
2017	549,469	768,498	139.86%	792,576
2018	569,718	798,463	140.15%	563,831

VILLAGE OF HOMEWOOD, ILLINOIS

Notes to the Financial Statements April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2016, the date of the latest valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$	10,993,805
Actuarial Value of Plan Assets	\$	-
Unfunded Actuarial Accrued Liability (UAAL)	\$	(10,993,805)
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Members)	\$	\$10,577,149
UAAL as a Percentage of Covered Payroll		103.94%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2016 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00% investment rate of return, including a 3.00% inflation assumption and an initial annual healthcare cost trend rate of 7.00%, with an ultimate rate of 5.50%. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018 was 30 years.

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 Funding Progress and Employer Contributions
 - Other Post-Employment Benefit Plan

- 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

- Budgetary Comparison Schedule
 - General Fund
 - CBD TIF Special Allocation – 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

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2018**

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30						
2013	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	14,183,182	0.00%	14,183,182	10,256,169	138.29%
2016	-	10,993,805	0.00%	10,993,805	10,577,149	103.94%
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2013	\$ 692,263	\$ 624,034	110.93%
2014	692,263	624,034	110.93%
2015	719,925	648,995	110.93%
2016	675,760	521,851	129.49%
2017	768,498	542,725	141.60%
2018	798,463	564,434	141.46%

N/A - Not Available

The Village is required to have the actuarial valuation performed triennially.

VILLAGE OF HOMEWOOD, ILLINOIS

Illinois Municipal Retirement Fund - Regular

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2018

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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, 2018

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	-	88,456	26.68%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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, 2018**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	4.00% - 11.51%
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, 2018

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	4.00% - 13.33%
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, 2018**

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 474,972	496,752	480,406
Interest	2,291,035	2,411,756	2,450,727
Differences Between Expected and Actual Experience	496,795	(666,544)	(561,812)
Change of Assumptions	39,972	(80,738)	(1,082,358)
Benefit Payments, Including Refunds of Member Contributions	(1,557,446)	(1,760,257)	(1,678,581)
Net Change in Total Pension Liability	1,745,328	400,969	(391,618)
Total Pension Liability - Beginning	31,129,157	32,874,485	33,275,454
Total Pension Liability - Ending	32,874,485	33,275,454	32,883,836
Plan Fiduciary Net Position			
Contributions - Employer	\$ 539,165	565,405	539,772
Contributions - Members	203,806	199,086	197,517
Net Investment Income	143,712	1,979,636	5,299,596
Benefit Payments, Including Refunds of Member Contributions	(1,557,446)	(1,760,257)	(1,678,581)
Other (Net Transfer)	265,213	(64,337)	(1,075,660)
Net Change in Plan Fiduciary Net Position	(405,550)	919,533	3,282,644
Plan Net Position - Beginning	29,149,597	28,744,047	29,663,580
Plan Net Position - Ending	28,744,047	29,663,580	32,946,224
Employer's Net Pension Liability/(Asset)	\$ 4,130,438	3,611,874	(62,388)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.44%	89.15%	100.19%
Covered Payroll	\$ 4,339,711	4,424,137	4,388,394
Employer's Net Pension Liability as a Percentage of Covered Payroll	95.18%	81.64%	(1.42%)

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 Changes in the Employer's Net Pension Liability
April 30, 2018**

	12/31/2016	12/31/2017
Total Pension Liability		
Service Cost	\$ 24,281	-
Interest	104,193	110,940
Differences Between Expected and Actual Experience	71,857	17,802
Change of Assumptions	(65,508)	(44,128)
Benefit Payments, Including Refunds of Member Contributions	(117,106)	(129,900)
Net Change in Total Pension Liability	17,717	(45,286)
Total Pension Liability - Beginning	1,526,431	1,544,148
Total Pension Liability - Ending	1,544,148	1,498,862
Plan Fiduciary Net Position		
Contributions - Employer	\$ 8,185	21,673
Contributions - Members	2,055	-
Net Investment Income	88,115	233,048
Benefit Payments, Including Refunds of Member Contributions	(117,106)	(129,900)
Administrative Expense	32,111	(33,677)
Net Change in Plan Fiduciary Net Position	13,360	91,144
Plan Net Position - Beginning	1,144,297	1,157,657
Plan Net Position - Ending	1,157,657	1,248,801
Employer's Net Pension Liability	\$ 386,491	250,061
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.97%	83.32%
Covered Payroll	\$ 27,394	81,233
Employer's Net Pension Liability as a Percentage of Covered Payroll	1410.86%	307.83%

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 Changes in the Employer's Net Pension Liability
April 30, 2018**

See Following Page

VILLAGE OF HOMEWOOD, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2018

	<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
1,184,771	1,094,625	1,159,098
2,509,051	3,528,677	3,367,305
1,217,293	(1,154,726)	95,173
10,451,391	(3,850,052)	(165,805)
(2,117,578)	(2,235,155)	(2,481,407)
13,244,928	(2,616,631)	1,974,364
47,782,270	61,027,198	58,410,567
61,027,198	58,410,567	60,384,931
1,075,111	1,480,797	1,598,078
391,865	364,506	375,173
104,056	2,735,424	2,133,783
(2,117,578)	(2,235,155)	(2,481,407)
(41,784)	(64,089)	(44,639)
(588,330)	2,281,483	1,580,988
25,444,598	24,856,268	27,137,751
24,856,268	27,137,751	28,718,739
36,170,930	31,272,816	31,666,192
40.73%	46.46%	47.56%
3,815,399	3,538,459	3,662,305
948.02%	883.80%	864.65%

VILLAGE OF HOMEWOOD, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2018

	<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
600,559	575,757	610,705
982,420	1,424,222	1,374,528
1,401,465	(512,264)	85,206
3,407,022	(1,574,980)	287,464
(653,288)	(669,452)	(793,376)
5,738,178	(756,717)	1,564,527
18,059,850	23,798,028	23,041,311
23,798,028	23,041,311	24,605,838
468,660	553,240	537,675
158,302	160,870	159,466
60,065	1,311,465	1,033,535
(653,288)	(669,452)	(793,376)
(30,225)	(26,746)	(28,325)
3,514	1,329,377	908,975
12,011,453	12,014,967	13,344,344
12,014,967	13,344,344	14,253,319
11,783,061	9,696,967	10,352,519
50.49%	57.91%	57.93%
1,949,295	1,694,378	1,753,681
604.48%	572.30%	590.33%

VILLAGE OF HOMEWOOD, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2018**

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

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, 2018**

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

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

General Fund

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	General Subfund		
	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,774,883	8,774,883	8,355,894
Intergovernmental	7,075,750	7,075,750	6,663,174
Charges for Services	1,101,100	1,101,100	1,019,122
Licenses and Permits	719,500	719,500	642,953
Fines and Forfeitures	597,500	597,500	593,631
Interest	3,000	3,000	1,876
Miscellaneous	919,000	919,000	1,042,653
Total Revenues	<u>19,190,733</u>	<u>19,190,733</u>	<u>18,319,303</u>
Expenditures			
General Government	5,752,673	5,852,693	5,612,609
Public Health/Environment Protection	745,995	741,435	715,611
Maintenance/Development of Public Facilities	3,423,605	3,635,191	3,291,843
Protect of Persons/Property	9,998,287	9,998,287	9,559,767
Community Development	401,174	401,174	394,394
Debt Service			
Principal Retirement	81,000	81,000	64,096
Interest and Fiscal Charges	-	-	1,796
Total Expenditures	<u>20,402,734</u>	<u>20,709,780</u>	<u>19,640,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,212,001)</u>	<u>(1,519,047)</u>	<u>(1,320,813)</u>
Other Financing Sources			
Debt Issuance	-	-	208,113
Disposal of Capital Assets	-	-	31,785
Transfers In	1,334,589	1,334,589	1,165,529
	<u>1,334,589</u>	<u>1,334,589</u>	<u>1,405,427</u>
Net Change in Fund Balance	<u>122,588</u>	<u>(184,458)</u>	84,614
Fund Balance - Beginning			<u>7,421,799</u>
Fund Balance - Ending			<u>7,506,413</u>

Illinois Municipal Retirement Subfund			Totals		
Budget		Actual	Budget		Actual
Original	Final		Original	Final	
972,250	972,250	891,659	9,747,133	9,747,133	9,247,553
-	-	-	7,075,750	7,075,750	6,663,174
-	-	-	1,101,100	1,101,100	1,019,122
-	-	-	719,500	719,500	642,953
-	-	-	597,500	597,500	593,631
150	150	162	3,150	3,150	2,038
-	-	-	919,000	919,000	1,042,653
972,400	972,400	891,821	20,163,133	20,163,133	19,211,124
950,250	950,250	1,029,296	6,702,923	6,802,943	6,641,905
-	-	-	745,995	741,435	715,611
-	-	-	3,423,605	3,635,191	3,291,843
-	-	-	9,998,287	9,998,287	9,559,767
-	-	-	401,174	401,174	394,394
-	-	-	81,000	81,000	64,096
-	-	-	-	-	1,796
950,250	950,250	1,029,296	21,352,984	21,660,030	20,669,412
22,150	22,150	(137,475)	(1,189,851)	(1,496,897)	(1,458,288)
-	-	-	-	-	208,113
-	-	-	-	-	31,785
-	-	-	1,334,589	1,334,589	1,165,529
-	-	-	1,334,589	1,334,589	1,405,427
22,150	22,150	(137,475)	144,738	(162,308)	(52,861)
		505,518			7,927,317
		368,043			7,874,456

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
Community Development	9,000	9,000	8,653
Net Change in Fund Balance	<u>(9,000)</u>	<u>(9,000)</u>	(8,653)
Fund Balance - Beginning			<u>242,965</u>
Fund Balance - Ending			<u>234,312</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

GENERAL FUND

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

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.

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

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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

VILLAGE OF HOMEWOOD, ILLINOIS

General Fund

**Combining Balance Sheet by Subfund
April 30, 2018**

	General Subfund	Illinois Municipal Retirement Subfund	Totals
ASSETS			
Cash and Investments	\$ 5,097,414	371,290	5,468,704
Receivables - Net of Allowances			
Taxes	2,545,979	555,047	3,101,026
Other Taxes	1,284,433	-	1,284,433
Receivables	247,701	-	247,701
Due from Other Funds	70,197	-	70,197
Inventories	145,976	-	145,976
Prepays	1,530,656	-	1,530,656
	<u>10,922,356</u>	<u>926,337</u>	<u>11,848,693</u>
LIABILITIES			
Accounts Payable	243,854	3,247	247,101
Accrued Payroll	399,165	-	399,165
Other Payables	226,945	-	226,945
Total Liabilities	<u>869,964</u>	<u>3,247</u>	<u>873,211</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>2,545,979</u>	<u>555,047</u>	<u>3,101,026</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,415,943</u>	<u>558,294</u>	<u>3,974,237</u>
FUND BALANES			
Nonspendable	1,676,632	-	1,676,632
Restricted	2,185	368,043	370,228
Assigned	276,809	-	276,809
Unassigned	5,550,787	-	5,550,787
Total Fund Balances	<u>7,506,413</u>	<u>368,043</u>	<u>7,874,456</u>
	<u>10,922,356</u>	<u>926,337</u>	<u>11,848,693</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>10,922,356</u>	<u>926,337</u>	<u>11,848,693</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, 2018**

	General Subfund	Illinois Municipal Retirement Subfund	Totals
Revenues			
Taxes	\$ 8,355,894	891,659	9,247,553
Intergovernmental	6,663,174	-	6,663,174
Charges for Services	1,019,122	-	1,019,122
Licenses and Permits	642,953	-	642,953
Fines and Forfeitures	593,631	-	593,631
Interest	1,876	162	2,038
Miscellaneous	1,042,653	-	1,042,653
Total Revenues	18,319,303	891,821	19,211,124
Expenditures			
General Government	5,612,609	1,029,296	6,641,905
Public Health/Environment Protection	715,611	-	715,611
Maintenance/Development of Public Facilities	3,291,843	-	3,291,843
Protect of Persons/Property	9,559,767	-	9,559,767
Community Development	394,394	-	394,394
Debt Service			
Principal Retirement	64,096	-	64,096
Interest and Fiscal Charges	1,796	-	1,796
Total Expenditures	19,640,116	1,029,296	20,669,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,320,813)	(137,475)	(1,458,288)
Other Financing Sources			
Debt Issuance	208,113	-	208,113
Disposal of Capital Assets	31,785	-	31,785
Transfers In	1,165,529	-	1,165,529
	1,405,427	-	1,405,427
Net Change in Fund Balance	84,614	(137,475)	(52,861)
Fund Balances - Beginning	7,421,799	505,518	7,927,317
Fund Balances - Ending	7,506,413	368,043	7,874,456

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,774,883	8,774,883	8,355,894
Intergovernmental	7,075,750	7,075,750	6,663,174
Charges for Services	1,101,100	1,101,100	1,019,122
Licenses and Permits	719,500	719,500	642,953
Fines and Forfeitures	597,500	597,500	593,631
Interest	3,000	3,000	1,876
Miscellaneous	919,000	919,000	1,042,653
Total Revenues	19,190,733	19,190,733	18,319,303
Expenditures			
General Government	5,752,673	5,852,693	5,612,609
Public Health/Environment Protection	745,995	741,435	715,611
Maintenance/Development of Public Facilities	3,423,605	3,635,191	3,291,843
Protect of Persons/Property	9,998,287	9,998,287	9,559,767
Community Development	401,174	401,174	394,394
Debt Service			
Principal Retirement	81,000	81,000	64,096
Interest and Fiscal Charges	-	-	1,796
Total Expenditures	20,402,734	20,709,780	19,640,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,212,001)	(1,519,047)	(1,320,813)
Other Financing Sources			
Debt Issuance	-	-	208,113
Disposal of Capital Assets	-	-	31,785
Transfers In	1,334,589	1,334,589	1,165,529
	1,334,589	1,334,589	1,405,427
Net Change in Fund Balance	122,588	(184,458)	84,614
Fund Balance - Beginning			7,421,799
Fund Balance - Ending			7,506,413

VILLAGE OF HOMEWOOD, ILLINOIS

General Subfund - General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,517,141	2,517,141	2,191,388
Property Taxes - Prior Years	50,000	50,000	61,822
Property Taxes - Police Pension	1,611,978	1,611,978	1,593,078
Property Taxes - Fire Pension	555,764	555,764	536,160
Use Taxes	489,000	489,000	501,113
Electric Utility Taxes	655,000	655,000	667,891
Natural Gas Utility Taxes	325,000	325,000	268,396
Telecommunications Taxes	720,000	720,000	603,961
Cable TV Franchise Taxes	390,000	390,000	408,581
Video Gaming Machines Taxes	56,000	56,000	67,168
Hotel Tax	27,000	27,000	28,126
Places of Eating Tax	1,308,000	1,308,000	1,350,570
Township Road and Bridge Taxes	70,000	70,000	77,640
Total Taxes	8,774,883	8,774,883	8,355,894
Intergovernmental			
Sales Taxes	5,051,000	5,051,000	4,838,615
State Income Tax	1,952,000	1,952,000	1,758,277
Replacement Tax	70,000	70,000	55,402
State Grants	1,750	1,750	7,898
Federal Grants	1,000	1,000	2,982
Total Intergovernmental	7,075,750	7,075,750	6,663,174
Charges for Services			
Ambulance Fees	550,000	550,000	586,277
Municipal Bond Fee	12,100	12,100	8,975
Building Inspection Fees	100,000	100,000	60,007
Zoning & Subdivision Fees	5,000	5,000	5,895
Parking Fees	25,000	25,000	24,747
State Route Maintenance	70,000	70,000	56,530
Special Events	25,000	25,000	24,097
Taxi Coupons	10,000	10,000	2,250
Sidewalk Program	3,000	3,000	5,335
Tower Rental	270,000	270,000	215,895

VILLAGE OF HOMEWOOD, ILLINOIS

General Subfund - General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Charges for Services - Continued			
Tree Sales	\$ 3,000	3,000	1,888
Natural Gas Franchise Fee	28,000	28,000	27,226
Total Charges for Services	1,101,100	1,101,100	1,019,122
Licenses and Permits			
Liquor Licenses	51,000	51,000	52,733
Business Licenses	104,000	104,000	106,245
Building Permits	150,000	150,000	101,560
Animal License	5,000	5,000	12,677
Tobacco License	7,500	7,500	7,220
Vehicle Licenses	362,000	362,000	324,289
Alarm Permit	40,000	40,000	38,229
Total Licenses and Permits	719,500	719,500	642,953
Fines and Forfeitures			
State Court Fines	35,000	35,000	44,887
DUI Fines	5,000	5,000	4,780
Red Light Traffic Enforcement	90,000	90,000	94,496
Building Code Violations	12,000	12,000	7,217
Court Supervision Fines	5,000	5,000	5,864
Alarm Fines	22,000	22,000	27,507
Municipal Ordinance Violation	25,000	25,000	37,153
Impoundment Fine	200,000	200,000	173,035
Parking and Compliance	200,000	200,000	196,052
Animal Impounds	3,500	3,500	2,640
Total Fines and Forfeitures	597,500	597,500	593,631
Interest			
Interest Income	3,000	3,000	1,876
Miscellaneous			
Employee Insurance Contributions	465,000	465,000	478,722
General Liens	50,000	50,000	6,138
Miscellaneous	404,000	404,000	557,793
Total Miscellaneous	919,000	919,000	1,042,653
Total Revenues	19,190,733	19,190,733	18,319,303

VILLAGE OF HOMEWOOD, ILLINOIS

General Subfund - General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
General Government			
Public Representation	\$ 132,825	132,825	114,036
Village Administration	1,044,868	1,117,888	987,482
Legal Services	202,875	202,875	217,147
Information Technology	428,059	428,059	374,775
Finance	1,141,304	1,168,304	1,114,526
Pensioner Costs	2,802,742	2,802,742	2,804,643
Total General Government	5,752,673	5,852,693	5,612,609
Public Health/Environment Protection			
Landscape and Maintenance	745,995	741,435	715,611
Maintenance/Development of Public Facilities			
Traffic Control and Street Lights	224,024	224,024	189,681
General Street Maintenance	501,016	540,543	498,064
Snow and Ice	519,819	519,819	259,707
Stormwater Management	188,954	188,954	198,036
Street Administration	186,904	191,904	186,170
Engineering	413,004	396,004	351,475
Building Maintenance	478,797	495,357	471,285
Vehicle Maintenance	737,987	774,046	846,849
Vehicle Acquisition and Replacement	173,100	304,540	290,576
Total Maintenance/Development of Public Facilities	3,423,605	3,635,191	3,291,843
Protect of Persons/Property			
Fire Operation	2,642,335	2,652,335	2,565,715
Fire Administration	436,671	436,671	437,844
Emergency Preparedness	358,236	348,236	293,517
Patrol Services	4,094,755	4,094,755	3,899,520
Criminal Investigation	907,994	907,994	871,030
Communications	920,129	920,129	889,157

VILLAGE OF HOMEWOOD, ILLINOIS

General Subfund - General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Protect of Persons/Property - Continued			
Police Administration	\$ 638,167	638,167	602,984
Total Protect of Persons/Property	9,998,287	9,998,287	9,559,767
Community Development			
Community Events	224,869	224,869	228,140
Homewood Science Center	176,305	176,305	166,254
Total Community Development	401,174	401,174	394,394
Debt Service			
Principal Retirement	81,000	81,000	64,096
Interest and Fiscal Charges	-	-	1,796
Total Debt Service	81,000	81,000	65,892
Total Expenditures	20,402,734	20,709,780	19,640,116

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 960,250	960,250	879,659
Other Taxes	12,000	12,000	12,000
Interest Income	150	150	162
Total Revenues	<u>972,400</u>	<u>972,400</u>	891,821
Expenditures			
General Government			
Pension Fund Contributions	<u>950,250</u>	<u>950,250</u>	1,029,296
Net Change in Fund Balance	<u>22,150</u>	<u>22,150</u>	(137,475)
Fund Balance - Beginning			<u>505,518</u>
Fund Balance - Ending			<u>368,043</u>

VILLAGE OF HOMEWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
April 30, 2018**

	Special Revenue	Debt Service Bond Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 1,977,687	98,120	1,796,676	3,872,483
Receivables - Net of Allowances				
Taxes	84,119	334,810	-	418,929
Receivables	9,000	-	-	9,000
Total Assets	2,070,806	432,930	1,796,676	4,300,412
LIABILITIES				
Accounts Payable	16,090	-	11,316	27,406
Due to Other Funds	70,197	-	-	70,197
Total Liabilities	86,287	-	11,316	97,603
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	334,810	-	334,810
Total Liabilities and Deferred Inflows of Resources	86,287	334,810	11,316	432,413
FUND BALANCES				
Restricted	2,054,716	98,120	1,785,360	3,938,196
Unassigned	(70,197)	-	-	(70,197)
Total Fund Balances	1,984,519	98,120	1,785,360	3,867,999
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,070,806	432,930	1,796,676	4,300,412

VILLAGE OF HOMEWOOD, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Special Revenue	Debt Service Bond Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 140,618	558,230	84,291	783,139
Intergovernmental	493,499	-	-	493,499
Interest Income	1,123	23	116	1,262
Miscellaneous	379,913	-	32,887	412,800
Total Revenues	<u>1,015,153</u>	<u>558,253</u>	<u>117,294</u>	<u>1,690,700</u>
Expenditures				
Current				
General Government	37,661	-	-	37,661
Maintenance/Development of Public Facilities	506,701	-	-	506,701
Protect of Persons/Property	97,084	-	747,521	844,605
Community Development	956	-	165,512	166,468
Debt Service				
Principal Retirement	-	576,000	-	576,000
Interest and Fiscal Charges	-	9,012	-	9,012
Total Expenditures	<u>642,402</u>	<u>585,012</u>	<u>913,033</u>	<u>2,140,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>372,751</u>	<u>(26,759)</u>	<u>(795,739)</u>	<u>(449,747)</u>
Other Financing Sources (Uses)				
Debt Issuance	-	-	1,663,000	1,663,000
Transfers Out	(45,500)	-	-	(45,500)
	<u>(45,500)</u>	<u>-</u>	<u>1,663,000</u>	<u>1,617,500</u>
Net Change in Fund Balances	327,251	(26,759)	867,261	1,167,753
Fund Balances - Beginning	<u>1,657,268</u>	<u>124,879</u>	<u>918,099</u>	<u>2,700,246</u>
Fund Balances - Ending	<u><u>1,984,519</u></u>	<u><u>98,120</u></u>	<u><u>1,785,360</u></u>	<u><u>3,867,999</u></u>

VILLAGE OF HOMEWOOD, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2018

	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
ASSETS			
Cash and Investments	\$ 419,238	422,513	74,498
Receivables - Net of Allowances			
Taxes	-	84,119	-
Receivables	-	-	-
	<hr/>		
Total Assets	419,238	506,632	74,498
	<hr/> <hr/>		
LIABILITIES			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
	<hr/> <hr/>		
FUND BALANCES			
Restricted	419,238	506,632	74,498
Unassigned	-	-	-
Total Fund Balances	419,238	506,632	74,498
	<hr/> <hr/>		
Total Liabilities and Fund Balances	419,238	506,632	74,498
	<hr/> <hr/>		

2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
46,301	550,880	20,576	213,128	230,553	-	1,977,687
-	-	-	-	-	-	84,119
-	9,000	-	-	-	-	9,000
46,301	559,880	20,576	213,128	230,553	-	2,070,806
-	16,090	-	-	-	-	16,090
-	-	-	-	-	70,197	70,197
-	16,090	-	-	-	70,197	86,287
46,301	543,790	20,576	213,128	230,553	-	2,054,716
-	-	-	-	-	(70,197)	(70,197)
46,301	543,790	20,576	213,128	230,553	(70,197)	1,984,519
46,301	559,880	20,576	213,128	230,553	-	2,070,806

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, 2018**

	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
Revenues			
Taxes	\$ -	-	27,581
Intergovernmental	-	493,499	-
Interest Income	838	36	-
Miscellaneous	290,467	2,056	-
Total Revenues	<u>291,305</u>	<u>495,591</u>	<u>27,581</u>
Expenditures			
General Government	-	-	-
Maintenance/Development of Public Facilities	-	363,511	-
Protect of Persons/Property	23,576	-	5,762
Community Development	-	-	-
Total Expenditures	<u>23,576</u>	<u>363,511</u>	<u>5,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	267,729	132,080	21,819
Other Financing (Uses)			
Transfers Out	-	(45,500)	-
Net Change in Fund Balances	267,729	86,580	21,819
Fund Balances - Beginning	<u>151,509</u>	<u>420,052</u>	<u>52,679</u>
Fund Balances - Ending	<u><u>419,238</u></u>	<u><u>506,632</u></u>	<u><u>74,498</u></u>

2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
-	-	-	109,351	3,686	-	140,618
-	-	-	-	-	-	493,499
11	27	16	66	129	-	1,123
-	86,340	1,050	-	-	-	379,913
11	86,367	1,066	109,417	3,815	-	1,015,153
-	37,661	-	-	-	-	37,661
-	-	-	-	143,190	-	506,701
67,746	-	-	-	-	-	97,084
-	-	-	478	-	478	956
67,746	37,661	-	478	143,190	478	642,402
(67,735)	48,706	1,066	108,939	(139,375)	(478)	372,751
-	-	-	-	-	-	(45,500)
(67,735)	48,706	1,066	108,939	(139,375)	(478)	327,251
114,036	495,084	19,510	104,189	369,928	(69,719)	1,657,268
46,301	543,790	20,576	213,128	230,553	(70,197)	1,984,519

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 100	100	838
Miscellaneous	-	-	290,467
Total Revenues	100	100	291,305
Expenditures			
Protect of Persons/Property	-	-	23,576
Net Change in Fund Balance	100	100	267,729
Fund Balance - Beginning			151,509
Fund Balance - Ending			419,238

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 497,565	497,565	493,499
Interest Income	250	250	36
Miscellaneous	-	-	2,056
Total Revenues	497,815	497,815	495,591
Expenditures			
Maintenance/Development of Public Facilities	878,898	878,898	363,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	(381,083)	(381,083)	132,080
Other Financing (Uses)			
Transfers Out	(346,000)	(346,000)	(45,500)
Net Change in Fund Balance	<u>(727,083)</u>	<u>(727,083)</u>	86,580
Fund Balance - Beginning			<u>420,052</u>
Fund Balance - Ending			<u><u>506,632</u></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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes	\$ 15,000	15,000	27,581
Expenditures			
Protect of Persons/Property	-	-	5,762
Net Change in Fund Balance	<u>15,000</u>	<u>15,000</u>	21,819
Fund Balance - Beginning			<u>52,679</u>
Fund Balance - Ending			<u>74,498</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	11
Expenditures			
Protect of Persons/Property	-	116,546	67,746
Net Change in Fund Balance	<u>-</u>	<u>(116,546)</u>	(67,735)
Fund Balance - Beginning			<u>114,036</u>
Fund Balance - Ending			<u><u>46,301</u></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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	27
Miscellaneous	96,000	96,000	86,340
Total Revenues	96,000	96,000	86,367
Expenditures			
General Government	22,000	22,000	37,661
Net Change in Fund Balance	74,000	74,000	48,706
Fund Balance - Beginning			495,084
Fund Balance - Ending			543,790

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 500	500	16
Miscellaneous	10,000	10,000	1,050
Total Revenues	10,500	10,500	1,066
Expenditures			
Protect of Persons/Property	-	-	-
Net Change in Fund Balance	10,500	10,500	1,066
Fund Balance - Beginning			19,510
Fund Balance - Ending			20,576

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	109,351
Interest Income	50	50	66
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>109,417</u>
Expenditures			
Community Development	-	-	478
Net Change in Fund Balance	<u>1,050</u>	<u>1,050</u>	108,939
Fund Balance - Beginning			<u>104,189</u>
Fund Balance - Ending			<u>213,128</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	3,686
Interest Income	50	50	129
Total Revenues	<u>1,050</u>	<u>1,050</u>	<u>3,815</u>
Expenditures			
Maintenance/Development of Public Facilities	<u>369,902</u>	<u>369,902</u>	<u>143,190</u>
Net Change in Fund Balance	<u>(368,852)</u>	<u>(368,852)</u>	(139,375)
Fund Balance - Beginning			<u>369,928</u>
Fund Balance - Ending			<u><u>230,553</u></u>

VILLAGE OF HOMEWOOD, ILLINOIS

East CBD TIF - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	-
Interest Income	50	50	-
Total Revenues	<u>1,050</u>	<u>1,050</u>	-
Expenditures			
Community Development	<u>4,000</u>	<u>4,000</u>	478
Net Change in Fund Balance	<u>(2,950)</u>	<u>(2,950)</u>	(478)
Fund Balance - Beginning			<u>(69,719)</u>
Fund Balance - Ending			<u>(70,197)</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	558,230
Interest Income	-	-	23
Total Revenues	<u>-</u>	<u>-</u>	<u>558,253</u>
Expenditures			
Debt Service			
Principal Retirement	-	576,000	576,000
Interest and Fiscal Charges	-	9,012	9,012
Total Expenditures	<u>-</u>	<u>585,012</u>	<u>585,012</u>
Net Change in Fund Balance	<u>-</u>	<u>(585,012)</u>	(26,759)
Fund Balance - Beginning			<u>124,879</u>
Fund Balance - Ending			<u><u>98,120</u></u>

VILLAGE OF HOMEWOOD, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2018

	South Gate TIF	CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
ASSETS					
Cash and Investments	\$ 225,748	41,298	1,828	1,527,802	1,796,676
LIABILITIES					
Accounts Payable	-	7,781	-	3,535	11,316
FUND BALANCES					
Restricted	225,748	33,517	1,828	1,524,267	1,785,360
Total Liabilities and Fund Balances	225,748	41,298	1,828	1,527,802	1,796,676

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, 2018**

	South Gate TIF	CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
Revenues					
Taxes	\$ 84,291	-	-	-	84,291
Interest Income	113	3	-	-	116
Miscellaneous	-	105	-	32,782	32,887
Total Revenues	84,404	108	-	32,782	117,294
Expenditures					
Protect of Persons/Property	-	-	7,272	740,249	747,521
Community Development	133,578	31,934	-	-	165,512
Total Expenditures	133,578	31,934	7,272	740,249	913,033
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,174)	(31,826)	(7,272)	(707,467)	(795,739)
Other Financing Sources					
Debt Issuance	-	-	-	1,663,000	1,663,000
Net Change in Fund Balances	(49,174)	(31,826)	(7,272)	955,533	867,261
Fund Balances - Beginning	274,922	65,343	9,100	568,734	918,099
Fund Balances - Ending	225,748	33,517	1,828	1,524,267	1,785,360

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	84,291
Interest Income	50	50	113
Total Revenues	<u>1,050</u>	<u>1,050</u>	84,404
Expenditures			
Community Development	<u>271,134</u>	<u>271,134</u>	133,578
Net Change in Fund Balance	<u>(270,084)</u>	<u>(270,084)</u>	(49,174)
Fund Balance - Beginning			<u>274,922</u>
Fund Balance - Ending			<u>225,748</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	3
Miscellaneous	-	-	105
	-	-	108
Expenditures			
Community Development	64,100	71,549	31,934
Net Change in Fund Balance	<u>(64,100)</u>	<u>(71,549)</u>	(31,826)
Fund Balance - Beginning			<u>65,343</u>
Fund Balance - Ending			<u>33,517</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Protect of Persons/Property	-	9,100	7,272
Net Change in Fund Balance	<u>-</u>	<u>(9,100)</u>	(7,272)
Fund Balance - Beginning			<u>9,100</u>
Fund Balance - Ending			<u>1,828</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Miscellaneous	\$ -	-	32,782
Expenditures			
Protect of Persons/Property	1,849,750	1,976,201	740,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,849,750)	(1,976,201)	(707,467)
Other Financing Sources			
Debt Issuance	-	-	1,663,000
Net Change in Fund Balance	<u>(1,849,750)</u>	<u>(1,976,201)</u>	955,533
Fund Balance - Beginning			<u>568,734</u>
Fund Balance - Ending			<u><u>1,524,267</u></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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 7,178,839	7,178,839	7,236,032
Sales to the Village of Flossmoor	1,831,365	1,831,365	1,487,391
Miscellaneous	133,000	133,000	100,854
Total Operating Revenues	<u>9,143,204</u>	<u>9,143,204</u>	<u>8,824,277</u>
Operating Expenses			
Operations			
Water Delivery	1,930,523	1,930,523	1,500,574
Water Acquisition	2,750,909	2,750,909	2,306,624
Water Distribution	658,140	658,140	545,429
Wastewater Distribution	351,690	372,690	319,296
W/S Meters and Lift Stations	515,061	515,061	392,686
Utilities Administration	749,844	749,844	729,325
Public Works	2,321,665	2,351,365	986,969
Depreciation	-	-	641,261
Total Operating Expenses	<u>9,277,832</u>	<u>9,328,532</u>	<u>7,422,164</u>
Operating Income (Loss)	(134,628)	(185,328)	1,402,113
Nonoperating Revenues			
Interest Income	<u>1,300</u>	<u>1,300</u>	<u>2,022</u>
Income (Loss) Before Transfers	(133,328)	(184,028)	1,404,135
Transfers Out	<u>(1,233,433)</u>	<u>(1,233,433)</u>	<u>(1,120,029)</u>
Change in Net Position	<u>(1,366,761)</u>	<u>(1,417,461)</u>	284,106
Net Position - Beginning			<u>43,970,788</u>
Net Position - Ending			<u><u>44,254,894</u></u>

VILLAGE OF HOMEWOOD, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
April 30, 2018**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 8,871	8,810	17,681
Investments			
U.S. Government Obligations	1,403,913	668,622	2,072,535
U.S. Agency Obligations	6,639,764	3,255,092	9,894,856
Corporate Bonds	1,172,061	728,215	1,900,276
Municipal Bonds	1,336,515	721,568	2,058,083
Mutual Funds	17,830,430	8,769,541	26,599,971
Money Market Mutual Funds	246,689	57,267	303,956
Receivables - Net of Allowances			
Accrued Interest	79,393	43,555	122,948
Prepays	6,105	3,540	9,645
Total Assets	28,723,741	14,256,210	42,979,951
LIABILITIES			
Accounts Payable	5,002	2,891	7,893
NET POSITION			
Net Position Restricted for Pensions	28,718,739	14,253,319	42,972,058

VILLAGE OF HOMEWOOD, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Totals
<hr/>			
Additions			
Contributions - Employer	\$ 1,598,078	537,675	2,135,753
Contributions - Plan Members	375,173	159,466	534,639
Total Contributions	1,973,251	697,141	2,670,392
<hr/>			
Investment Income			
Interest Income	1,286,000	640,041	1,926,041
Net Change in Fair Value	896,180	417,446	1,313,626
	2,182,180	1,057,487	3,239,667
Less Investment Expenses	(48,397)	(23,952)	(72,349)
Net Investment Income	2,133,783	1,033,535	3,167,318
<hr/>			
Total Additions	4,107,034	1,730,676	5,837,710
<hr/>			
Deductions			
Administration	44,639	28,325	72,964
Benefits and Refunds	2,481,407	793,376	3,274,783
Total Deductions	2,526,046	821,701	3,347,747
<hr/>			
Changes in Fiduciary Net Position	1,580,988	908,975	2,489,963
<hr/>			
Net Position Restricted for Pensions			
Beginning	27,137,751	13,344,344	40,482,095
Ending	28,718,739	14,253,319	42,972,058

VILLAGE OF HOMEWOOD, ILLINOIS

Bond and Deposits - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 178,280	-	68,159	110,121
LIABILITIES				
Deposits, Builder and Subdivider	178,280	-	68,159	110,121

SUPPLEMENTAL SCHEDULES

VILLAGE OF HOMEWOOD, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Tax Bonds of 2014
April 30, 2018**

Date of Issue	September 4, 2014
Date of Maturity	December 1, 2018
Authorized Issue	\$1,731,000
Denomination of Bonds	\$1,000
Interest Rates	0.75% to 1.79%
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>
2019	\$ 24,000	429	24,429

VILLAGE OF HOMEWOOD, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Tax Bonds of 2017A
April 30, 2018**

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>
2019	\$ 542,000	39,572	581,572
2020	584,000	22,373	606,373
2021	537,000	11,277	548,277
	<u>1,663,000</u>	<u>73,222</u>	<u>1,736,222</u>

VILLAGE OF HOMEWOOD, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2014

April 30, 2018

Date of Contract	September 2, 2014
Date of Maturity	September 2, 2018
Original Amount of Contract	\$66,624
Interest Rates	2.79%
Interest Dates	September 2
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>
2019	\$ 13,686	382	14,068

VILLAGE OF HOMEWOOD, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2016

April 30, 2018

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>
2019	\$ 7,034	796	7,830
2020	7,290	540	7,830
2021	7,555	275	7,830
	<u>21,879</u>	<u>1,611</u>	<u>23,490</u>

VILLAGE OF HOMEWOOD, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2018

April 30, 2018

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>
2019	\$ 78,634	9,354	87,988
2020	80,875	7,113	87,988
2021	83,179	4,809	87,988
2022	85,550	2,438	87,988
	<u>328,238</u>	<u>23,714</u>	<u>351,952</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, 2018 (Unaudited)**

See Following Page

VILLAGE OF HOMEWOOD, ILLINOIS

Net Position by Component - Last Ten Fiscal Years April 30, 2018 (Unaudited)

	2009	2010	2011
Governmental Activities			
Net Investment in Capital Assets	\$ 11,971,672	12,996,935	12,915,146
Restricted	2,187,917	1,677,512	872,567
Unrestricted	15,996,302	15,528,635	14,281,221
Total Governmental Activities Net Position	30,155,891	30,203,082	28,068,934
Business-Type Activities			
Net Investment in Capital Assets	35,982,690	35,333,831	34,693,040
Restricted	2,697,985	3,435,055	4,075,242
Unrestricted	1,213,264	1,051,755	1,578,206
Total Business-Type Activities Net Position	39,893,939	39,820,641	40,346,488
Total Primary Government			
Net Investment in Capital Assets	47,954,362	48,330,766	47,608,186
Restricted	4,885,902	5,112,567	4,947,809
Unrestricted	17,209,566	16,580,390	15,859,427
Total Primary Government Net Position	70,049,830	70,023,723	68,415,422

Data Source: Village Records

2012	2013	2014	2015	2016	2017	2018
13,393,397	13,773,930	14,011,793	14,809,283	15,362,185	15,640,718	14,993,025
7,222,903	7,219,103	6,960,745	7,830,408	3,914,277	3,513,409	4,516,476
4,762,783	3,725,199	1,942,655	1,917,384	(28,213,557)	(31,517,676)	(34,936,361)
25,379,083	24,718,232	22,915,193	24,557,075	(8,937,095)	(12,363,549)	(15,426,860)
34,054,854	33,428,109	32,807,926	32,216,205	31,603,942	31,087,716	30,907,125
4,464,456	5,273,188	5,479,821	3,956,468	4,850,939	5,283,023	6,920,233
2,100,264	2,992,908	4,871,451	5,698,432	6,937,860	7,600,049	6,427,536
40,619,574	41,694,205	43,159,198	41,871,105	43,392,741	43,970,788	44,254,894
47,448,251	47,202,039	46,819,719	47,025,488	46,966,127	46,728,434	45,900,150
11,687,359	12,492,291	12,440,566	11,786,876	8,765,216	8,796,432	11,436,709
6,863,047	6,718,107	6,814,106	7,615,816	(21,275,697)	(23,917,627)	(28,508,825)
65,998,657	66,412,437	66,074,391	66,428,180	34,455,646	31,607,239	28,828,034

VILLAGE OF HOMEWOOD, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 6,047,503	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
Public Health/Environmental Protection	500,949	457,905	463,774	574,442	562,772	591,222	586,032	573,686	625,178	715,611
Maint./Development of Public Facilities	2,590,627	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
Protection of Persons/Property	8,240,645	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
Community Development	7,097,849	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
Interest On Long-Term Debt	104,835	103,137	80,771	59,776	40,000	4,304	37,782	19,380	14,458	32,029
	24,582,408	23,924,006	25,243,198	22,146,621	20,875,667	20,760,675	22,131,659	27,904,756	25,167,714	25,094,272
Business-Type Activities										
Water and Sewer*	4,631,567	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
Sewer	564,858	557,729	602,304	936,315	458,565	816,440	-	-	-	-
	5,196,425	4,783,645	4,935,965	5,432,000	5,748,838	6,667,758	8,758,208	6,660,476	7,548,704	7,422,164
Total Primary Government Expenses	29,778,833	28,707,651	30,179,163	27,578,621	26,624,505	27,428,433	30,889,867	34,565,232	32,716,418	32,516,436
Program Revenues										
Governmental Activities										
Charges for Services	4,241,240	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
Operating Grants and Contributions	539,172	525,832	1,480,002	826,756	583,263	603,739	667,376	496,820	497,229	504,379
Capital Grants and Contributions	182,289	175,269	-	8,440	971,106	54,785	2,109,988	220,436	12,442	-
	4,962,701	4,633,412	4,534,182	4,278,737	4,926,398	3,173,612	5,263,220	3,075,278	3,074,849	2,760,085
Business-Type Activities										
Charges for Services	4,046,919	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
Water and Sewer*	1,244,561	1,137,881	1,404,927	1,425,651	1,642,122	9,807	-	-	-	-
Sewer	-	-	-	-	12,500	37,500	-	-	-	-
Operating Grants and Contributions	5,291,480	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
Total Primary Government Revenues	10,254,181	10,021,004	10,691,696	10,671,351	12,375,768	11,271,685	13,581,592	12,341,877	12,119,218	11,584,362

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expenses)/Revenues										
Governmental Activities	\$ (19,619,707)	(19,290,594)	(20,709,016)	(17,867,884)	(15,949,269)	(17,587,063)	(16,868,439)	(24,829,478)	(22,092,865)	(22,334,187)
Business-Type Activities	95,055	603,947	1,221,549	960,614	1,700,532	1,430,315	(439,856)	2,606,123	1,495,665	1,402,113
Total Primary Government Net (Expenses)/Revenues	(19,524,652)	(18,686,647)	(19,487,467)	(16,907,270)	(14,248,737)	(16,156,748)	(17,308,275)	(22,223,355)	(20,597,200)	(20,932,074)
General Revenues										
Governmental Activities										
Property Taxes	13,371,129	12,294,548	9,087,710	6,743,098	6,437,480	6,248,045	5,642,684	5,928,427	6,076,725	6,017,665
Sales Tax	3,755,243	3,627,287	3,804,390	3,788,842	3,955,180	3,811,471	5,586,364	4,507,283	4,470,363	4,838,615
Other Tax	2,101,518	1,835,987	2,961,558	3,001,058	3,199,627	4,574,978	4,021,303	5,753,184	4,055,736	4,022,135
Other Revenues	864,658	826,965	1,096,849	891,875	907,723	1,092,138	2,411,098	911,446	3,148,430	3,272,432
Transfers	736,766	752,998	756,403	753,360	788,408	824,148	848,872	923,404	915,157	1,120,029
	20,829,314	19,337,785	17,706,910	15,178,233	15,288,418	16,550,780	18,510,321	18,023,744	18,666,411	19,270,876
Business-Type Activities										
Other Revenues	87,051	75,753	60,701	65,832	162,507	5,759	615	2,796	(2,361)	2,022
Transfers	(736,766)	(752,998)	(756,403)	(753,360)	(788,408)	(824,148)	(848,872)	(923,404)	(915,157)	(1,120,029)
	(649,715)	(677,245)	(695,702)	(687,528)	(625,901)	(818,389)	(848,257)	(920,608)	(917,518)	(1,118,007)
Total Primary Government	20,179,599	18,660,540	17,011,208	14,490,705	14,662,517	15,732,391	17,662,064	17,103,136	17,748,893	18,152,869
Change in Net Position										
Governmental Activities	1,209,607	47,191	(3,002,106)	(2,689,651)	(660,851)	(1,036,283)	1,641,882	(6,805,734)	(3,426,454)	(3,063,311)
Business-Type Activities	(554,660)	(73,298)	525,847	273,086	1,074,631	611,926	(1,288,093)	1,685,515	578,147	284,106
Total Primary Government	654,947	(26,107)	(2,476,259)	(2,416,565)	413,780	(424,357)	353,789	(5,120,219)	(2,848,307)	(2,779,205)

*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, 2018 (Unaudited)**

	2009	2010	2011
General Fund			
Reserved	\$ 912,280	957,286	2,570,829
Unreserved	6,996,083	6,055,410	5,876,857
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	<u>7,908,363</u>	<u>7,012,696</u>	<u>8,447,686</u>
All Other Governmental Funds			
Reserved	1,359,819	3,320,945	1,772,715
Unreserved, Reported in			
Special Revenue Fund	8,662,146	8,874,206	6,419,145
Capital Project Fund	965,517	1,171,660	2,281,429
Debt Service Fund	-	-	-
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>10,987,482</u>	<u>13,366,811</u>	<u>10,473,289</u>
Total All Governmental Funds	<u><u>18,895,845</u></u>	<u><u>20,379,507</u></u>	<u><u>18,920,975</u></u>

Data Source: Village Records

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

2012	2013	2014	2015	2016	2017	2018
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,818,825	1,934,122	1,373,461	1,426,732	1,398,879	1,553,446	1,676,632
1,067,405	924,362	766,998	658,716	608,780	505,518	370,228
-	-	-	138,000	490,075	252,825	276,809
4,496,002	3,716,986	3,307,491	4,412,844	5,420,936	5,615,528	5,550,787
7,382,232	6,575,470	5,447,950	6,636,292	7,918,670	7,927,317	7,874,456
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,175,014	7,003,371	6,198,039	7,185,466	3,312,703	3,012,930	4,172,508
1,019,812	-	-	-	-	-	-
(98,266)	(33,991)	(89,587)	(138,407)	(81,963)	(69,719)	(70,197)
7,096,560	6,969,380	6,108,452	7,047,059	3,230,740	2,943,211	4,102,311
14,478,792	13,544,850	11,556,402	13,683,351	11,149,410	10,870,528	11,976,767

VILLAGE OF HOMEWOOD, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

	2009	2010	2011
Revenues			
Property Taxes	\$ 13,371,129	12,294,548	9,087,710
Other Taxes	7,042,677	6,484,181	6,751,210
Licenses and Permits	489,313	496,211	524,316
Intergovernmental Revenues	1,244,915	1,261,557	2,418,641
Fines and Forfeitures	1,431,218	1,327,079	1,289,751
Charges for Services	-	-	-
Permits	169,855	82,671	96,877
Interest Revenue	181,486	80,802	47,937
Miscellaneous Revenue	1,136,037	1,174,127	1,454,874
Total Revenues	<u>25,066,630</u>	<u>23,201,176</u>	<u>21,671,316</u>
Expenditures			
Current			
General Government	5,666,998	5,373,564	5,647,609
Public Health/Environmental Protection	500,949	457,905	463,774
Maint/Development of Public Facilities	2,771,717	2,560,316	3,284,983
Protection of Persons/Property	7,869,335	7,829,611	7,951,819
Community Development	7,095,410	7,384,119	6,695,185
Debt Service			
Principal	1,175,000	1,040,000	650,000
Interest and Fiscal Charges	121,129	110,471	78,561
Total Expenditures	<u>25,200,538</u>	<u>24,755,986</u>	<u>24,771,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(133,908)</u>	<u>(1,554,810)</u>	<u>(3,100,615)</u>
Other Financing Sources (Uses)			
Debt Issuance	-	2,200,000	-
Bond Premium on Debt Issuance	-	49,078	-
Disposal of Capital Assets	34,758	36,396	17,650
Transfers In	1,765,705	1,958,351	1,181,131
Transfers Out	(1,028,939)	(1,205,353)	(424,728)
	<u>771,524</u>	<u>3,038,472</u>	<u>774,053</u>
Net Change in Fund Balances	<u>637,616</u>	<u>1,483,662</u>	<u>(2,326,562)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>5.2%</u>	<u>4.8%</u>	<u>3.0%</u>

Data Source: Village Records

2012	2013	2014	2015	2016	2017	2018
6,743,098	6,437,480	6,248,045	5,642,684	5,928,427	6,076,725	6,017,665
6,789,686	7,137,477	2,677,138	3,564,536	3,715,129	3,986,989	4,013,027
511,786	536,857	707,598	623,245	662,679	704,161	642,953
1,933,706	2,557,556	6,386,380	8,818,750	7,269,696	6,877,583	7,156,673
1,295,230	1,271,072	761,391	800,061	647,310	652,865	593,631
-	-	1,046,099	1,062,550	1,048,033	1,208,152	1,019,122
127,238	115,421	-	-	-	-	-
9,571	12,459	1,821	4,476	4,661	2,191	3,300
1,282,886	1,330,356	1,090,317	2,406,622	906,785	1,248,690	1,455,453
18,693,201	19,398,678	18,918,789	22,922,924	20,182,720	20,757,356	20,901,824
6,403,608	6,556,457	5,370,303	5,373,060	6,201,294	6,549,006	6,679,566
574,442	562,772	591,222	586,032	573,686	625,178	715,611
2,320,664	3,335,769	3,541,144	3,475,365	3,355,884	3,528,431	3,798,544
10,200,980	8,589,697	8,383,000	10,882,039	10,472,073	9,897,018	10,404,372
3,732,019	1,350,378	2,350,460	2,582,810	3,022,452	799,506	569,515
670,000	690,000	715,000	529,068	573,602	590,783	640,096
68,375	47,438	28,988	28,300	25,948	16,625	10,808
23,970,088	21,132,511	20,980,117	23,456,674	24,224,939	22,006,547	22,818,512
(5,276,887)	(1,733,833)	(2,061,328)	(533,750)	(4,042,219)	(1,249,191)	(1,916,688)
-	-	-	1,797,624	-	36,496	1,871,113
-	-	-	-	-	-	-
81,416	11,483	15,488	14,203	584,874	18,656	31,785
954,413	1,129,063	1,533,489	1,178,949	1,261,277	1,038,101	1,165,529
(201,053)	(340,655)	(709,341)	(330,077)	(337,873)	(122,944)	(45,500)
834,776	799,891	839,636	2,660,699	1,508,278	970,309	3,022,927
(4,442,111)	(933,942)	(1,221,692)	2,126,949	(2,533,941)	(278,882)	1,106,239
3.4%	3.6%	3.6%	2.5%	2.6%	2.9%	2.9%

VILLAGE OF HOMEWOOD, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property
2008	\$ 301,202,273	90,448,457	31,483,846	3,036,338
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	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
-	426,170,914	33%	1,278,512,742	1.084
-	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

VILLAGE OF HOMEWOOD, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2018 (Unaudited)**

Taxing Body	2008	2009	2010	2011
Direct Rates				
Corporate	0.196	0.171	0.183	0.201
Fire and Police Protection	0.175	0.155	0.165	0.180
Debt Service	0.090	0.176	0.157	0.190
Pensions Including Soc. Sec.	0.348	0.378	0.399	0.534
All Other	0.275	0.273	0.241	0.299
Total Village	1.084	1.153	1.145	1.404
Overlapping Rates *				
County and Forest Preserve	0.466	0.443	0.474	0.520
Schools	7.557	7.380	7.394	9.548
All Other	1.466	1.468	1.464	1.842

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.

2012	2013	2014	2015	2016	2017
0.248	0.271	0.271	0.246	0.230	0.195
0.223	0.244	0.244	0.221	0.207	0.171
0.213	0.161	0.188	0.194	-	0.171
0.575	0.493	0.578	0.889	0.767	0.844
0.340	0.505	0.535	0.345	0.599	0.289
1.599	1.674	1.817	1.895	1.803	1.670
0.594	0.660	0.654	0.621	0.596	0.589
10.912	11.849	12.660	13.267	12.847	11.843
1.994	2.463	2.103	2.155	2.467	2.319

VILLAGE OF HOMEWOOD, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2018 (Unaudited)**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Inland American Homewood	\$ 15,948,878	1	4.29%	\$ 14,781,083	1	3.40%
Menard Inc.	5,859,915	2	1.57%	4,019,114	9	0.93%
Kohls	5,041,084	3	1.35%	6,094,772	4	1.40%
Healthcare & Retirement	4,866,887	4	1.31%			
Albertson's	4,452,331	5	1.20%	6,125,851	3	1.41%
Homewood Associates	4,433,760	6	1.19%	4,717,746	7	1.09%
Target	4,342,566	7	1.17%	5,394,081	5	1.24%
Home Depot	3,766,442	8	1.01%	5,009,401	6	1.15%
Dika Homewood LLC	3,479,105	9	0.93%	3,973,163	10	0.91%
Homewood Mercy Property	3,427,299	10	0.92%			
K-Mart Corporation *				13,465,396	2	3.10%
Dan Development				4,690,333	8	1.08%
	<u>55,618,267</u>		<u>14.94%</u>	<u>68,270,940</u>		<u>15.72%</u>
Total Village Taxable Assessed Value	<u>372,186,168</u>			<u>426,170,914</u>		

Data Source: Cook County Clerk's Office

VILLAGE OF HOMEWOOD, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2018 (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
2009	\$ 4,699,000	\$ 2,101,000	44.71%	\$ 2,820,000	\$ 4,921,000	104.72%
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	6,324,012	2,888,176	45.67%	-	2,888,176	45.67%

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, 2018 (Unaudited)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Merchandise	\$ 688,525	654,097	644,999
Food	748,634	746,906	699,893
Drinking/Eating Places	362,956	332,936	362,146
Apparel	50,966	49,512	50,287
Furniture/Household/Radio	247,603	240,204	237,418
Lumber/Bldg/Hardware	440,480	418,571	416,814
Automobile/Filling Stations	566,265	429,140	631,908
Drugs & Misc. Retail	624,280	619,369	578,648
Agriculture & Others	132,052	107,734	115,906
Manufacturing	12,488	11,200	15,392
Totals	<u>3,874,249</u>	<u>3,609,669</u>	<u>3,753,411</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.

2011	2012	2,013	2014	2015	2016	2017
636,152	602,553	585,896	446,341	440,911	540,576	986,906
669,347	668,740	671,951	737,234	737,074	629,998	579,096
375,907	398,657	433,416	480,685	545,958	589,189	633,651
56,680	60,713	57,241	57,449	60,023	57,471	97,618
222,670	226,438	229,636	219,665	233,835	224,768	240,516
391,645	396,135	417,327	423,156	430,626	371,125	439,696
743,802	738,288	752,288	768,365	849,460	898,842	852,769
595,760	636,614	695,113	659,177	963,109	883,691	796,864
99,286	91,545	99,662	165,086	175,712	165,272	173,715
4,182	3,276	3,080	3,471	2,430	11,695	13,155
3,795,431	3,822,959	3,945,610	3,960,629	4,439,138	4,372,627	4,813,986
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, 2018 (Unaudited)

Fiscal Year	Village of Homewood Rate	Cook County Rate	State of Illinois Rate	Regional Transit Authority Rate
2009	1.00%	1.75%	5.00%	1.25%
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%

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, 2018 (Unaudited)**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation (G.O.) Bonds	(G.O.) Paid Back with TIF Funds	Installment Contract			
2009	\$ 1,350,000	\$ 730,000	\$ -	\$ 2,080,000	0.37%	\$ 106.43
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	1,886,684	0.32%	97.64

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, 2018 (Unaudited)

Fiscal Year	General Obligation (G. O.) Bonds	(G.O.) Paid Back with TIF Funds	Total (G.O.) Debt	Percentage of Equalized Assessed Value of Property (1)	Per Capita (2)
2009	\$ 1,350,000	\$ 730,000	\$ 2,080,000	0.49%	\$ 106.43
2010	3,287,486	-	3,287,486	0.76%	168.22
2011	2,627,493	-	2,627,493	0.53%	135.98
2012	1,947,298	-	1,947,298	0.48%	100.78
2013	1,246,898	-	1,246,898	0.34%	64.53
2014	515,000	-	515,000	0.15%	26.65
2015	1,731,000	-	1,731,000	0.53%	89.58
2016	1,170,000	-	1,170,000	0.37%	60.55
2017	600,000	-	600,000	0.18%	31.05
2018	1,687,000	-	1,687,000	0.45%	87.31

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, 2018 (Unaudited)**

Governmental Unit	(1) Outstanding Debt	(2) Percentage of Debt Applicable to Village	(3) Village's Share of Debt
Direct			
Village of Homewood	\$ 1,886,684	100.00%	\$ 1,886,684
Overlapping			
Homewood School District No. 153	14,344,606	93.140%	13,360,566
Flossmoor School District No. 161	5,835,000	16.590%	968,027
Hazel Crest School District No. 152 1/2	5,562,775	3.600%	200,260
Thornton School District No. 154	1,489,000	0.530%	7,892
Homewood-Flossmoor H.S.D. No. 233	25,080,000	49.740%	12,474,792
Thornton H.S.D. No. 205	84,567,211	0.310%	262,158
Prairie State Community College No. 515	11,030,000	11.220%	1,237,566
Thornton Community College No. 510	18,211,398	0.120%	21,854
Cook County, Including Forest Preserve District	3,516,836,750	0.240%	8,440,408
Metropolitan Water Reclamation District	2,377,123,381	0.020%	475,425
Homewood-Flossmoor Park District	14,030,000	59.130%	8,295,939
Total Overlapping Debt	6,074,110,121		45,744,886
Total Direct and Overlapping Debt	6,075,996,805		47,631,570

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, 2018 (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
2009	\$ 36,934,658	1,830,000	35,104,658	0.40%
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%

Legal Debt Margin Calculation for Fiscal Year 2018

Total Equalized Assessed Valuation - 2017	<u>\$ 372,186,168</u>
Debt Limit - 8.625% of Total EAV	32,101,057
General Obligation Bonds	1,687,000
Less: TIF Supported Debt	-
Net Debt Applicable to Limit	<u>1,687,000</u>
Legal Debt Margin	<u>30,414,057</u>

Data Source: Cook County Clerk and Village Records

VILLAGE OF HOMEWOOD, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2018 (Unaudited)

Fiscal Year	(1) Population	Per Capita Income	Total Personal Income	Median Age	Education Level in Years of Schooling	(2) School Enrollment	Unemployment Rate
2009	19,543	\$ 28,797	\$ 562,779,771	39.9	13.8	3,941	11.5%
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%

Data Sources:

(1) 2009 - 2010 is from first pass 2010 census. 2011 - 2018 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, 2018 (Unaudited)**

Employer	2018			2009		
	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: 2009 data is from Illinois Dept. Commerce and Economic Opportunity
2018 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, 2018 (Unaudited)**

See Following Page

VILLAGE OF HOMEWOOD, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function	2009	2010	2011
Village Hall			
Manager's Office	6.00	5.50	5.50
Finance (a)	7.00	7.00	6.50
Community Development	6.00	5.00	4.00
Public Safety			
Fire (c)			
Sworn Firefighters/EMT	38.00	36.50	36.50
Non Sworn Staff	5.50	5.50	5.50
Police (b)			
Sworn Officers	17.00	17.00	17.00
Non Sworn Staff	2.00	2.00	1.00
Public Works			
Streets	15.00	14.00	14.00
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>120.00</u>	<u>116.00</u>	<u>113.50</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.

2012	2013	2014	2015	2016	2017	2018
5.50	5.50	5.00	5.00	5.00	6.00	7.00
6.50	6.50	6.00	6.50	7.00	6.00	6.00
4.00	5.00	5.00	3.00	-	-	-
36.00	36.00	36.00	37.50	17.00	17.00	17.00
5.50	5.50	5.50	6.50	4.00	4.00	4.00
17.00	17.00	17.00	17.00	39.50	39.50	40.00
1.00	1.00	1.00	1.00	6.50	6.50	6.50
13.00	13.00	13.00	6.00	7.00	7.00	7.00
11.50	11.50	11.50	10.00	11.00	11.50	11.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00
9.00	9.00	9.00	7.00	10.00	10.00	10.00
112.00	113.00	112.00	102.50	110.00	110.50	111.50

VILLAGE OF HOMEWOOD, ILLINOIS

**Operating Indicators by Function - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function	2009	2010	2011
Police			
Number of Employees			
Full Time	43	42	41
Reserve	16	14	13
Crossing Guards	16	16	19
Part-time Clerical	7	7	7
Miles Patrolled	260,000	260,000	260,000
Calls for Service	20,460	19,459	20,429
Part I Crimes Reported	900	683	632
Part I Crimes Cleared	318	263	235
Part II Crimes Reported	1,444	1,297	1,385
Part II Crimes Cleared	502	518	666
Number of Traffic Citations Issued	2,777	2,478	2,977
Number of Arrests Made	820	781	937
Jail Facilities	7	7	7
Jail Population	238	290	310
Number of Auto Accidents	-	665	693
Vehicles			
Patrol Units	12	12	12
Administrative	6	6	6
Motorcycles	1	1	1
Fire			
Number of Stations	1	1	1
Number of Employees	19	18	18
Number of Paid-on-Call	20	17	12
Number of Fire Responses	746	862	802
Est. \$ Loss from Fires	\$ 349,426	\$ 402,346	\$ 192,778
Number of Fire Prevention Inspections	1,497	2,300	981
Number of Public Education Presentations	119	70	65
Number of Emergency Medical Responses	1,671	1,736	1,614
Health & Environment			
Number of Food Service Establishment Inspections	297	299	283
Number of Swimming Pool Inspections	186	3	68
Number of Property Code Inspections	587	1,297	997
Building Permits Issued	1,007	991	992

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.

2012	2013	2014	2015	2016	2017	2018
41	41	41	42	43	43	45
13	13	13	13	10	13	13
19	19	19	19	18	18	19
7	7	7	7	6	7	6
260,000	260,000	260,000	260,000	260,000	260,000	260,000
27,901	26,620	26,620	22,673	22,280	22,172	24,210
751	737	737	538	499	588	821
389	327	327	247	203	304	399
1,997	1,893	1,893	1,923	1,880	1,468	1,493
1,215	1,083	1,083	1,036	1,200	880	912
5,183	3,681	3,681	3,542	4,995	3,444	3,483
1,604	1,410	1,410	1,283	1,403	1,184	1,311
7	7	7	7	7	7	7
345	345	345	772	1,020	828	962
610	657	657	668	792	876	937
12	12	0	12	12	12	12
6	6	-	6	6	6	7
1	2	-	-	-	-	-
1	1	1	1	1	1	1
18	18	18	18	18	18	18
16	14	18	15	15	15	11
703	713	811	814	690	643	639
\$ 799,713	\$ 883,612	\$ 1,926,700	\$ 1,237,545	\$ 432,950	\$ 280,470	\$ 120,000
1,311	1,988	1,539	1,155	1,155	1,002	881
33	52	40	33	31	23	22
1,794	1,735	1,897	1,984	2,041	2,318	2,357
292	303	220	220	220	212	229
7	178	5	5	4	3	193
1,112	1,280	1,402	1,402	1,826	1,333	1,746
994	1,015	1,208	1,208	1,233	1,145	1,277