

VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT
FINANCING DISTRICT FUND

FINANCIAL AND COMPLIANCE REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

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**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE



INDEPENDENT AUDITOR'S REPORT

August 20, 2024

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

We have audited the accompanying basic financial statements of the Northeast Tax Increment Financing District Fund of the Village of Homewood (the Village), Illinois as of and for the year ended April 30, 2024, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the financial statements present only the Northeast Tax Increment Financing District Fund of the Village of Homewood, Illinois and are not intended to present fairly the financial position or results of operations of the Village of Homewood, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Northeast Tax Increment Financing District Fund of the Village of Homewood, Illinois as of April 30, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated August 20, 2024 on our consideration of the Northeast Tax Increment Financing District Fund's compliance with laws, regulations, contracts and grants.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

August 20, 2024

To the Honorable President
Members of the Board of Trustees
And Village Manager
Village of Homewood, Illinois

We have audited the basic financial statements of the Northeast Tax Increment Financing District Fund of the Village of Homewood (the Village), Illinois, as of and for the year ended April 30, 2024, and have issued our report thereon dated August 20, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Homewood's (the Village) management. As part of obtaining reasonable assurance about whether financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1132, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Balance Sheet
April 30, 2024**

ASSETS	
Cash and Investments	\$ 2,891,357
Land Held for Resale	<u>314,716</u>
Total Assets	<u><u>3,206,073</u></u>
LIABILITIES	
Accounts Payable	<u>1,407</u>
FUND BALANCE	
Nonspendable	314,716
Restricted	<u>2,889,950</u>
Total Fund Balances	<u><u>3,204,666</u></u>
Total Liabilities and Fund Balances	<u><u>3,206,073</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended April 30, 2024**

Revenues	
Taxes	
Property Taxes	\$ 665,381
Interest Income	3,088
Total Revenues	<u>668,469</u>
Expenditures	
Community Development	<u>152,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	515,716
Other Financing (Uses)	
Transfer Out	<u>(15,911)</u>
Net Change in Fund Balance	499,805
Fund Balance - Beginning	<u>2,704,861</u>
Fund Balance - Ending	<u><u>3,204,666</u></u>

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Notes to the Financial Statements
April 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Northeast Tax Increment Financing District Fund conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant polices.

REPORTING ENTITY

The Northeast Tax Increment Financing District Fund was established as required by the “Tax Increment Allocation Redevelopment Act” of the State of Illinois. The fund accounts for transactions related to the Tax Increment Redevelopment Project Area established by Municipal ordinance.

The Village intends to repay various expenditures of its redevelopment plan and project and retire any debt issued for the project through the use of property tax incremental revenue, state and local sales tax incremental revenue, and investment and other earnings.

The Northeast Tax Increment Financing District Fund is a fund of the Village of Homewood (the Village) and is not intended to present fairly the financial position and results of operations of the Village as a whole. The information contained in this report can also be found in the Village’s Annual Comprehensive Financial Report for the year ended April 30, 2024.

BASIS OF PRESENTATION

Fund Financial Statements

The accounts of the Northeast Tax Increment Financing District Fund are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Village resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are those through which most governmental functions of the Village are financed. The Village’s expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Northeast Tax Increment Financing District Fund’s governmental fund types:

Special Revenue Fund. A Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than those used to finance major capital projects) that are legally restricted or designated to finance particular functions or activities.

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Notes to the Financial Statements
April 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

Basis of Accounting

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 Northeast Tax Increment Financing District Fund 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.

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

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. 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.

Detail information of the Northeast Tax Increment Financing District Fund insured and collateralized, cash and investments of \$2,891,357 is not available. However, total information of the Village is as follows:

The carrying amount of cash, excluding the Pension Trust Funds, was \$11,884,689 at April 30, 2024, while the bank balances were \$11,559,587. The Village also has \$18,023,971 invested in the Illinois Trust at year-end. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government held in the Village’s name by the financial institutions acting as the Village’s agent.

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Notes to the Financial Statements
April 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Fund Balance

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION

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

1. At the first Village Board meeting in February, 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.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to May 1, the budget is legally enacted for the Northeast Tax Increment Financing District Fund.
4. 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 Trustees on the current year's budget were in accordance with legal requirements. Budget/Appropriations lapse at year end. Supplemental budgets were enacted.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND

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

	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues			
Taxes			
Property Taxes	\$ 800,000	665,381	(134,619)
Interest Income	10,000	3,088	(6,912)
Total Revenues	<u>810,000</u>	<u>668,469</u>	<u>(141,531)</u>
Expenditures			
Community Development	<u>458,000</u>	<u>152,753</u>	<u>305,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	352,000	515,716	163,716
Other Financing (Uses)			
Transfers Out	<u>(20,000)</u>	<u>(15,911)</u>	<u>4,089</u>
Net Change in Fund Balance	<u><u>332,000</u></u>	499,805	<u><u>167,805</u></u>
Fund Balance - Beginning		<u>2,704,861</u>	
Fund Balance - Ending		<u><u>3,204,666</u></u>	

**VILLAGE OF HOMEWOOD, ILLINOIS
NORTHEAST TAX INCREMENT FINANCING DISTRICT FUND**

**Analysis of the Tax Allocation TIF Fund
For the Fiscal Year Ended April 30, 2024**

	Analysis Fiscal Year Ended April 30, 2024	Cumulative Analysis Ending April 30, 2024
Beginning Balance	\$ 2,704,861	—
Revenues		
Property Taxes - TIF	665,381	4,010,749
Interest on Investments	3,088	17,878
Total Revenues	668,469	4,028,627
Expenditures		
Contractual Services	152,753	468,132
Miscellaneous	—	—
Total Expenditures	152,753	468,132
Excess (Deficiency) of Revenues Over (Under) Expenditures	515,716	3,560,495
Other Financing (Uses)		
Transfers Out	(15,911)	(355,829)
Net Change	499,805	3,204,666
Balance Before Other Commitments	3,204,666	3,204,666
Other Commitments		
FY 23-24 Development Incentives	(1,530,400)	
FY 23-24 Other Expenditures	(66,400)	
FY 23-24 Capital Projects	—	
Add 50% 2023-24 Budgeted Revenues	377,500	
Ending Surplus/(Deficit)	1,985,366	