



FY 2023-2024

Annual Financial Report Summary

(Audit for Fiscal Year May 1, 2023 through April 30, 2024)

FY 2023-2024 Audit Results

Overall, the total net position of the Village increased by 17.5% (a positive trend) over the prior year.

- Net position summary (The net position accounts for all municipal funds, not just general fund.)
 - FY 2021 Net Position - \$13,704,703
 - FY 2022 Net Position - \$22,302,796
 - FY 2023 Net Position - \$26,781,671
 - FY 2024 Net Position - \$31,468,774

The difference between total assets and liabilities are reported as the net position. Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving, deteriorating, or remaining constant. Homewood's financial position is doing well.

General Fund

General Fund Revenue and Expense summary

	FY 2023 5/1/2022 to 4/30/2023	FY 2024 5/1/2023 to 4/30/2024
Revenues	\$26.1M	\$27.0M
Expenses	\$22.6M	\$25.0M

1. After all obligations are met at the end of a fiscal year, all remaining money goes into the Village's reserves.
2. \$599k was added to the General Fund's reserves.

Where did the revenue come from?

- The Ground Emergency Transport (GEMT) State subsidized program for ambulance fees began in fiscal year 2022-2023. The budgeted amount during fiscal year 2023-2024 was too conservative. A more accurate budget figure will be used going forward.
- Sales tax performed better than expected during the budgeting process, which took into account the loss of a major retailer.
- Interest rates have continued to provide a good return on the Village's investments.
- General Fund expenses came in at 93% of the budgeted amount mainly due to open/unfilled budgeted positions.

FY 2023-2024 Fund Balance or Reserves (Non-Spendable, Assigned, and Unassigned)

Total General Fund Reserves is currently \$17.9M.

1. \$1.82M is categorized as Non-spendable.
2. \$981k is categorized as Assigned.
3. **\$15M** in reserves remains and is categorized as Unassigned.

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Unassigned Reserves

1. Fund balance or reserves is the Village's only fiscal insurance policy to protect against internal and external factors that impede the Village's ability to continue providing high-level services to our residents and stakeholders.
2. The Village's fund balance policy requires at least five (5) months of operating expenses, (*The Village's current monthly operating cost is \$2.2M*) or *\$11.2M*.
3. Village's current fund balance now has nearly seven (7) months of operating expenses (*\$15M*).
4. *\$3.8M* is available (unassigned) over the minimum required fund balance policy level. Priorities for spending funds over required 5 months minimum:
 - a. Fund Capital Projects
 - b. Fund Non-TIF and Economic Development Incentives
 - c. Increase unassigned fund balance up to a maximum of 6 months
 - d. Contribute funding to pensions

Water/Sewer Fund

1. The Village is currently working on a water rate study with Burns & McDonnell to ensure our rates will be sufficient to cover ongoing operating expenses in the Water/Sewer Fund as well as current and future water/sewer capital needs.
2. Current Water/Sewer Fund Reserves:

	FY 2023 5/1/2022 to 4/30/2023	FY 2024 5/1/2023 to 4/30/2024
Operations	\$3.0M	\$2.5M
Restricted-Capital	\$1.5M	\$2.4M
Total Reserves	\$4.5M	\$4.9M

- Budgeted Water Sewer Capital for Fiscal Year 2024-2025 is \$1.7M.

Pension Funds

Under the State Pension code, the Village is required to fund the Police and Fire Pension Funds at 90% by 2040.

- As of April 30, 2024, the Fire Pension Fund was funded at 66.1% and the Police Pension Fund was at 50.5%.
- Each year, approximately 50% of the Village's tax levy goes towards the Police & Fire Pension funds.