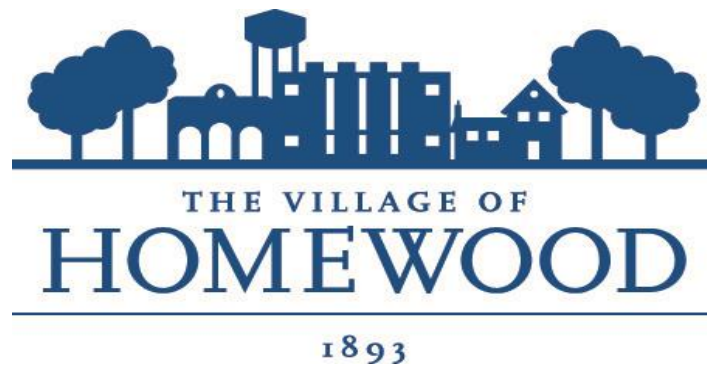


# VILLAGE OF HOMEWOOD, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017

**VILLAGE OF HOMEWOOD, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017**

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, 2017**

---

### **VILLAGE PRESIDENT**

Richard A. Hofeld

### **BOARD OF TRUSTEES**

Lawrence Burnson  
Anne Colton  
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

### **ACCOUNTING SUPERVISOR**

Amy Zukowski





July 15, 2017

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, 2017 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, 2017 CAFR to implement GASB Statements 67 and 68 on Pensions. GASB 67 and 68 helped to improve the accounting and financial reporting by state and local governments for pensions. The Village was required with the April 30, 2012 CAFR to implement GASB Statement 54 on Fund balance. GASB 54 requires a greater detail of the categories that compromise fund balance. The Village was required with the April 30, 2004 CAFR to implement GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis (MD&A) for state and local governments. The GASB 34 requirement of current year versus previous year comparisons for the CAFR of April 30, 2016 is incorporated in the MD&A found later in this document with comparisons of April 30, 2017 to April 30, 2016. 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.

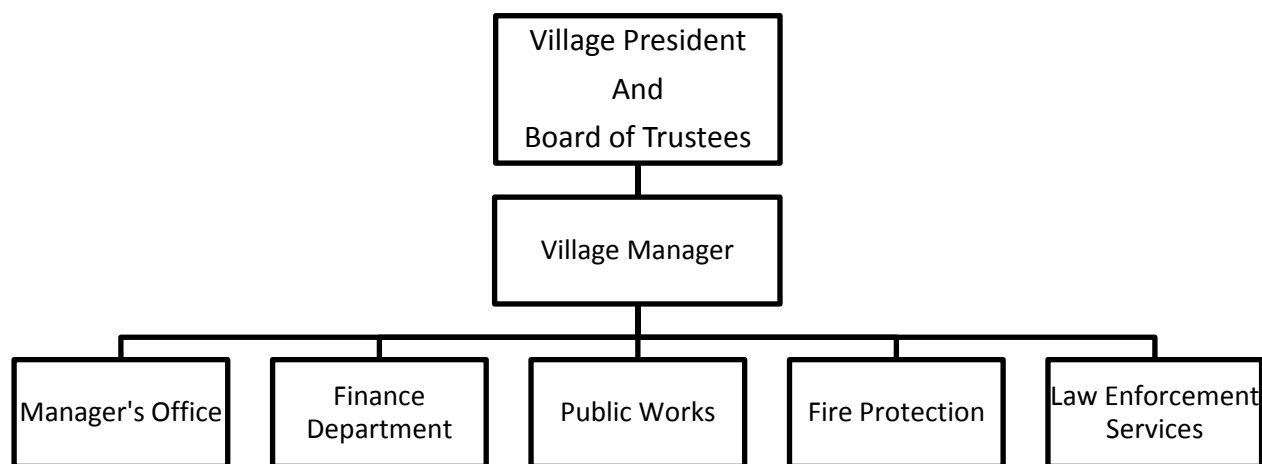
**REPORTING ENTITY**

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.

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

## GENERAL INFORMATION

The Village of Homewood is a residential, commuter suburb 25 miles south of the City of Chicago downtown with a 2010 Census population of 19,323. The Village of Homewood is 5.27 square miles in size and is substantially developed. At fiscal year end April 30, 2017 the Village government is organized as follows:



### Manager's Office

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

### Finance Department:

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

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

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

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

Fire Protection:

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

Law Enforcement Services:

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

It should be noted that the Village undertook some reporting changes/reorganization in the above flowchart with its budget beginning May 1, 2015.

## **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. The most recent budget allocated funds for economic redevelopment to non TIF areas so long as the project improves business opportunities and so long as funds remain available.

Homewood continues to attract new businesses and reinvestment in the commercial areas. In the **Halsted Street area**, the Homewood Hotel, which had been in decline for several years, was demolished making way for a possible casino development that is being sought after jointly with East Hazel Crest. The approval and selection of a site for the casino is still in process with the State legislature. Potbelly Sandwiches took occupancy in a new building which replaced a demolished Applebee's. Joining Potbelly in this new building is Mattress Firm, and Verizon. A vacant Arby's Restaurant was demolished and construction finished this past year on a replacement building with new retail tenants Sleepy's and Vision Works. An agreement with Menard's to expand their operation was finalized and the expansion was completed in May 2017. This agreement also included sales tax sharing with the Village of Thornton as part of the Menards expansion included Thornton property. Super Wal-Mart moved into the vacant K-Mart location and opened in October 2016. Causing much excitement to the residents of the Village of Homewood was the opening of Portillo's Hot Dog/Beef Restaurant on the site of the former Shooter's Buffet. Portillo's opened in the Fall of 2015. The Room Place furniture store replaced a discount furniture store on Halsted. The façade improvements of the Room Place were a dramatic improvement to this building. Krispy Kreme re-entered the Cook County market with their first of 8 locations being in Homewood on the site of the former Washington Square Restaurant. They opened for business in January 2017. Homewood Chevrolet has been very successful that it has purchased additional lot of hold inventory. **Downtown area**, LaBanque Boutique Hotel opened to much fanfare in the Central Business District. This upscale Hotel includes a Restaurant and will be the cornerstone for future downtown projects. The Vice District, a craft beer brewing company from Chicago, plans to open a location here in the heart of downtown Homewood on Dixie Highway. Boutique stores catering in specialized home items opening in the downtown this past year were Upsa Daisy and Lou Lou Belle. 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. Commercial renovations in the **Southwest CBD** include Jonathan Kane salon with full

service line of beauty services and products. 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 2007-2010. 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 shows EAV beginning to rise again which will help when setting our tax levy. The large increase in 2010 was attributable to over \$50 million going back on to the tax rolls with the end of the Washington Park TIF.

<b>YEAR</b>	<b>EQUALIZED ASSESSED VALUATION</b>
2007	\$388,501,932
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

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. 2013-2016 shows a good recessionary bounce back. The following table shows the value of all building permits issued over the past ten fiscal years.

<b>YEAR</b>	<b>VALUE OF ALL BUILDING PERMITS</b>
2007	\$15,515,806
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

2007 is highlighted by Culvers on 183<sup>rd</sup> St. at \$1,000,000 & Midas on Halsted St. at \$1,000,000 and Shell gas station/retail shops on Halsted at \$1,950,000. 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 ends mid-August 2017.

**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, 2017 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, 2017 the cash resources were invested as follows:

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 \$1,280,108 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 \$3,756 of interest income this past fiscal year. Investment return rates continue at historically low levels

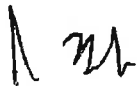
### **INDEPENDENT AUDIT**

An independent audit of this year's comprehensive annual financial report was conducted by Lauterbach & Amen, LLP of Warrenville, 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.

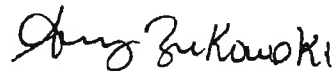
### **ACKNOWLEDGMENTS**

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  
Senior Accountant

## **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 15, 2017

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, 2017, 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, 2017, 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, 2017**

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Our discussion and analysis of the Village of Homewood's (Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2017. 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 \$3,426,454 or 38.3 percent and the net position of business-type activities increased by \$578,147, or 1.3 percent.
- During the year, government-wide revenues for the primary government totaled \$29,868,111, while expenses totaled \$32,716,418, resulting in a decrease to net position of \$2,848,307.
- The Village's net position totaled \$31,607,239 on April 30, 2017, which includes \$46,728,434 net investment in capital assets, \$8,796,432 subject to external restrictions, and \$23,917,627 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 surplus, mainly due to transfers, in the current year of \$1,038,101, resulting in ending fund balance of \$7,927,317, an increase 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, 2017**

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### **USING THIS ANNUAL REPORT – Continued**

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

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner 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, 2017**

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### **USING THIS ANNUAL REPORT – Continued**

#### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

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

The Village maintains twenty 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 2006 Bond, Washington Park TIF, East CBD TIF, 2002 General Fund Bond Issue, 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 and Depreciation, Improvement and Extension Funds, which are considered to be major funds of the Village. The Surplus Fund is considered a nonmajor 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, 2017**

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### **USING THIS ANNUAL REPORT – Continued**

#### **Fund Financial Statements – Continued**

##### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 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 - 66 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 67 - 80 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 81 - 114 of this report.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

#### 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 \$31,607,239.

	Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 15,662,532	15,700,856	13,881,620	12,727,618	29,544,152	28,428,474
Capital Assets	15,908,145	15,886,702	31,087,716	31,603,942	46,995,861	47,490,644
Total Assets	31,570,677	31,587,558	44,969,336	44,331,560	76,540,013	75,919,118
Deferred Outflows	14,446,723	17,812,416	205,947	244,478	14,652,670	18,056,894
Total Assets/ Def. Outflows	46,017,400	49,399,974	45,175,283	44,576,038	91,192,683	93,976,012
Long-Term Debt	45,620,028	53,513,857	563,669	608,802	46,183,697	54,122,659
Other Liabilities	1,578,736	1,597,340	578,390	574,595	2,157,126	2,171,935
Total Liabilities	47,198,764	55,111,197	1,142,059	1,183,397	48,340,823	56,294,594
Deferred Inflows	11,182,185	3,225,872	62,436	-	11,244,621	3,225,872
Total Liabilities/Def. Inflows	58,380,949	58,337,069	1,204,495	1,183,397	59,585,444	59,520,466
Net Position						
Net Investment in						
Capital Assets	15,640,718	15,362,185	31,087,716	31,603,942	46,728,434	46,966,127
Restricted	3,513,409	3,914,277	5,283,023	4,850,839	8,796,432	8,765,116
Unrestricted	(31,517,676)	(28,213,557)	7,600,049	6,937,860	(23,917,627)	(21,275,697)
Total Net Position	(12,363,549)	(8,937,095)	43,970,788	43,392,641	31,607,239	34,455,546

A large portion of the Village's net position, \$46,728,434, 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, \$8,796,432 or 27.8 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining (\$23,917,627), 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, 2017

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 2,565,178	2,358,022	9,044,369	9,266,599	11,609,547	11,624,621
Operating Grants/Contrib.	497,229	496,820	-	-	497,229	496,820
Capital Grants/Contrib.	12,442	220,436	-	-	12,442	220,436
General Revenues						
Property Taxes	6,076,725	5,928,427	-	-	6,076,725	5,928,427
Income Taxes	1,821,924	1,976,488	-	-	1,821,924	1,976,488
Sales Taxes	4,470,363	4,507,283	-	-	4,470,363	4,507,283
Replacement Taxes	75,625	68,669	-	-	75,625	68,669
Other Taxes	4,055,736	3,708,027	-	-	4,055,736	3,708,027
Interest Income	2,191	4,661	1,570	2,796	3,761	7,457
Miscellaneous	1,248,690	906,785	(3,931)	-	1,244,759	906,785
Total Revenues	20,826,103	20,175,618	9,042,008	9,269,395	29,868,111	29,445,013
Expenses						
General Government	6,760,866	4,914,479	-	-	6,760,866	4,914,479
Public Health/ Environment Protection	625,178	573,686	-	-	625,178	573,686
Maintenance/Development of						
Public Facilities	3,713,326	3,542,003	-	-	3,713,326	3,542,003
Protect of Persons/Property	13,254,380	15,832,756	-	-	13,254,380	15,832,756
Community Development	799,506	3,022,452	-	-	799,506	3,022,452
Interest on Long-Term Debt	14,458	19,380	-	-	14,458	19,380
Water and Sewer	-	-	6,934,578	6,048,213	6,934,578	6,048,213
Depreciation, Improvement and Extension	-	-	614,126	612,263	614,126	612,263
Total Expenses	25,167,714	27,904,756	7,548,704	6,660,476	32,716,418	34,565,232
Change Before Transfers	(4,341,611)	(7,729,138)	1,493,304	2,608,919	(2,848,307)	(5,120,219)
Internal Activity-Transfers	915,157	923,404	(915,157)	(923,404)	-	-
Change in Net Position	(3,426,454)	(6,805,734)	578,147	1,685,515	(2,848,307)	(5,120,219)
Net Position-Beginning	(8,937,095)	(2,131,361)	43,392,641	41,707,126	34,455,546	39,575,765
Net Position-Ending	(12,363,549)	(8,937,095)	43,970,788	43,392,641	31,607,239	34,455,546

Net position of the Village's governmental activities decreased by 38.3 percent [(\$8,937,095 in 2016 compared to (\$12,363,549) in 2017]. Unrestricted governmental activities net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled (\$31,517,676) at April 30, 2017.

Net position of business-type activities increased by 1.3 percent (\$43,392,641 in 2016 compared to \$43,970,788 in 2017).

## VILLAGE OF HOMEWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

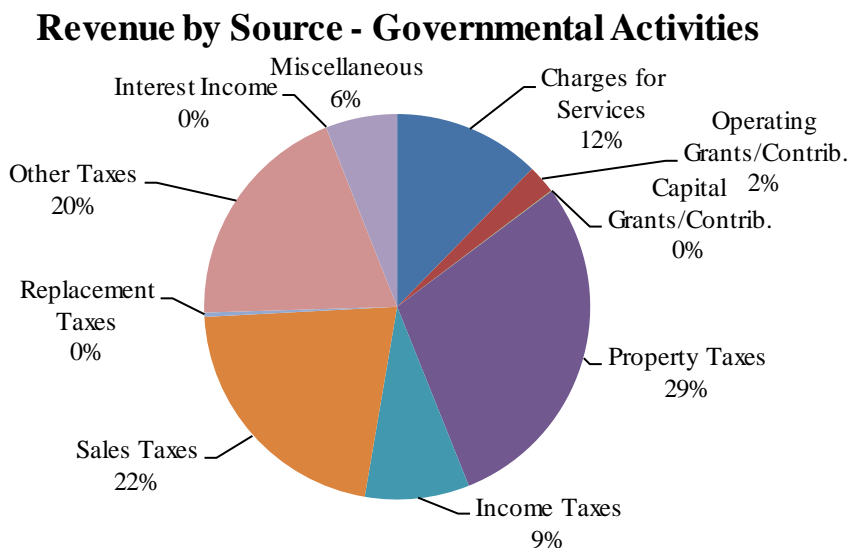
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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Governmental Activities

Revenues for governmental activities totaled \$20,826,103, while the cost of all governmental functions totaled \$25,167,714. This results in a deficit of \$4,341,611 prior to transfers in of \$915,157. The Village saw revenues increase \$650,485 or 3.2 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.

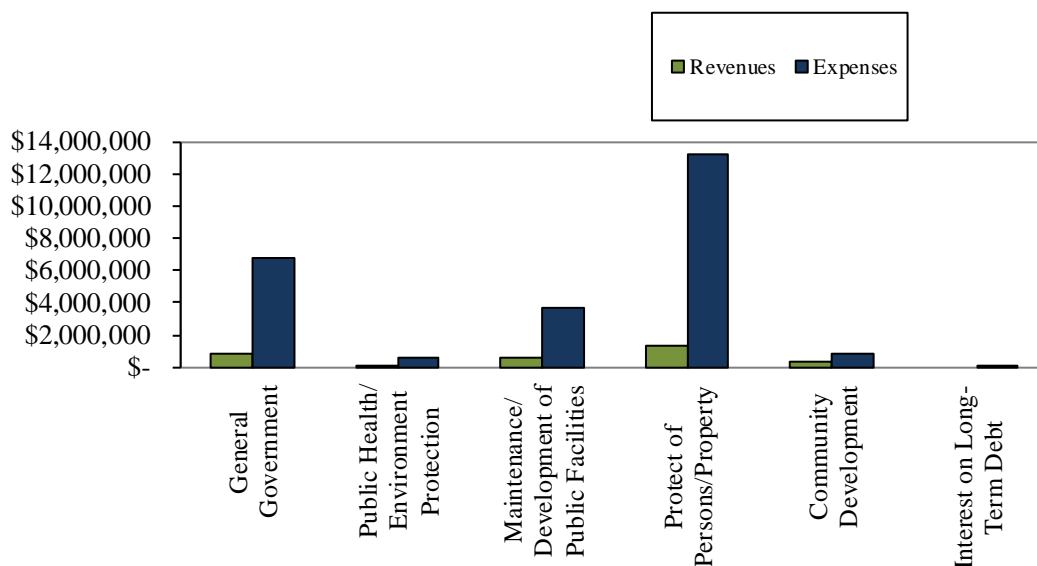
## VILLAGE OF HOMEWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Governmental Activities – Continued

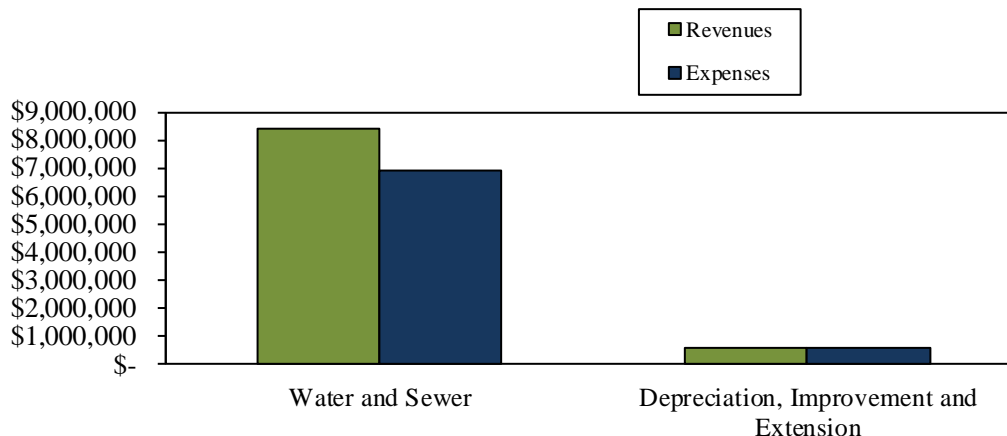
###### Expenses and Program Revenues - Governmental Activities



##### Business-Type activities

Business-Type activities posted total revenues of \$9,042,008, while the cost of all business-type activities totaled \$7,548,704. This results in a surplus of \$1,493,304, prior to transfers out of \$915,157. The surplus is primarily due to the completion of the water meter exchange program. The Village is waiting on any announcement of water rate increases from Chicago.

###### 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, 2017**

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

##### **Governmental Funds**

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

The Village's governmental funds reported combining ending fund balances of \$10,870,528, which is \$278,882, or 2.5 percent, lower than last year's total of \$11,149,410. Of the \$10,870,528 total, \$5,545,809, or approximately 51.0 percent, of the fund balance constitutes unrestricted fund balance.

The General Fund, including the retirement IMRF Fund, reported a surplus in fund balance for the year of \$8,647, an increase of less than one percent.

The General Fund is the chief operating fund of the Village. At April 30, 2017, unassigned fund balance in the General Fund was \$5,615,528, which represents 70.8 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 27.6 percent of total General Fund expenditures.

The CBD TIF Special Allocation Fund reported a surplus in fund balance of \$41,458. 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 \$578,147. This is due to the Village completing the water meter exchange program and no multi-year increase received from the City of Chicago as of yet. Depreciation expense accounts for \$614,126 of the total fund's expenses of \$7,548,704, or 8.1 percent.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Management's Discussion and Analysis April 30, 2017

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#### GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual revenues for the year totaled \$19,316,077 compared to budgeted revenues of \$19,493,614. For the just completed current fiscal year in the larger revenue categories, sales tax was \$124,637 below budget and income tax was \$148,076 below budget.

The General Fund actual expenditures for the year were \$838,866 lower than budgeted (\$20,374,422 actual compared to \$21,213,288 budgeted). Planned economic development expenditures related to a major redevelopment plan for the downtown area of the Village were slow moving as negotiations stalled on a sale of property.

#### 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, 2017 was \$46,995,861 (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		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,855,413	1,855,413	-	-	1,855,413	1,855,413
Construction in Progress	130,550	-	71,639	-	202,189	-
Buildings and Improvements	2,677,747	2,925,824	520,790	556,851	3,198,537	3,482,675
Vehicles and Equipment	2,596,497	2,255,182	46,947	24,383	2,643,444	2,279,565
Infrastructure	8,647,938	8,850,283	30,448,340	31,022,708	39,096,278	39,872,991
Total	15,908,145	15,886,702	31,087,716	31,603,942	46,995,861	47,490,644

Capital asset additions for the year included:

Construction in Progress	\$ 202,189
Vehicles and Equipment	774,786
	<u>976,975</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, 2017

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Debt Administration

At year-end, the Village had total outstanding debt of \$600,000. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 600,000	1,170,000	-	-	600,000	1,170,000

There were no significant additions to the Village's outstanding debt in this fiscal year. Additional information on the Village's long-term debt can be found in Note 3 on pages 40 - 42 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 2017-18 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, 2017**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 8,273,962	12,088,074	20,362,036
Receivables - Net of Allowances	5,835,124	1,793,546	7,628,670
Inventories	135,312	-	135,312
Prepays	1,418,134	-	1,418,134
Total Current Assets	15,662,532	13,881,620	29,544,152
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	1,985,963	71,639	2,057,602
Depreciable Capital Assets	28,089,682	48,473,789	76,563,471
Accumulated Depreciation	(14,167,500)	(17,457,712)	(31,625,212)
Total Noncurrent Assets	15,908,145	31,087,716	46,995,861
Total Assets	31,570,677	44,969,336	76,540,013
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	1,460,855	205,947	1,666,802
Deferred Items - SLEP	75,846	-	75,846
Deferred Items - Police Pension	8,790,170	-	8,790,170
Deferred Items - Firefighters' Pension	4,119,852	-	4,119,852
Total Deferred Outflows of Resources	14,446,723	205,947	14,652,670
Total Assets and Deferred Outflows of Resources	46,017,400	45,175,283	91,192,683

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 405,786	439,201	844,987
Retainage Payable	20,219	-	20,219
Accrued Payroll	255,264	50,387	305,651
Deposits Payable	-	76,098	76,098
Interest Payable	5,039	-	5,039
Other Payables	218,178	-	218,178
Current Portion of Long-Term Debt	674,250	12,704	686,954
Total Current Liabilities	1,578,736	578,390	2,157,126
Noncurrent Liabilities			
Compensated Absences Payable	312,591	50,817	363,408
Net Pension Liability - IMRF	3,165,598	446,276	3,611,874
Net Pension Liability - SLEP	386,491	-	386,491
Net Pension Liability - Police Pension	31,272,816	-	31,272,816
Net Pension Liability - Firefighters' Pension	9,696,967	-	9,696,967
Net Other Post-Employment Benefit Obligation Payable	726,000	66,576	792,576
General Obligation Bonds Payable	24,000	-	24,000
Installment Contract Payable	35,565	-	35,565
Total Noncurrent Liabilities	45,620,028	563,669	46,183,697
Total Liabilities	47,198,764	1,142,059	48,340,823
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	442,882	62,436	505,318
Deferred Items - SLEP	23,640	-	23,640
Deferred Items - Police Pension	5,097,884	-	5,097,884
Deferred Items - Firefighters' Pension	2,198,867	-	2,198,867
Property Taxes	3,418,912	-	3,418,912
Total Deferred Inflows of Resources	11,182,185	62,436	11,244,621
Total Liabilities and Deferred Inflows of Resources	58,380,949	1,204,495	59,585,444
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,640,718	31,087,716	46,728,434
Restricted - Employee Benefits	505,518	-	505,518
Restricted - TIF Development	992,004	-	992,004
Restricted - Law Enforcement	151,509	-	151,509
Restricted - Street Improvement	420,052	-	420,052
Restricted - Fire Department	52,679	-	52,679
Restricted - Telecommunication	495,084	-	495,084
Restricted - Debt Service	119,840	-	119,840
Restricted - Capital Projects	776,723	5,283,023	6,059,746
Unrestricted (Deficit)	(31,517,676)	7,600,049	(23,917,627)
Total Net Position	(12,363,549)	43,970,788	31,607,239

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, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 6,760,866	813,226	8,679	-
Public Health/Environment Protection	625,178	1,443	-	-
Maintenance/Development of Public Facilities	3,713,326	112,398	488,550	-
Protect of Persons/Property	13,254,380	1,271,442	-	12,442
Community Development	799,506	366,669	-	-
Interest on Long-Term Debt	14,458	-	-	-
Total Governmental Activities	25,167,714	2,565,178	497,229	12,442
Business-Type Activities				
Water and Sewer	7,548,704	9,044,369	-	-
Total Primary Government	32,716,418	11,609,547	497,229	12,442

### 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
(5,938,961)	-	(5,938,961)
(623,735)	-	(623,735)
(3,112,378)	-	(3,112,378)
(11,970,496)	-	(11,970,496)
(432,837)	-	(432,837)
(14,458)	-	(14,458)
(22,092,865)	-	(22,092,865)
-	1,495,665	1,495,665
(22,092,865)	1,495,665	(20,597,200)
6,076,725	-	6,076,725
4,055,736	-	4,055,736
4,470,363	-	4,470,363
1,821,924	-	1,821,924
75,625	-	75,625
2,191	1,570	3,761
1,248,690	(3,931)	1,244,759
915,157	(915,157)	-
18,666,411	(917,518)	17,748,893
(3,426,454)	578,147	(2,848,307)
(8,937,095)	43,392,641	34,455,546
(12,363,549)	43,970,788	31,607,239

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

**VILLAGE OF HOMEWOOD, ILLINOIS****Balance Sheet - Governmental Funds  
April 30, 2017**

	General	Special Revenue CBD TIF Special Allocation	Nonmajor	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 5,337,663	242,965	2,693,334	8,273,962
Receivables - Net of Allowances				
Taxes	3,125,529	-	375,449	3,500,978
Other Taxes	1,711,966	-	-	1,711,966
Receivables	131,285	-	17,250	148,535
Due from Other Funds	69,719	-	-	69,719
Inventories	135,312	-	-	135,312
Prepays	1,418,134	-	-	1,418,134
Total Assets	11,929,608	242,965	3,086,033	15,258,606
<b>LIABILITIES</b>				
Accounts Payable	403,320	-	2,466	405,786
Retainage Payable	-	-	20,219	20,219
Accrued Payroll	255,264	-	-	255,264
Other Payables	218,178	-	-	218,178
Due to Other Funds	-	-	69,719	69,719
Total Liabilities	876,762	-	92,404	969,166
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	3,125,529	-	293,383	3,418,912
Total Liabilities and Deferred Inflows of Resources	4,002,291	-	385,787	4,388,078
<b>FUND BALANCES</b>				
Nonspendable	1,553,446	-	-	1,553,446
Restricted	505,518	242,965	2,769,965	3,518,448
Assigned	252,825	-	-	252,825
Unassigned	5,615,528	-	(69,719)	5,545,809
Total Fund Balances	7,927,317	242,965	2,700,246	10,870,528
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,929,608	242,965	3,086,033	15,258,606

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, 2017

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<b>Total Governmental Fund Balances</b>	<b>\$ 10,870,528</b>
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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.	15,908,145
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,017,973
Deferred Items - SLEP	52,206
Deferred Items - Police Pension	3,692,286
Deferred Items - Firefighters' Pension	1,920,985

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.	473,645
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(390,739)
Net Pension Liability - IMRF	(3,165,598)
Net Pension Liability - SLEP	(386,491)
Net Pension Liability - Police Pension	(31,272,816)
Net Pension Liability - Firefighters' Pension	(9,696,967)
Net Other Post-Employment Benefit Obligation Payable	(726,000)
General Obligation Bonds Payable	(600,000)
Installment Contract Payable	(55,667)
Accrued Interest Payable	(5,039)

<b>Net Position of Governmental Activities</b>	<b><u>(12,363,549)</u></b>
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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, 2017

	General	Special Revenue CBD TIF Special Allocation	Nonmajor	Totals
Revenues				
Taxes	\$ 9,321,632	-	742,082	10,063,714
Intergovernmental	6,376,591	-	500,992	6,877,583
Charges for Services	1,208,152	-	-	1,208,152
Licenses and Permits	704,161	-	-	704,161
Fines and Forfeitures	652,865	-	-	652,865
Interest	1,495	-	696	2,191
Miscellaneous	1,051,181	-	197,509	1,248,690
Total Revenues	19,316,077	-	1,441,279	20,757,356
Expenditures				
Current				
General Government	6,531,724	-	17,282	6,549,006
Public Health/Environment Protection	625,178	-	-	625,178
Maintenance/Development of Public Facilities	3,289,568	-	238,863	3,528,431
Protect of Persons/Property	9,545,941	-	351,077	9,897,018
Community Development	360,113	(41,458)	480,851	799,506
Debt Service				
Principal Retirement	20,783	-	570,000	590,783
Interest and Fiscal Charges	1,115	-	15,510	16,625
Total Expenditures	20,374,422	(41,458)	1,673,583	22,006,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,058,345)	41,458	(232,304)	(1,249,191)
Other Financing Sources (Uses)				
Debt Issuance	36,496	-	-	36,496
Disposal of Capital Assets	18,656	-	-	18,656
Transfers In	1,038,101	-	-	1,038,101
Transfers Out	(26,261)	-	(96,683)	(122,944)
	1,066,992	-	(96,683)	970,309
Net Change in Fund Balances	8,647	41,458	(328,987)	(278,882)
Fund Balances - Beginning	7,918,670	201,507	3,029,233	11,149,410
Fund Balances - Ending	7,927,317	242,965	2,700,246	10,870,528

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, 2017

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (278,882)</b>
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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	879,075
Depreciation Expense	(638,760)
Disposals - Cost Net of Accumulated Depreciation	(218,872)

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

Change in Deferred Items - IMRF	(885,052)
Change in Deferred Items - SLEP	52,206
Change in Deferred Items - Police Pension	(7,363,557)
Change in Deferred Items - Firefighters' Pension	(2,932,563)

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.

68,747

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	41,784
Decrease in Net Pension Liability - IMRF	494,619
(Increase) in Net Pension Liability - SLEP	(386,491)
(Decrease) in Net Pension Liability - Police Pension	4,898,114
(Decrease) in Net Pension Liability - Firefighters' Pension	2,086,094
Decrease in Net Other Post-Employment Benefit Obligation Payable	200,630
Issuance of Debt	(36,496)
Retirement of Debt	590,783

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.

2,167

**Changes in Net Position of Governmental Activities**

**(3,426,454)**

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, 2017

	Business-Type Activities Water and Sewer
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 12,088,074
Receivables - Net of Allowances	
Accounts	452,201
Unbilled Accounts	1,199,723
Other	141,622
Total Current Assets	13,881,620
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	71,639
Depreciable Capital Assets	48,473,789
Accumulated Depreciation	(17,457,712)
Total Noncurrent Assets	31,087,716
Total Assets	44,969,336
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	205,947
Total Assets and Deferred Outflows of Resources	45,175,283

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

	Business-Type Activities Water and Sewer
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 439,201
Accrued Payroll	50,387
Deposits Payable	76,098
Compensated Absences Payable	12,704
Total Current Liabilities	<u>578,390</u>
Noncurrent Liabilities	
Compensated Absences Payable	50,817
Net Pension Liability - IMRF	446,276
Net Other Post-Employment Benefit Obligation Payable	66,576
Total Noncurrent Liabilities	<u>563,669</u>
Total Liabilities	<u>1,142,059</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>62,436</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,204,495</u>
<b>NET POSITION</b>	
Investment in Capital Assets	31,087,716
Restricted - Capital Projects	5,283,023
Unrestricted	<u>7,600,049</u>
Total Net Position	<u><u>43,970,788</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, 2017

	Business-Type Activities
	Water and Sewer
Operating Revenues	
Charges for Services	\$ 7,025,785
Sales to the Village of Flossmoor	1,858,666
Miscellaneous	159,918
Total Operating Revenues	<u>9,044,369</u>
Operating Expenses	
Operations	6,934,578
Depreciation	614,126
Total Operating Expenses	<u>7,548,704</u>
Operating Income	<u>1,495,665</u>
Nonoperating Revenues (Expenses)	
Interest Income	1,570
Disposal of Capital Assets	(3,931)
	<u>(2,361)</u>
Income Before Transfers	1,493,304
Transfers In	26,261
Transfers Out	(941,418)
	<u>(915,157)</u>
Change in Net Position	578,147
Net Position - Beginning	<u>43,392,641</u>
Net Position - Ending	<u><u>43,970,788</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, 2017

	Business-Type Activities
	Water and Sewer
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 9,087,225
Payments to Employees	(1,302,446)
Payments to Suppliers	(5,611,034)
	<u>2,173,745</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	26,261
Transfers (Out)	(941,418)
	<u>(915,157)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(97,900)</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	<u>(3,931)</u>
Cash Flows from Investing Activities	
Interest Income	<u>1,570</u>
Net Change in Cash and Cash Equivalents	1,158,327
Cash and Cash Equivalents - Beginning	<u>10,929,747</u>
Cash and Cash Equivalents - Ending	<u><u>12,088,074</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	1,495,665
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	614,126
(Increase) Decrease in Current Assets	42,856
Increase (Decrease) in Current Liabilities	<u>21,098</u>
Net Cash Provided by Operating Activities	<u><u>2,173,745</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, 2017**

	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 20,831	178,280
Investments		
U.S. Government and Agency Obligations	10,420,320	-
Corporate Bonds	2,298,845	-
Municipal Bonds	2,179,946	-
Mutual Funds	25,187,766	-
Money Market Mutual Funds	255,789	-
Receivables - Net of Allowances		
Accrued Interest	117,881	-
Prepays	<u>9,281</u>	<u>-</u>
Total Assets	<u>40,490,659</u>	<u>178,280</u>
<b>LIABILITIES</b>		
Deposits, Builder and Subdivider	-	178,280
Accounts Payable	<u>8,564</u>	<u>-</u>
Total Liabilities	<u>8,564</u>	<u>178,280</u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>40,482,095</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, 2017

	Pension Trust
Additions	
Contributions - Employer	\$ 2,034,037
Contributions - Plan Members	525,376
Total Contributions	<u>2,559,413</u>
Investment Income	
Interest Income	1,280,108
Net Change in Fair Value	2,832,661
	<u>4,112,769</u>
Less Investment Expenses	(65,880)
Net Investment Income	<u>4,046,889</u>
Total Additions	<u>6,606,302</u>
Deductions	
Administration	90,835
Benefits and Refunds	2,904,607
Total Deductions	<u>2,995,442</u>
Change in Fiduciary Net Position	3,610,860
Net Position Restricted for Pensions	
Beginning	<u>36,871,235</u>
Ending	<u><u>40,482,095</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, 2017**

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

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

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

#### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

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

#### **Police Pension Employees Retirement System**

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

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



## **VILLAGE OF HOMEWOOD, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

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

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

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

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

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

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

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

## **VILLAGE OF HOMEWOOD, ILLINOIS**

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

**April 30, 2017**

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

##### **BASIS OF PRESENTATION – Continued**

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public health/environment protection, maintenance/development of public facilities, protect of persons/property, community development, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

##### **Fund Financial Statements**

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

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

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

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

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

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

##### Governmental Funds

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

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

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains 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, 2017

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

##### BASIS OF PRESENTATION – Continued

##### Governmental Funds – Continued

**Capital projects funds** are used to account for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains four 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, 2017**

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

#### **BASIS OF PRESENTATION – Continued**

##### **Fiduciary Funds – Continued**

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

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

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

##### **Measurement Focus**

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

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

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

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

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

# **VILLAGE OF HOMEWOOD, ILLINOIS**

## **Notes to the Financial Statements**

**April 30, 2017**

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

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

##### **Basis of Accounting**

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

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

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

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

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

## **VILLAGE OF HOMEWOOD, ILLINOIS**

### **Notes to the Financial Statements April 30, 2017**

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

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

##### **Cash and Investments**

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

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

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### **Receivables**

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

##### **Prepays/Inventories**

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

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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

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

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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 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.

##### 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.



## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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

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

##### Compensated Absences – Continued

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 effect 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.

##### 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.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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

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

##### Net Position – Continued

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 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.
- 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 2006 Bond, the 2002 General Bond Issue – Capital Projects, 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.

#### 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	\$ 1,644
Foreign Fire Insurance	31,996
Network #3 Cook County Telecomm	17,282

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEFICIT FUND BALANCE

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

Fund	Deficit
East CBD TIF	\$ 69,719

#### 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.

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

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEPOSITS AND INVESTMENTS – Continued

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. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

##### **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 \$8,789,951 and the bank balances totaled \$8,913,589. Additionally, the Village has \$11,572,085 invested in the Illinois Funds, which are measured at the net asset value per share 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. Also, 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 (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, 2017

### 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 \$11,886.

*Investments.* The Fund has the following investment fair values and maturities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 1,269,583	25,031	748,425	496,127	-
U.S. Agencies	5,841,114	761	807,836	4,202,415	830,102
Corporate Bonds	1,425,312	602,134	470,901	352,277	-
Municipal Bonds	1,428,057	141,947	725,367	522,719	38,024
Totals	9,964,066	769,873	2,752,529	5,573,538	868,126

The Fund has the following recurring fair value measurements as of April 30, 2017:

Investments by Fair Value Level	April 30, 2017	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. Treasuries	\$ 1,269,584	1,269,584	-	-
U.S. Agencies	5,827,174	-	5,827,174	-
Corporate Bonds	1,425,312	-	1,425,312	-
State and Local Obligations	1,428,057	-	1,428,057	-
Equity Securities				
Mutual Funds	16,953,652	16,953,652	-	-
Equities	131,881	131,881	-	-
Total Investments by Fair Value Level	27,035,660	18,355,117	8,680,543	-

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

#### 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

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

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

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 Bonds	70,000	4.19%	December 1, 2017	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
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	Aa3
Rock River Water IL Bonds	100,000	4.20%	December 12, 2018	NR	Aa2
Skokie IL Bonds	10,000	1.75%	December 1, 2021	NR	Aa1
Will County IL Bonds	70,000	4.08%	November 15, 2017	AA+	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

*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.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk – Continued.* 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 at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. 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 \$131,881 invested in money market mutual funds and \$16,953,652 invested in equities. At year-end, the Fund does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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	40.0%	1.3%
Domestic Equities	12.0% - 42.0%	6.5% - 8.5%
International Equities	6.0%	6.8%
Cash and Cash Equivalents	0.0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Concentration Risk – Continued.* The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 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, 2017 are listed in the table above.

##### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.09%. 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 \$8,945.

*Investments.* The Fund has the following investment fair values and maturities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 633,041	40,945	261,090	274,177	56,829
U.S. Agencies	2,676,582	30,216	608,918	1,897,265	140,183
Corporate Bonds	873,533	203,498	369,393	288,110	12,532
Municipal Bonds	751,889	51,220	350,943	268,843	80,883
Totals	4,935,045	325,879	1,590,344	2,728,395	290,427



## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

#### 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, 2017:

Investments by Fair Value Level	April 30, 2017	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. Treasuries	\$ 633,041	633,041	-	-
U.S. Agencies	2,676,582	-	2,676,582	-
Corporate Bonds	873,533	-	873,533	-
State and Local Obligations	751,889	-	751,889	-
Equity Securities				
Mutual Funds	8,234,114	8,234,114	-	-
Equities	123,908	123,908	-	-
Total Investments by Fair Value Level	13,293,067	8,991,063	4,302,004	-

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

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

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

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEPOSITS AND INVESTMENTS – Continued

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

###### *Credit Risk– Continued.*

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
Libertyville IL Bonds	15,000	5.88%	December 15, 2027	NR	Aa2
Private Export	30,000	2.25%	December 15, 2017	NR	Aaa
Rock Island IL Bonds	100,000	2.70%	December 1, 2021	NR	Aa3
Skokie IL Bonds	50,000	2.05%	December 1, 2022	NR	Aa1
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 CN IL CCD Bonds	25,000	7.00%	January 1, 2029	AA	NR
Winnebago ETC IL Bonds	50,000	4.70%	January 1, 2018	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 at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. 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 \$123,908 invested in money market mutual funds and \$8,234,114 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### DEPOSITS AND INVESTMENTS – Continued

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40.0%	1.3%
Domestic Equities	12.0% - 42.0%	6.5% - 8.5%
International Equities	6.0%	6.8%
Cash and Cash Equivalents	0.0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. 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 2017 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, 2017 are listed in the table above.

##### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.93%. 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 2016 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, 2017

### 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	-	130,550
	<u>1,855,413</u>	<u>130,550</u>	<u>-</u>	<u>1,985,963</u>
Depreciable Capital Assets				
Building and Improvements	4,802,994	-	151,700	4,651,294
Vehicle and Equipment	6,148,520	748,525	329,355	6,567,690
Infrastructure	16,870,698	-	-	16,870,698
	<u>27,822,212</u>	<u>748,525</u>	<u>481,055</u>	<u>28,089,682</u>
Less Accumulated Depreciation				
Building and Improvements	1,877,170	100,170	3,793	1,973,547
Vehicle and Equipment	3,893,338	336,245	258,390	3,971,193
Infrastructure	8,020,415	202,345	-	8,222,760
	<u>13,790,923</u>	<u>638,760</u>	<u>262,183</u>	<u>14,167,500</u>
Total Net Depreciable Capital Assets	<u>14,031,289</u>	<u>109,765</u>	<u>218,872</u>	<u>13,922,182</u>
Total Net Capital Assets	<u>15,886,702</u>	<u>240,315</u>	<u>218,872</u>	<u>15,908,145</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 408,415
Maintenance/Development of Public Facilities	184,895
Protect of Persons/Property	<u>45,450</u>
	<u>638,760</u>

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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	-	-	1,968,872
Vehicle and Equipment	714,908	26,261	-	741,169
Infrastructure	45,763,748	-	-	45,763,748
	48,447,528	26,261	-	48,473,789
Less Accumulated Depreciation/Amortization				
Building and Improvements	1,412,021	36,061	-	1,448,082
Vehicle and Equipment	690,525	3,697	-	694,222
Infrastructure	14,741,040	574,368	-	15,315,408
	16,843,586	614,126	-	17,457,712
Total Net Capital Assets	31,603,942	(516,226)	-	31,087,716

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

Water and Sewer	<u>\$ 614,126</u>
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### INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

#### Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	<u>\$ 69,719</u>

Interfund balances are in anticipation of receipts.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

#### 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	\$ 96,683
General	Water and Sewer	941,418
Water and Sewer	General	<u>26,261</u>
		<u>1,064,362</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### 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	<u>\$ 1,170,000</u>	-	570,000	<u>600,000</u>

##### Installment Contract

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	\$ 39,954	-	12,953	27,001

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

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

#### LONG-TERM DEBT – Continued

##### Installment Contract – Continued

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$36,496 Installment Contract of 2016 - Due in annual installments of \$7,830 including interest at 3.64% through August 9, 2020.	General	\$ -	36,496	7,830	28,666
		39,954	36,496	20,783	55,667

#### 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
<b>Governmental Activities</b>					
Compensated Absences	\$ 432,523	41,784	83,568	390,739	78,148
Net Pension Liability - IMRF	3,660,217	-	494,619	3,165,598	-
Net Pension Liability - SLEP	-	386,491	-	386,491	-
Net Pension Liability - Police Pension	36,170,930	-	4,898,114	31,272,816	-
Net Pension Liability - Firefighters' Pension	11,783,061	-	2,086,094	9,696,967	-
Net Other Post-Employment Benefit Obligation	926,630	-	200,630	726,000	-
General Obligation Bonds	1,170,000	-	570,000	600,000	576,000
Installment Contract	39,954	36,496	20,783	55,667	20,102
	54,183,315	464,771	8,353,808	46,294,278	674,250
<b>Business-Type Activities</b>					
Compensated Absences	67,008	3,487	6,974	63,521	12,704
Net Pension Liability - IMRF	470,221	-	23,945	446,276	-
Net Other Post-Employment Benefit Obligation	84,975	-	18,399	66,576	-
	622,204	3,487	49,318	576,373	12,704

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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

##### LONG-TERM DEBT – Continued

##### Long-Term Liabilities Activity – Continued

For governmental activities the compensated absences, the net pension liabilities for IMFR and SLEP, and the net other post-employment benefit obligation are generally liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. The General Fund makes payments on the installment contract.

For business-type activities the compensated absences, the net pension liability, and the net other post-employment benefit obligation are liquidated by the Water and Sewer Fund.

##### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities			
	General		Installment	
	Obligation Bonds		Contract	
	Principal	Interest	Principal	Interest
2018	\$ 576,000	9,012	20,102	1,796
2019	24,000	429	20,720	1,178
2020	-	-	7,290	540
2021	-	-	7,555	275
	600,000	9,441	55,667	3,789

##### 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 - 2016	<u>\$ 336,484,951</u>
Bonded Debt Limit - 8.625% of Assessed Value	29,021,827
Amount of Debt Applicable to Limit	<u>600,000</u>
Legal Debt Margin	<u>28,421,827</u>



## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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

##### NET POSITION/FUND BALANCE

###### Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 15,908,145
Plus Unspent Bond Proceeds	388,240
Less Capital Related Debt:	
General Obligation Limited Tax Bonds of 2014	(600,000)
Installment Contract of 2014	(27,001)
Installment Contract of 2016	<u>(28,666)</u>
Net Investment in Capital Assets	<u>15,640,718</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>31,087,716</u>

###### 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.

**Assigned Fund Balance.** The Village reports assigned fund balance in the General Fund, a major fund. The Village's Board, through the Village's adopted fund balance policy, has given authority to the Village Manager to assign these funds to future capital needs and improvement projects based on approved Board/management expenditures as determined through the annual budget process.

**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, 2017

### 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	\$ 135,312	-	-	135,312
Prepays	1,418,134	-	-	1,418,134
	1,553,446	-	-	1,553,446
Restricted				
Employee Benefits	505,518	-	-	505,518
TIF Development	-	242,965	749,039	992,004
Law Enforcement	-	-	151,509	151,509
Street Improvement	-	-	420,052	420,052
Fire Department	-	-	52,679	52,679
Telecommunication	-	-	495,084	495,084
Debt Service	-	-	124,879	124,879
Capital Projects	-	-	776,723	776,723
	505,518	242,965	2,769,965	3,518,448
Assigned				
Capital Projects	252,825	-	-	252,825
Unassigned	5,615,528	-	(69,719)	5,545,809
Total Fund Balances	7,927,317	242,965	2,700,246	10,870,528

## **VILLAGE OF HOMEWOOD, ILLINOIS**

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

**April 30, 2017**

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#### **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.

##### **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, 2017, 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, 2017**

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#### **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, 2017, the Village rebated a total of \$193,635 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](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

*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, 2016, the measurement date, the following employees were covered by the benefit terms:

	Regular	SLEP	Totals
Inactive Plan Members Currently Receiving Benefits	94	3	97
Inactive Plan Members Entitled to but not yet Receiving Benefits	46	-	46
Active Plan Members	59	-	59
Total	199	3	202

*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. The Village's annual contribution rate for calendar year 2016 was 12.78% of covered payroll.

SLEP members are required to contribute 7.50% of their annual covered salary. The District's annual contribution rate for calendar year 2016 was 29.88% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, 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	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both the Regular Plan and SLEP Plan and the discount rate in the prior valuations were 7.48% and 7.04% for the Regular Plan and the SLEP Plan, respectively. 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 presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50% for both the Regular Plan and SLEP Plan, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

		Current Discount Rate (7.50%)	1% Increase (8.50%)
Regular Plan	1% Decrease (6.50%)		
Net Pension Liability	\$ 797,200	3,611,874	29,721
SLEP Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 535,116	386,491	259,460



# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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 – Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 32,874,485	28,744,047	4,130,438
Changes for the Year:			
Service Cost	496,752	-	496,752
Interest on the Total Pension Liability	2,411,756	-	2,411,756
Difference Between Expected and Actual Experience of the Total Pension Liability	(666,544)	-	(666,544)
Changes of Assumptions	(80,738)	-	(80,738)
Contributions - Employer	-	565,405	(565,405)
Contributions - Employees	-	199,086	(199,086)
Net Investment Income	-	1,979,636	(1,979,636)
Benefit Payments, including Refunds of Employee Contributions	(1,760,257)	(1,760,257)	-
Other (Net Transfer)	-	(64,337)	64,337
Net Changes	400,969	919,533	(518,564)
Balances at December 31, 2016	33,275,454	29,663,580	3,611,874

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ -	-	-
Changes for the Year:			
Service Cost	24,281	-	24,281
Interest on the Total Pension Liability	104,193	-	104,193
Difference Between Expected and Actual Experience of the Total Pension Liability	453,991	8,185	445,806
Changes of Assumptions	(65,508)	2,055	(67,563)
Contributions - Employer	-	88,115	(88,115)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(117,106)	(117,106)	-
Other (Net Transfer)	-	32,111	(32,111)
Net Changes	399,851	13,360	386,491
Balances at December 31, 2016	399,851	13,360	386,491

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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

For the year ended April 30, 2017, the Village recognized pension expense of \$1,033,881 and \$341,509 for the Regular Plan and SLEP Plan. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Regular Plan	SLEP Plan	Totals
Net Deferred Outflows/(Inflows) of Resources			
Difference Between Expected and Actual Experience	\$ (281,887)	21,459	(260,428)
Change in Assumptions	(41,012)	(19,563)	(60,575)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,322,277	43,086	1,365,363
Total Pension Expense to be Recognized in Future Periods	999,378	44,982	1,044,360
Pension Contributions Made Subsequent to the Measurement Date	162,106	7,224	169,330
Total Deferred Amounts Related to IMRF	1,161,484	52,206	1,213,690

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:

	Regular	SLEP	Totals
Fiscal Year	Net Deferred Outflows/(Inflows) of Resources	Net Deferred Outflows/(Inflows) of Resources	Net Deferred Outflows/(Inflow of Resources
2018	\$ 366,875	16,598	383,473
2019	194,946	14,702	209,648
2020	410,275	14,702	424,977
2021	27,282	(1,020)	26,262
2022	-	-	-
Thereafter	-	-	-
Totals	999,378	44,982	1,044,360

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

###### Police Pension Plan

###### Plan Descriptions

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

*Plan Membership.* At April 30, 2017, 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  $\frac{1}{2}$  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, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Police Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the 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, 2017, the Village's contribution was 41.85% of covered payroll.

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

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, 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.

##### Discount Rate

A Single Discount Rate of 5.89% was used to measure the total pension liability and the discount rate in the prior valuation was 5.37%. 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 3.82%, and the resulting single discount rate is 5.89%.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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 (4.89%)	Current Discount Rate (5.89%)	1% Increase (6.89%)
Net Pension Liability	\$ 40,307,489	31,272,816	23,988,017

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 61,027,198	24,856,268	36,170,930
Changes for the Year:			
Service Cost	1,094,625	-	1,094,625
Interest on the Total Pension Liability	3,528,677	-	3,528,677
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,154,726)	-	(1,154,726)
Changes of Assumptions	(3,850,052)	-	(3,850,052)
Contributions - Employer	-	1,480,797	(1,480,797)
Contributions - Employees	-	344,177	(344,177)
Contributions - Others	-	20,329	(20,329)
Net Investment Income	-	2,735,424	(2,735,424)
Benefit Payments, including Refunds of Employee Contributions	(2,235,155)	(2,235,155)	-
Administrative Expense	-	(64,089)	64,089
Net Changes	(2,616,631)	2,281,483	(4,898,114)
Balances at April 30, 2017	58,410,567	27,137,751	31,272,816

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### 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, 2017, the Village recognized pension expense of \$3,946,241. At April 30, 2017, 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	\$ 813,547	(989,529)	(175,982)
Change in Assumptions	6,984,925	(3,299,257)	3,685,668
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	991,698	(809,098)	182,600
Total Deferred Amounts Related to Police Pension	8,790,170	(5,097,884)	3,692,286

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
2018	\$ 1,347,406
2019	1,347,406
2020	1,347,403
2021	1,016,841
2022	(657,944)
Thereafter	(708,826)
Total	3,692,286



## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

###### Firefighters' Pension Plan

###### Plan Descriptions

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

*Plan Membership.* At April 30, 2017, 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  $\frac{1}{2}$  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 3 percent compounded annually thereafter.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Firefighters' Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of 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, 2017, the Village's contribution was 32.65% of covered payroll.

*Significant Investments.* At year-end, the Pension Plan does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Firefighters' Pension Plan – Continued

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, 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 6.07% was used to measure the total pension liability and the discount rate in the prior valuation was 5.54%. 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 3.82%, and the resulting single discount rate is 6.07%.

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

### NOTE 4 – OTHER INFORMATION – Continued

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

##### Firefighters' Pension Plan – Continued

##### Discount Rate Sensitivity

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

	1% Decrease (5.07%)	Current Discount Rate (6.07%)	1% Increase (7.07%)
Net Pension Liability	\$ 13,526,869	9,696,967	6,623,289

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 23,798,028	12,014,967	11,783,061
Changes for the Year:			
Service Cost	575,757	-	575,757
Interest on the Total Pension Liability	1,424,222	-	1,424,222
Difference Between Expected and Actual Experience of the Total Pension Liability	(512,264)	-	(512,264)
Changes of Assumptions	(1,574,980)	-	(1,574,980)
Contributions - Employer	-	553,240	(553,240)
Contributions - Employees	-	159,395	(159,395)
Contributions - Others	-	1,475	(1,475)
Net Investment Income	-	1,311,465	(1,311,465)
Benefit Payments, including Refunds of Employee Contributions	(669,452)	(669,452)	-
Administrative Expense	-	(26,746)	26,746
Net Changes	(756,717)	1,329,377	(2,086,094)
Balances at April 30, 2017	23,041,311	13,344,344	9,696,967

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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, 2017, the Village recognized pension expense of \$1,399,710. At April 30, 2017, 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	\$ 1,064,573	(447,420)	617,153
Change in Assumptions	2,588,026	(1,375,615)	1,212,411
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	467,253	(375,832)	91,421
Total Deferred Amounts Related to Firefighters' Pension	4,119,852	(2,198,867)	1,920,985

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
2018	\$ 375,529
2019	375,529
2020	375,526
2021	219,777
2022	313,735
Thereafter	260,889
Total	1,920,985

# VILLAGE OF HOMEWOOD, ILLINOIS

## Notes to the Financial Statements April 30, 2017

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### 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, 2017 retirees contributed \$107,270.

At April 30, 2017, 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><u>155</u></u>
Participating Employers	1

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### 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, 2017 was calculated as follows:

Annual Required Contribution	\$ 542,725
Interest on the NOPEBO	40,464
Adjustment to the ARC	<u>(33,720)</u>
Annual OPEB Cost	549,469
Actual Contribution	<u>768,498</u>
Change in the NOPEBO	(219,029)
NOPEBO - Beginning	<u>1,011,605</u>
NOPEBO - Ending	<u><u>792,576</u></u>

##### 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%

## VILLAGE OF HOMEWOOD, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS – Continued

###### 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:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 657,130	\$ 719,925	109.56%	\$ 1,157,796
2016	529,569	675,760	127.61%	1,011,605
2017	549,469	768,498	139.86%	792,576

###### 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 advance 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, 2017 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, 2017

#### Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	\$ -	\$ 12,893,802	0.00%	\$ 12,893,802	\$ 7,998,451	161.20%
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

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	\$ 622,352	\$ 913,633	68.12%
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%

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, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 540,294	\$ 539,165	\$ (1,129)	\$ 4,339,711	12.42%
2017	565,405	565,405	-	4,424,137	12.78%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 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 and additional year's information 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, 2017

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

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 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 and additional year's information will be displayed as it becomes available.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Employer Contributions April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
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%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 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 and additional year's information will be displayed as it becomes available.

## VILLAGE OF HOMEWOOD, ILLINOIS

### Firefighters' Pension Fund

#### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
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%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 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 and additional year's information 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, 2017**

	December 31, 2015	December 31, 2016
Total Pension Liability		
Service Cost	\$ 474,972	496,752
Interest	2,291,035	2,411,756
Differences Between Expected and Actual Experience	496,795	(666,544)
Change of Assumptions	39,972	(80,738)
Benefit Payments, Including Refunds of Member Contributions	(1,557,446)	(1,760,257)
Net Change in Total Pension Liability	1,745,328	400,969
Total Pension Liability - Beginning	31,129,157	32,874,485
Total Pension Liability - Ending	32,874,485	33,275,454
Plan Fiduciary Net Position		
Contributions - Employer	\$ 539,165	565,405
Contributions - Members	203,806	199,086
Net Investment Income	143,712	1,979,636
Benefit Payments, Including Refunds of Member Contributions	(1,557,446)	(1,760,257)
Other (Net Transfers)	265,213	(64,337)
Net Change in Plan Fiduciary Net Position	(405,550)	919,533
Plan Net Position - Beginning	29,149,597	28,744,047
Plan Net Position - Ending	28,744,047	29,663,580
Employer's Net Pension Liability	\$ 4,130,438	3,611,874
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.44%	89.15%
Covered-Employee Payroll	\$ 4,339,711	4,424,137
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	95.18%	81.64%

**Note:**

This schedule is intended to show information for ten years and additional year's information 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, 2017

	December 31, 2016
Total Pension Liability	
Service Cost	\$ 24,281
Interest	104,193
Differences Between Expected and Actual Experience	453,991
Change of Assumptions	(65,508)
Benefit Payments, Including Refunds of Member Contributions	<u>(117,106)</u>
Net Change in Total Pension Liability	399,851
Total Pension Liability - Beginning	<u>-</u>
Total Pension Liability - Ending	<u><u>399,851</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 8,185
Contributions - Members	2,055
Net Investment Income	88,115
Benefit Payments, Including Refunds of Member Contributions	(117,106)
Administrative Expense	<u>32,111</u>
Net Change in Plan Fiduciary Net Position	13,360
Plan Net Position - Beginning	<u>-</u>
Plan Net Position - Ending	<u><u>13,360</u></u>
Employer's Net Pension Liability	<u><u>\$ 386,491</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.34%
Covered-Employee Payroll	\$ 27,394
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	1410.86%

Note:

This schedule is intended to show information for ten years and additional year's information 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, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 804,245	1,184,771	1,094,625
Interest	2,713,356	2,509,051	3,528,677
Differences Between Expected and Actual Experience	737,948	1,217,293	(1,154,726)
Change of Assumptions	5,822,646	10,451,391	(3,850,052)
Benefit Payments, Including Refunds of Member Contributions	(2,116,317)	(2,117,578)	(2,235,155)
Net Change in Total Pension Liability	7,961,878	13,244,928	(2,616,631)
Total Pension Liability - Beginning	39,820,392	47,782,270	61,027,198
Total Pension Liability - Ending	47,782,270	61,027,198	58,410,567
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,030,272	1,075,111	1,480,797
Contributions - Members	395,034	391,865	364,506
Net Investment Income	1,973,355	104,056	2,735,424
Benefit Payments, Including Refunds of Member Contributions	(2,116,317)	(2,117,578)	(2,235,155)
Administrative Expense	(38,273)	(41,784)	(64,089)
Net Change in Plan Fiduciary Net Position	1,244,071	(588,330)	2,281,483
Plan Net Position - Beginning	24,200,527	25,444,598	24,856,268
Plan Net Position - Ending	25,444,598	24,856,268	27,137,751
Employer's Net Pension Liability	\$ 22,337,672	36,170,930	31,272,816
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.25%	40.73%	46.46%
Covered-Employee Payroll	\$ 3,244,330	3,815,399	3,538,459
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	688.51%	948.02%	883.80%

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

# VILLAGE OF HOMEWOOD, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2017

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 461,750	600,559	575,757
Interest	1,117,202	982,420	1,424,222
Differences Between Expected and Actual Experience	84,327	1,401,465	(512,264)
Change of Assumptions	751,401	3,407,022	(1,574,980)
Benefit Payments, Including Refunds of Member Contributions	(629,721)	(653,288)	(669,452)
Net Change in Total Pension Liability	1,784,959	5,738,178	(756,717)
Total Pension Liability - Beginning	16,274,891	18,059,850	23,798,028
Total Pension Liability - Ending	18,059,850	23,798,028	23,041,311
Plan Fiduciary Net Position			
Contributions - Employer	\$ 297,928	468,660	553,240
Contributions - Members	154,338	158,302	160,870
Net Investment Income	953,095	60,065	1,311,465
Benefit Payments, Including Refunds of Member Contributions	(629,721)	(653,288)	(669,452)
Administrative Expense	(28,587)	(30,225)	(26,746)
Net Change in Plan Fiduciary Net Position	747,053	3,514	1,329,377
Plan Net Position - Beginning	11,264,400	12,011,453	12,014,967
Plan Net Position - Ending	12,011,453	12,014,967	13,344,344
Employer's Net Pension Liability	\$ 6,048,397	11,783,061	9,696,967
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.51%	50.49%	57.91%
Covered-Employee Payroll	\$ 1,587,266	1,949,295	1,694,378
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	381.06%	604.48%	572.30%

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

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2017**

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

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2017**

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<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
2015	8.55%
2016	0.35%
2017	10.93%

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2017**

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**See Following Page**

# 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, 2017

	General Subfund		
	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,589,974	8,589,974	8,409,014
Intergovernmental	6,631,000	6,631,000	6,376,591
Charges for Services	1,127,990	1,127,990	1,208,152
Licenses and Permits	679,000	679,000	704,161
Fines and Forfeitures	624,500	624,500	652,865
Interest	2,500	2,500	1,301
Miscellaneous	849,000	849,000	1,051,181
Total Revenues	18,503,964	18,503,964	18,403,265
Expenditures			
General Government	5,655,096	6,077,146	5,515,650
Public Health/Environment Protection	683,082	683,082	625,178
Maintenance/Development of Public Facilities	3,309,048	3,260,860	3,289,568
Protect of Persons/Property	9,689,435	9,807,639	9,545,941
Community Development	396,061	396,061	360,113
Debt Service			
Principal Retirement	21,000	21,000	20,783
Interest and Fiscal Charges	-	-	1,115
Total Expenditures	19,753,722	20,245,788	19,358,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,249,758)	(1,741,824)	(955,083)
Other Financing Sources (Uses)			
Debt Issuance	-	-	36,496
Disposal of Capital Assets	-	-	18,656
Transfers In	1,287,418	1,287,418	1,038,101
Transfers Out	-	-	(26,261)
	1,287,418	1,287,418	1,066,992
Net Change in Fund Balance	37,660	(454,406)	111,909
Fund Balance - Beginning			7,309,890
Fund Balance - Ending			7,421,799

Illinois Municipal Retirement Subfund			Totals		
Budget		Actual	Budget		Actual
Original	Final		Original	Final	
989,500	989,500	912,618	9,579,474	9,579,474	9,321,632
-	-	-	6,631,000	6,631,000	6,376,591
-	-	-	1,127,990	1,127,990	1,208,152
-	-	-	679,000	679,000	704,161
-	-	-	624,500	624,500	652,865
150	150	194	2,650	2,650	1,495
-	-	-	849,000	849,000	1,051,181
989,650	989,650	912,812	19,493,614	19,493,614	19,316,077
967,500	967,500	1,016,074	6,622,596	7,044,646	6,531,724
-	-	-	683,082	683,082	625,178
-	-	-	3,309,048	3,260,860	3,289,568
-	-	-	9,689,435	9,807,639	9,545,941
-	-	-	396,061	396,061	360,113
-	-	-	21,000	21,000	20,783
-	-	-	-	-	1,115
967,500	967,500	1,016,074	20,721,222	21,213,288	20,374,422
22,150	22,150	(103,262)	(1,227,608)	(1,719,674)	(1,058,345)
-	-	-	-	-	36,496
-	-	-	-	-	18,656
-	-	-	1,287,418	1,287,418	1,038,101
-	-	-	-	-	(26,261)
-	-	-	1,287,418	1,287,418	1,066,992
22,150	22,150	(103,262)	59,810	(432,256)	8,647
		608,780			7,918,670
		505,518			7,927,317

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
Community Development	199,000	139,000	(41,458)
Net Change in Fund Balance	<u>(199,000)</u>	<u>(139,000)</u>	41,458
Fund Balance - Beginning			<u>201,507</u>
Fund Balance - Ending			<u>242,965</u>



## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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

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

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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

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

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

### **Police Seized Fund**

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

### **Motor Fuel Tax Fund**

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

### **Foreign Fire Insurance Fund**

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

### **2006 Bond Fund**

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

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

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### **SPECIAL REVENUE FUNDS – Continued**

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

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

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

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

#### **Northeast TIF Fund**

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

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

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

#### **East CBD TIF Fund**

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

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### **DEBT SERVICE FUNDS**

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

#### **Bond Debt Service Fund**

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

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

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## **CAPITAL PROJECTS FUNDS**

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

### **South Gate TIF Fund**

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

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

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

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

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

### **Bond Capital Projects Fund**

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

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## **ENTERPRISE FUNDS**

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

### **Water and Sewer Fund**

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

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

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

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

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

### **AGENCY FUND**

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

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

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# VILLAGE OF HOMEWOOD, ILLINOIS

## General Fund

### Combining Balance Sheet by Subfund April 30, 2017

	General Subfund	Illinois Municipal Retirement Subfund	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 4,795,612	542,051	5,337,663
Receivables - Net of Allowances			
Taxes	2,648,980	476,549	3,125,529
Other Taxes	1,711,966	-	1,711,966
Receivables	131,285	-	131,285
Due from Other Funds	69,719	-	69,719
Inventories	135,312	-	135,312
Prepays	1,418,134	-	1,418,134
Total Assets	10,911,008	1,018,600	11,929,608
<b>LIABILITIES</b>			
Accounts Payable	366,787	36,533	403,320
Accrued Payroll	255,264	-	255,264
Other Payables	218,178	-	218,178
Total Liabilities	840,229	36,533	876,762
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	2,648,980	476,549	3,125,529
Total Liabilities and Deferred Inflows of Resources	3,489,209	513,082	4,002,291
<b>FUND BALANCES</b>			
Nonspendable	1,553,446	-	1,553,446
Restricted	-	505,518	505,518
Assigned	252,825	-	252,825
Unassigned	5,615,528	-	5,615,528
Total Fund Balances	7,421,799	505,518	7,927,317
Total Liabilities, Deferred Inflows of Resources and Fund Balances	10,911,008	1,018,600	11,929,608

# 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, 2017

	General Subfund	Illinois Municipal Retirement Subfund	Totals
Revenues			
Taxes	\$ 8,409,014	912,618	9,321,632
Intergovernmental	6,376,591	-	6,376,591
Charges for Services	1,208,152	-	1,208,152
Licenses and Permits	704,161	-	704,161
Fines and Forfeitures	652,865	-	652,865
Interest	1,301	194	1,495
Miscellaneous	1,051,181	-	1,051,181
Total Revenues	18,403,265	912,812	19,316,077
Expenditures			
General Government	5,515,650	1,016,074	6,531,724
Public Health/Environment Protection	625,178	-	625,178
Maintenance/Development of Public Facilities	3,289,568	-	3,289,568
Protect of Persons/Property	9,545,941	-	9,545,941
Community Development	360,113	-	360,113
Debt Service			
Principal Retirement	20,783	-	20,783
Interest and Fiscal Charges	1,115	-	1,115
Total Expenditures	19,358,348	1,016,074	20,374,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	(955,083)	(103,262)	(1,058,345)
Other Financing Sources (Uses)			
Debt Issuance	36,496	-	36,496
Disposal of Capital Assets	18,656	-	18,656
Transfers In	1,038,101	-	1,038,101
Transfers Out	(26,261)	-	(26,261)
	1,066,992	-	1,066,992
Net Change in Fund Balance	111,909	(103,262)	8,647
Fund Balances - Beginning	7,309,890	608,780	7,918,670
Fund Balances - Ending	7,421,799	505,518	7,927,317

**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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,589,974	8,589,974	8,409,014
Intergovernmental	6,631,000	6,631,000	6,376,591
Charges for Services	1,127,990	1,127,990	1,208,152
Licenses and Permits	679,000	679,000	704,161
Fines and Forfeitures	624,500	624,500	652,865
Interest	2,500	2,500	1,301
Miscellaneous	849,000	849,000	1,051,181
Total Revenues	18,503,964	18,503,964	18,403,265
Expenditures			
General Government	5,655,096	6,077,146	5,515,650
Public Health/Environment Protection	683,082	683,082	625,178
Maintenance/Development of Public Facilities	3,309,048	3,260,860	3,289,568
Protect of Persons/Property	9,689,435	9,807,639	9,545,941
Community Development	396,061	396,061	360,113
Debt Service			
Principal Retirement	21,000	21,000	20,783
Interest and Fiscal Charges	-	-	1,115
Total Expenditures	19,753,722	20,245,788	19,358,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,249,758)	(1,741,824)	(955,083)
Other Financing Sources (Uses)			
Debt Issuance	-	-	36,496
Disposal of Capital Assets	-	-	18,656
Transfers In	1,287,418	1,287,418	1,038,101
Transfers Out	-	-	(26,261)
	1,287,418	1,287,418	1,066,992
Net Change in Fund Balance	37,660	(454,406)	111,909
Fund Balance - Beginning			7,309,890
Fund Balance - Ending			7,421,799



**VILLAGE OF HOMEWOOD, ILLINOIS****General Subfund - General Fund****Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 2,669,091	2,669,091	2,399,801
Property Taxes - Prior Years	50,000	50,000	33,320
Property Taxes - Police Pension	1,414,328	1,414,328	1,475,797
Property Taxes - Fire Pension	529,555	529,555	551,725
Use Taxes	454,000	454,000	473,811
Electric Utility Taxes	655,000	655,000	671,631
Natural Gas Utility Taxes	325,000	325,000	262,301
Telecommunications Taxes	710,000	710,000	655,524
Cable TV Franchise Taxes	385,000	385,000	490,465
Video Gaming Machines Taxes	54,000	54,000	64,175
Hotel Tax	24,000	24,000	25,435
Places of Eating Tax	1,250,000	1,250,000	1,227,686
Fire Insurance Tax	-	-	(58)
Township Road and Bridge Taxes	70,000	70,000	77,401
Total Taxes	8,589,974	8,589,974	8,409,014
Intergovernmental			
Sales Taxes	4,595,000	4,595,000	4,470,363
State Income Tax	1,970,000	1,970,000	1,821,924
Replacement Tax	60,000	60,000	75,625
State Grants	5,000	5,000	3,520
Federal Grants	1,000	1,000	2,659
County Grants	-	-	2,500
Total Intergovernmental	6,631,000	6,631,000	6,376,591
Charges for Services			
Ambulance Fees	550,000	550,000	547,978
Municipal Bond Fee	12,100	12,100	9,360
Fire Inspection Fees	-	-	1,032
Building Inspection Fees	50,000	50,000	127,965
Zoning & Subdivision Fees	4,000	4,000	9,050
Parking Fees	24,500	24,500	25,061
State Route Maintenance	70,000	70,000	110,223
Special Events	25,000	25,000	25,648
Taxi Coupons	12,500	12,500	2,866
IDOT Highway Safety Projects	20,000	20,000	30,879
Building/Construction Registration	30,000	30,000	53,800
Sidewalk Program	3,000	3,000	2,175
Tower Rental	295,890	295,890	229,476

**VILLAGE OF HOMEWOOD, ILLINOIS****General Subfund - General Fund****Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Charges for Services - Continued			
Tree Sales	\$ 3,000	3,000	1,443
Natural Gas Franchise Fee	28,000	28,000	31,196
Total Charges for Services	1,127,990	1,127,990	1,208,152
Licenses and Permits			
Liquor Licenses	49,000	49,000	48,650
Business Licenses	104,000	104,000	105,530
Building Permits	115,000	115,000	166,494
Animal License	5,000	5,000	4,625
Tobacco License	4,000	4,000	7,400
Vehicle Licenses	362,000	362,000	332,774
Alarm Permit	40,000	40,000	38,688
Total Licenses and Permits	679,000	679,000	704,161
Fines and Forfeitures			
State Court Fines	35,000	35,000	58,467
DUI Fines	3,000	3,000	6,491
Red Light Traffic Enforcement	70,000	70,000	106,359
Building Code Violations	12,000	12,000	13,299
Court Supervision Fines	4,500	4,500	3,960
Alarm Fines	22,000	22,000	21,995
Municipal Ordinance Violation	25,000	25,000	13,225
Impoundment Fine	250,000	250,000	212,140
Parking and Compliance	200,000	200,000	213,964
Animal Impounds	3,000	3,000	2,965
Total Fines and Forfeitures	624,500	624,500	652,865
Interest			
Interest Income	2,500	2,500	1,301
Miscellaneous			
Employee Insurance Contributions	455,000	455,000	446,474
General Liens	50,000	50,000	11,257
Miscellaneous	344,000	344,000	593,450
Total Miscellaneous	849,000	849,000	1,051,181
Total Revenues	18,503,964	18,503,964	18,403,265

## VILLAGE OF HOMEWOOD, ILLINOIS

### General Subfund - General Fund

#### Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government			
Public Representation	\$ 134,665	134,665	114,891
Village Administration	1,188,931	1,610,981	1,047,225
Legal Services	199,525	199,525	220,409
Information Technology	407,379	407,379	395,013
Finance	1,121,213	1,121,213	1,105,869
Pensioner Costs	2,603,383	2,603,383	2,632,243
Total General Government	5,655,096	6,077,146	5,515,650
Public Health/Environment Protection			
Landscape and Maintenance	683,082	683,082	625,178
Maintenance/Development of Public Facilities			
Traffic Control and Street Lights	216,268	206,268	187,418
General Street Maintenance	487,254	487,254	449,223
Snow and Ice	515,025	422,343	267,857
Stormwater Management	177,260	182,260	188,150
Street Administration	178,516	183,516	178,750
Engineering	329,361	314,361	270,789
Building Maintenance	439,201	459,201	433,793
Vehicle Maintenance	716,163	716,163	658,309
Vehicle Acquisition and Replacement	250,000	289,494	655,279
Total Maintenance/Development of Public Facilities	3,309,048	3,260,860	3,289,568
Protect of Persons/Property			
Fire Operation	2,510,156	2,540,156	2,568,864
Fire Administration	414,579	414,579	421,787
Emergency Preparedness	351,591	351,591	363,252
Patrol Services	3,773,660	3,846,364	3,884,390
Criminal Investigation	974,440	974,440	731,964
Communications	1,051,094	1,051,094	1,018,927

## VILLAGE OF HOMEWOOD, ILLINOIS

### General Subfund - General Fund

#### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Protect of Persons/Property - Continued			
Police Administration	\$ 613,915	629,415	556,757
Total Protect of Persons/Property	9,689,435	9,807,639	9,545,941
Community Development			
Community Events	246,061	246,061	212,770
Homewood Science Center	150,000	150,000	147,343
Total Community Development	396,061	396,061	360,113
Debt Service			
Principal Retirement	21,000	21,000	20,783
Interest and Fiscal Charges	-	-	1,115
Total Debt Service	21,000	21,000	21,898
Total Expenditures	19,753,722	20,245,788	19,358,348

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 977,500	977,500	900,618
Other Taxes	12,000	12,000	12,000
Interest Income	150	150	194
Total Revenues	989,650	989,650	912,812
Expenditures			
General Government			
Pension Fund Contributions	967,500	967,500	1,016,074
Net Change in Fund Balance	22,150	22,150	(103,262)
Fund Balance - Beginning			608,780
Fund Balance - Ending			505,518

**VILLAGE OF HOMEWOOD, ILLINOIS****Nonmajor Governmental Funds****Combining Balance Sheet****April 30, 2017**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 1,627,671	124,879	940,784	2,693,334
Receivables - Net of Allowances				
Taxes	82,066	293,383	-	375,449
Receivables	17,250	-	-	17,250
Total Assets	1,726,987	418,262	940,784	3,086,033
<b>LIABILITIES</b>				
Accounts Payable	-	-	2,466	2,466
Retainage Payable	-	-	20,219	20,219
Due to Other Funds	69,719	-	-	69,719
Total Liabilities	69,719	-	22,685	92,404
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	293,383	-	293,383
Total Liabilities and Deferred Inflows of Resources	69,719	293,383	22,685	385,787
<b>FUND BALANCES</b>				
Restricted	1,726,987	124,879	918,099	2,769,965
Unassigned	(69,719)	-	-	(69,719)
Total Fund Balances	1,657,268	124,879	918,099	2,700,246
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,726,987	418,262	940,784	3,086,033

**VILLAGE OF HOMEWOOD, ILLINOIS****Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2017**

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 143,038	550,161	48,883	742,082
Intergovernmental	488,550	-	12,442	500,992
Interest Income	495	93	108	696
Miscellaneous	197,509	-	-	197,509
Total Revenues	829,592	550,254	61,433	1,441,279
Expenditures				
Current				
General Government	17,282	-	-	17,282
Maintenance/Development of Public Facilities	238,863	-	-	238,863
Protect of Persons/Property	33,640	-	317,437	351,077
Community Development	-	-	480,851	480,851
Debt Service				
Principal Retirement	-	570,000	-	570,000
Interest and Fiscal Charges	-	15,510	-	15,510
Total Expenditures	289,785	585,510	798,288	1,673,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	539,807	(35,256)	(736,855)	(232,304)
Other Financing Sources (Uses)				
Transfers Out	(96,683)	-	-	(96,683)
Net Change in Fund Balances	443,124	(35,256)	(736,855)	(328,987)
Fund Balances - Beginning	1,214,144	160,135	1,654,954	3,029,233
Fund Balances - Ending	1,657,268	124,879	918,099	2,700,246

**VILLAGE OF HOMEWOOD, ILLINOIS****Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****April 30, 2017**

	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
<b>ASSETS</b>			
Cash and Investments	\$ 151,509	337,986	52,679
Receivables - Net of Allowances			
Taxes	-	82,066	-
Receivables	-	-	-
Total Assets	151,509	420,052	52,679
<b>LIABILITIES</b>			
Due to Other Funds	-	-	-
<b>FUND BALANCES</b>			
Restricted	151,509	420,052	52,679
Unassigned	-	-	-
Total Fund Balances	151,509	420,052	52,679
Total Liabilities and Fund Balances	151,509	420,052	52,679



2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
114,036	477,834	19,510	104,189	369,928	-	1,627,671
-	-	-	-	-	-	82,066
-	17,250	-	-	-	-	17,250
114,036	495,084	19,510	104,189	369,928	-	1,726,987
-	-	-	-	-	69,719	69,719
114,036	495,084	19,510	104,189	369,928	-	1,726,987
-	-	-	-	-	(69,719)	(69,719)
114,036	495,084	19,510	104,189	369,928	(69,719)	1,657,268
114,036	495,084	19,510	104,189	369,928	-	1,726,987

## 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, 2017

	Police Seized	Motor Fuel Tax	Foreign Fire Insurance
Revenues			
Taxes	\$ -	-	26,618
Intergovernmental	-	488,550	-
Interest Income	205	38	-
Miscellaneous	69,885	15,000	-
Total Revenues	70,090	503,588	26,618
Expenditures			
General Government	-	-	-
Maintenance/Development of Public Facilities	-	236,859	-
Protect of Persons/Property	1,644	-	31,996
Total Expenditures	1,644	236,859	31,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,446	266,729	(5,378)
Other Financing Sources (Uses)			
Transfers Out	-	(96,683)	-
Net Change in Fund Balances	68,446	170,046	(5,378)
Fund Balances - Beginning	83,063	250,006	58,057
Fund Balances - Ending	151,509	420,052	52,679

2006 Bond	Network #3 Cook County Telecomm	Homewood Emergency Medical	Northeast TIF	Southwest TIF Special Allocation	East CBD TIF	Totals
-	-	-	116,420	-	-	143,038
-	-	-	-	-	-	488,550
47	23	15	13	154	-	495
-	107,269	5,355	-	-	-	197,509
47	107,292	5,370	116,433	154	-	829,592
-	17,282	-	-	-	-	17,282
-	-	-	-	2,004	-	238,863
-	-	-	-	-	-	33,640
-	17,282	-	-	2,004	-	289,785
47	90,010	5,370	116,433	(1,850)	-	539,807
-	-	-	-	-	-	(96,683)
47	90,010	5,370	116,433	(1,850)	-	443,124
113,989	405,074	14,140	(12,244)	371,778	(69,719)	1,214,144
114,036	495,084	19,510	104,189	369,928	(69,719)	1,657,268

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 100	100	205
Miscellaneous	-	-	69,885
Total Revenues	100	100	70,090
Expenditures			
Protect of Persons/Property	-	-	1,644
Net Change in Fund Balance	100	100	68,446
Fund Balance - Beginning			83,063
Fund Balance - Ending			151,509

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 500,465	500,465	488,550
Interest Income	250	250	38
Miscellaneous	-	-	15,000
Total Revenues	500,715	500,715	503,588
Expenditures			
Maintenance/Development of Public Facilities	753,700	753,700	236,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,985)	(252,985)	266,729
Other Financing (Uses)			
Transfers Out	(346,000)	(346,000)	(96,683)
Net Change in Fund Balance	(598,985)	(598,985)	170,046
Fund Balance - Beginning			250,006
Fund Balance - Ending			420,052

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes	\$ 15,000	15,000	26,618
Expenditures			
Protect of Persons/Property	-	-	31,996
Net Change in Fund Balance	15,000	15,000	(5,378)
Fund Balance - Beginning			58,057
Fund Balance - Ending			52,679

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ -	-	23
Miscellaneous	96,000	96,000	107,269
Total Revenues	96,000	96,000	107,292
Expenditures			
General Government	-	-	17,282
Net Change in Fund Balance	96,000	96,000	90,010
Fund Balance - Beginning			405,074
Fund Balance - Ending			495,084

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 500	500	15
Miscellaneous	10,000	10,000	5,355
Total Revenues	10,500	10,500	5,370
Expenditures			
Protect of Persons/Property	-	-	-
Net Change in Fund Balance	10,500	10,500	5,370
Fund Balance - Beginning			14,140
Fund Balance - Ending			19,510



## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	116,420
Interest Income	50	50	13
Total Revenues	1,050	1,050	116,433
Expenditures			
Community Development	4,000	4,000	-
Net Change in Fund Balance	(2,950)	(2,950)	116,433
Fund Balance - Beginning			(12,244)
Fund Balance - Ending			104,189

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	-
Interest Income	50	50	154
Total Revenues	1,050	1,050	154
Expenditures			
Maintenance/Development of Public Facilities	371,750	371,750	2,004
Net Change in Fund Balance	<u>(371,700)</u>	<u>(371,700)</u>	(1,850)
Fund Balance - Beginning			<u>371,778</u>
Fund Balance - Ending			<u>369,928</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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	-
Interest Income	50	50	-
Total Revenues	1,050	1,050	-
Expenditures			
Community Development	4,000	4,000	-
Net Change in Fund Balance	(2,950)	(2,950)	-
Fund Balance - Beginning			(69,719)
Fund Balance - Ending			(69,719)

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 585,510	585,510	550,161
Interest Income	100	100	93
Total Revenues	<u>585,610</u>	<u>585,610</u>	<u>550,254</u>
Expenditures			
General Government	1,000	1,000	-
Debt Service			
Principal Retirement	570,000	570,000	570,000
Interest and Fiscal Charges	15,510	15,510	15,510
Total Expenditures	<u>586,510</u>	<u>586,510</u>	<u>585,510</u>
Net Change in Fund Balance	<u>(900)</u>	<u>(900)</u>	(35,256)
Fund Balance - Beginning			<u>160,135</u>
Fund Balance - Ending			<u>124,879</u>

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2017**

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**See Following Page**

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2017**

		South Gate TIF
ASSETS		
Cash and Investments		\$ 276,123
LIABILITIES		
Accounts Payable		1,201
Retainage Payable		-
Total Liabilities		1,201
FUND BALANCES		
Restricted		274,922
Total Liabilities and Fund Balances		276,123

CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
85,562	9,100	569,999	940,784
-	-	1,265	2,466
20,219	-	-	20,219
20,219	-	1,265	22,685
65,343	9,100	568,734	918,099
85,562	9,100	569,999	940,784

## 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, 2017

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	<u>South Gate TIF</u>
Revenues	
Taxes	\$ 48,883
Intergovernmental	-
Interest Income	<u>105</u>
Total Revenues	<u>48,988</u>
Expenditures	
Protect of Persons/Property	-
Community Development	<u>15,378</u>
Total Expenditures	<u>15,378</u>
Net Change in Fund Balances	33,610
Fund Balances - Beginning	<u>241,312</u>
Fund Balances - Ending	<u><u>274,922</u></u>



CIP General	2002 General Bond Issue	Bond Capital Projects	Totals
-	-	-	48,883
-	-	12,442	12,442
3	-	-	108
3	-	12,442	61,433
-	-	317,437	317,437
465,473	-	-	480,851
465,473	-	317,437	798,288
(465,470)	-	(304,995)	(736,855)
530,813	9,100	873,729	1,654,954
65,343	9,100	568,734	918,099

## 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, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,000	1,000	48,883
Interest Income	50	50	105
Total Revenues	1,050	1,050	48,988
Expenditures			
Community Development	225,000	277,000	15,378
Net Change in Fund Balance	(223,950)	(275,950)	33,610
Fund Balance - Beginning			241,312
Fund Balance - Ending			274,922

**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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	3
Expenditures			
Community Development	392,428	545,110	465,473
Net Change in Fund Balance	<u>(392,428)</u>	<u>(545,110)</u>	(465,470)
Fund Balance - Beginning			<u>530,813</u>
Fund Balance - Ending			<u>65,343</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, 2017**

	Budget		Actual
	Original	Fianl	
Revenues			
Intergovernmental	\$ -	-	12,442
Expenditures			
Protect of Persons/Property	10,166,247	1,074,195	317,437
Net Change in Fund Balance	<u>(10,166,247)</u>	<u>(1,074,195)</u>	(304,995)
Fund Balance - Beginning			<u>873,729</u>
Fund Balance - Ending			<u>568,734</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, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 6,922,073	6,922,073	7,025,785
Sales to the Village of Flossmoor	1,778,025	1,778,025	1,858,666
Miscellaneous	133,000	133,000	159,918
Total Operating Revenues	8,833,098	8,833,098	9,044,369
Operating Expenses			
Operations			
Water Delivery	1,778,443	1,778,443	1,933,388
Water Acquisition	2,743,671	2,743,671	2,517,796
Water Distribution	606,177	606,177	603,435
Wastewater Distribution	354,611	354,611	325,459
W/S Meters and Lift Stations	433,647	433,647	407,955
Utilities Administration	728,558	728,558	769,462
Public Works	739,527	838,317	377,083
Depreciation	-	-	614,126
Total Operating Expenses	7,384,634	7,483,424	7,548,704
Operating Income	1,448,464	1,349,674	1,495,665
Nonoperating Revenues (Expenses)			
Interest Income	1,000	1,000	1,570
Disposal of Capital Assets	-	-	(3,931)
	1,000	1,000	(2,361)
Income Before Transfers	1,449,464	1,350,674	1,493,304
Transfers In	1,346,048	1,346,048	26,261
Transfers Out	(937,991)	(937,991)	(941,418)
Change in Net Position	1,857,521	1,758,731	578,147
Net Position - Beginning			43,392,641
Net Position - Ending			43,970,788

**VILLAGE OF HOMEWOOD, ILLINOIS****Pension Trust Funds****Combining Statement of Fiduciary Net Position  
April 30, 2017**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,886	8,945	20,831
Investments			
U.S. Government and Agency Obligations	7,110,697	3,309,623	10,420,320
Corporate Bonds	1,425,312	873,533	2,298,845
Municipal Bonds	1,428,057	751,889	2,179,946
Mutual Funds	16,953,652	8,234,114	25,187,766
Money Market Mutual Funds	131,881	123,908	255,789
Receivables - Net of Allowances			
Accrued Interest	76,359	41,522	117,881
Prepays	6,100	3,181	9,281
Total Assets	27,143,944	13,346,715	40,490,659
<b>LIABILITIES</b>			
Accounts Payable	6,193	2,371	8,564
<b>NET POSITION</b>			
Net Position Restricted for Pensions	27,137,751	13,344,344	40,482,095

## VILLAGE OF HOMEWOOD, ILLINOIS

### Pension Trust Funds

#### Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2017

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,480,797	553,240	2,034,037
Contributions - Plan Members	364,506	160,870	525,376
Total Contributions	1,845,303	714,110	2,559,413
Investment Income			
Interest Income	857,010	423,098	1,280,108
Net Change in Fair Value	1,922,689	909,972	2,832,661
	2,779,699	1,333,070	4,112,769
Less Investment Expenses	(44,275)	(21,605)	(65,880)
Net Investment Income	2,735,424	1,311,465	4,046,889
Total Additions	4,580,727	2,025,575	6,606,302
Deductions			
Administration	64,089	26,746	90,835
Benefits and Refunds	2,235,155	669,452	2,904,607
Total Deductions	2,299,244	696,198	2,995,442
Changes in Fiduciary Net Position	2,281,483	1,329,377	3,610,860
Net Position Restricted for Pensions			
Beginning	24,856,268	12,014,967	36,871,235
Ending	27,137,751	13,344,344	40,482,095

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Bond and Deposits - Agency Fund**

**Schedule of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2017**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	\$ 20,522	157,758	-	178,280
<b>LIABILITIES</b>				
Deposits, Builder and Subdivider	20,522	157,758	-	178,280



## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF HOMEWOOD, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Limited Tax Bonds of 2014 April 30, 2017

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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

Fiscal Year	Principal	Interest	Totals
2018	\$ 576,000	9,012	585,012
2019	24,000	429	24,429
	600,000	9,441	609,441

## VILLAGE OF HOMEWOOD, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2014

April 30, 2017

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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

Fiscal Year	Principal	Interest	Totals
2018	\$ 13,315	753	14,068
2019	13,686	382	14,068
	27,001	1,135	28,136

## VILLAGE OF HOMEWOOD, ILLINOIS

### Long-Term Debt Requirements

#### Installment Contract of 2016

April 30, 2017

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

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

Fiscal Year	Principal	Interest	Totals
2018	\$ 6,787	1,043	7,830
2019	7,034	796	7,830
2020	7,290	540	7,830
2021	7,555	275	7,830
	28,666	2,654	31,320

## **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, 2017 (Unaudited)

	2008	2009	2010
Governmental Activities			
Net Investment in Capital Assets	\$ 10,976,375	11,971,672	12,996,935
Restricted	2,590,830	2,187,917	1,677,512
Unrestricted	15,379,079	15,996,302	15,528,635
Total Governmental Activities Net Position	28,946,284	30,155,891	30,203,082
Business-Type Activities			
Net Investment in Capital Assets	36,640,705	35,982,690	35,333,831
Restricted	2,039,057	2,697,985	3,435,055
Unrestricted	1,768,837	1,213,264	1,051,755
Total Business-Type Activities Net Position	40,448,599	39,893,939	39,820,641
Total Primary Government			
Net Investment in Capital Assets	47,617,080	47,954,362	48,330,766
Restricted	4,629,887	4,885,902	5,112,567
Unrestricted	17,147,916	17,209,566	16,580,390
Total Primary Government Net Position	69,394,883	70,049,830	70,023,723

Data Source: Village Records

2011	2012	2013	2014	2015	2016	2017
12,915,146	13,393,397	13,773,930	14,011,793	14,809,283	15,362,185	15,640,718
872,567	7,222,903	7,219,103	6,960,745	7,830,408	3,914,277	3,513,409
14,281,221	4,762,783	3,725,199	1,942,655	1,917,384	(28,213,557)	(31,517,676)
28,068,934	25,379,083	24,718,232	22,915,193	24,557,075	(8,937,095)	(12,363,549)
34,693,040	34,054,854	33,428,109	32,807,926	32,216,205	31,603,942	31,087,716
4,075,242	4,464,456	5,273,188	5,479,821	3,956,468	4,850,939	5,283,023
1,578,206	2,100,264	2,992,908	4,871,451	5,698,432	6,937,860	7,600,049
40,346,488	40,619,574	41,694,205	43,159,198	41,871,105	43,392,741	43,970,788
47,608,186	47,448,251	47,202,039	46,819,719	47,025,488	46,966,127	46,728,434
4,947,809	11,687,359	12,492,291	12,440,566	11,786,876	8,765,216	8,796,432
15,859,427	6,863,047	6,718,107	6,814,106	7,615,816	(21,275,697)	(23,917,627)
68,415,422	65,998,657	66,412,437	66,074,391	66,428,180	34,455,646	31,607,239

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 5,664,477	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
Public Health/Environmental Protection	447,799	500,949	457,905	463,774	574,442	562,772	591,222	586,032	573,686	625,178
Maint./Development of Public Facilities	2,303,795	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
Protection of Persons/Property	7,571,837	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
Community Development	8,482,739	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
Interest On Long-Term Debt	144,822	104,835	103,137	80,771	59,776	40,000	4,304	37,782	19,380	14,458
	24,615,469	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
<b>Business-Type Activities</b>										
Water and Sewer*	4,267,176	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
Sewer	718,351	564,858	557,729	602,304	936,315	458,565	816,440	-	-	-
	4,985,527	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
<b>Total Primary Government Expenses</b>	<b>29,600,996</b>	<b>29,778,833</b>	<b>28,707,651</b>	<b>30,179,163</b>	<b>27,578,621</b>	<b>26,624,505</b>	<b>27,428,433</b>	<b>30,889,867</b>	<b>34,565,232</b>	<b>32,716,418</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services	4,553,165	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
Operating Grants and Contributions	786,517	539,172	525,832	1,480,002	826,756	583,263	603,739	667,376	496,820	497,229
Capital Grants and Contributions	59,962	182,289	175,269	-	8,440	971,106	54,785	2,109,988	220,436	12,442
	5,399,644	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
<b>Business-Type Activities</b>										
Charges for Services	4,230,793	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
Water and Sewer*	1,122,496	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	5,353,289	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
<b>Total Primary Government Program Revenues</b>	<b>10,752,933</b>	<b>10,254,181</b>	<b>10,021,004</b>	<b>10,691,696</b>	<b>10,671,351</b>	<b>12,375,768</b>	<b>11,271,685</b>	<b>13,581,592</b>	<b>12,341,877</b>	<b>12,119,218</b>



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expenses)/Revenues										
Governmental Activities	\$ (19,215,825)	(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)
Business-Type Activities	367,762	95,055	603,947	1,221,549	960,614	1,700,532	1,430,315	(439,836)	2,606,123	1,495,665
Total Primary Government Net (Expenses)/Revenues	(18,848,063)	(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)
General Revenues										
Governmental Activities										
Property Taxes	10,913,916	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
Sales Tax	4,063,862	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
Other Tax	2,253,256	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
Other Revenues	1,034,842	864,658	826,965	1,096,849	891,875	907,723	1,092,138	2,411,098	911,446	3,148,430
Transfers	541,254	736,766	752,998	756,403	753,360	788,408	824,148	848,872	923,404	915,157
	18,807,130	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
Business-Type Activities										
Other Revenues	197,056	87,051	75,753	60,701	65,832	162,507	5,759	615	2,796	(2,361)
Transfers	(541,254)	(736,766)	(752,998)	(756,403)	(753,360)	(788,408)	(824,148)	(848,872)	(923,404)	(915,157)
	(344,198)	(649,715)	(677,245)	(695,702)	(687,528)	(625,901)	(818,389)	(848,257)	(920,608)	(917,518)
Total Primary Government	18,462,932	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
Change in Net Position										
Governmental Activities	(408,695)	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)
Business-Type Activities	23,564	(554,660)	(73,298)	525,847	273,086	1,074,631	611,926	(1,288,093)	1,685,515	578,147
Total Primary Government	(385,131)	654,947	(26,107)	(2,476,259)	(2,416,565)	413,780	(424,357)	353,789	(5,120,219)	(2,848,307)

\*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, 2017 (Unaudited)

	2008	2009	2010
General Fund			
Reserved	\$ 1,038,451	912,280	957,286
Unreserved	7,585,663	6,996,083	6,055,410
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	8,624,114	7,908,363	7,012,696
All Other Governmental Funds			
Reserved	1,066,621	1,359,819	3,320,945
Unreserved, Reported in			
Special Revenue Fund	7,382,708	8,662,146	8,874,206
Capital Project Fund	816,696	965,517	1,171,660
Debt Service Fund	368,090	-	-
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	9,634,115	10,987,482	13,366,811
Total All Governmental Funds	18,258,229	18,895,845	20,379,507

Data Source: Village Records

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

2011	2012	2013	2014	2015	2016	2017
2,570,829	-	-	-	-	-	-
5,876,857	-	-	-	-	-	-
-	1,818,825	1,934,122	1,373,461	1,426,732	1,398,879	1,553,446
-	1,067,405	924,362	766,998	658,716	608,780	505,518
-	-	-	-	138,000	490,075	252,825
-	4,496,002	3,716,986	3,307,491	4,412,844	5,420,936	5,615,528
8,447,686	7,382,232	6,575,470	5,447,950	6,636,292	7,918,670	7,927,317
1,772,715	-	-	-	-	-	-
6,419,145	-	-	-	-	-	-
2,281,429	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,175,014	7,003,371	6,198,039	7,185,466	3,312,703	3,012,930
-	1,019,812	-	-	-	-	-
-	(98,266)	(33,991)	(89,587)	(138,407)	(81,963)	(69,719)
10,473,289	7,096,560	6,969,380	6,108,452	7,047,059	3,230,740	2,943,211
18,920,975	14,478,792	13,544,850	11,556,402	13,683,351	11,149,410	10,870,528

# VILLAGE OF HOMEWOOD, ILLINOIS

## Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years April 30, 2017 (Unaudited)

	2008	2009	2010
Revenues			
Property Taxes	\$ 10,913,916	13,371,129	12,294,548
Other Taxes	7,556,357	7,042,677	6,484,181
Licenses and Permits	516,096	489,313	496,211
Intergovernmental Revenues	1,284,512	1,244,915	1,261,557
Fines and Forfeitures	1,414,818	1,431,218	1,327,079
Charges for Services	-	-	-
Permits	186,878	169,855	82,671
Interest Revenue	1,031,676	181,486	80,802
Miscellaneous Revenue	1,069,383	1,136,037	1,174,127
Total Revenues	23,973,636	25,066,630	23,201,176
Expenditures			
Current			
General Government	5,747,314	5,666,998	5,373,564
Public Health/Environmental Protection	447,799	500,949	457,905
Maint/Development of Public Facilities	2,284,973	2,771,717	2,560,316
Protection of Persons/Property	7,561,331	7,869,335	7,829,611
Community Development	8,480,047	7,095,410	7,384,119
Debt Service			
Principal	1,290,000	1,175,000	1,040,000
Interest and Fiscal Charges	161,855	121,129	110,471
Total Expenditures	25,973,319	25,200,538	24,755,986
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,999,683)	(133,908)	(1,554,810)
Other Financing Sources (Uses)			
Bond Proceeds	-	-	2,200,000
Bond Premium	-	-	49,078
Proceeds from Sales of Capital Assets	1,000	34,758	36,396
Transfers In	1,920,579	1,765,705	1,958,351
Transfers Out	(1,379,325)	(1,028,939)	(1,205,353)
	542,254	771,524	3,038,472
Net Change in Fund Balances	(1,457,429)	637,616	1,483,662
Debt Service as a Percentage of Noncapital Expenditures	5.7%	5.2%	4.8%

Data Source: Village Records

2011	2012	2013	2014	2015	2016	2017
9,087,710	6,743,098	6,437,480	6,248,045	5,642,684	5,928,427	6,076,725
6,751,210	6,789,686	7,137,477	2,677,138	3,564,536	3,715,129	3,986,989
524,316	511,786	536,857	707,598	623,245	662,679	704,161
2,418,641	1,933,706	2,557,556	6,386,380	8,818,750	7,269,696	6,877,583
1,289,751	1,295,230	1,271,072	761,391	800,061	647,310	652,865
-	-	-	1,046,099	1,062,550	1,048,033	1,208,152
96,877	127,238	115,421	-	-	-	-
47,937	9,571	12,459	1,821	4,476	4,661	2,191
1,454,874	1,282,886	1,330,356	1,090,317	2,406,622	906,785	1,248,690
21,671,316	18,693,201	19,398,678	18,918,789	22,922,924	20,182,720	20,757,356
5,647,609	6,403,608	6,556,457	5,370,303	5,373,060	6,201,294	6,549,006
463,774	574,442	562,772	591,222	586,032	573,686	625,178
3,284,983	2,320,664	3,335,769	3,541,144	3,475,365	3,355,884	3,528,431
7,951,819	10,200,980	8,589,697	8,383,000	10,882,039	10,472,073	9,897,018
6,695,185	3,732,019	1,350,378	2,350,460	2,582,810	3,022,452	799,506
650,000	670,000	690,000	715,000	529,068	573,602	590,783
78,561	68,375	47,438	28,988	28,300	25,948	16,625
24,771,931	23,970,088	21,132,511	20,980,117	23,456,674	24,224,939	22,006,547
(3,100,615)	(5,276,887)	(1,733,833)	(2,061,328)	(533,750)	(4,042,219)	(1,249,191)
-	-	-	-	1,797,624	-	36,496
-	-	-	-	-	-	-
17,650	81,416	11,483	15,488	14,203	584,874	18,656
1,181,131	954,413	1,129,063	1,533,489	1,178,949	1,261,277	1,038,101
(424,728)	(201,053)	(340,655)	(709,341)	(330,077)	(337,873)	(122,944)
774,053	834,776	799,891	839,636	2,660,699	1,508,278	970,309
(2,326,562)	(4,442,111)	(933,942)	(1,221,692)	2,126,949	(2,533,941)	(278,882)
3.0%	3.4%	3.6%	3.6%	2.5%	2.6%	2.9%

## VILLAGE OF HOMEWOOD, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property
2007	\$ 279,697,977	78,558,681	27,399,403	2,845,871
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	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
-	388,501,932	33%	1,165,505,796	1.192
-	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

## VILLAGE OF HOMEWOOD, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

Taxing Body	2007	2008	2009	2010
Direct Rates				
Corporate	0.180	0.196	0.171	0.183
Fire and Police Protection	0.161	0.175	0.155	0.165
Debt Service	0.150	0.090	0.176	0.157
Pensions Including Soc. Sec.	0.432	0.348	0.378	0.399
All Other	0.269	0.275	0.273	0.241
Total Village	1.192	1.084	1.153	1.145
Overlapping Rates *				
County and Forest Preserve	0.499	0.466	0.443	0.474
Schools	7.931	7.557	7.380	7.394
All Other	1.557	1.466	1.468	1.464

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.



2011	2012	2013	2014	2015	2016
0.201	0.248	0.271	0.271	0.246	0.230
0.180	0.223	0.244	0.244	0.221	0.207
0.190	0.213	0.161	0.188	0.194	-
0.534	0.575	0.493	0.578	0.889	0.767
0.299	0.340	0.505	0.535	0.345	0.599
1.404	1.599	1.674	1.817	1.895	1.803
0.520	0.594	0.660	0.654	0.621	0.596
9.548	10.912	11.849	12.660	13.267	12.847
1.842	1.994	2.463	2.103	2.155	2.467

# VILLAGE OF HOMEWOOD, ILLINOIS

## Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2017 (Unaudited)

Taxpayer	2017			2008		
	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	\$ 12,240,307	1	3.64%	\$ 13,063,973	1	3.07%
K-Mart Corporation *	6,229,591	2	1.85%	11,901,139	2	2.79%
Kohls	4,621,986	3	1.37%	7,363,760	4	1.73%
Menard Inc.	4,207,214	4	1.25%	5,399,389	7	1.27%
Albertson's	4,175,176	5	1.24%	8,043,114	3	1.89%
Target	4,090,830	6	1.22%	7,246,538	5	1.70%
Home Depot	3,537,795	7	1.05%	6,756,058	6	1.59%
Homewood Associates	3,528,183	8	1.05%	5,346,647	8	1.25%
Healthcare & Retirement	3,446,111	9	1.02%			
Homewood Mercy Property	2,978,187	10	0.89%			
Montesano Capital Mgmt				4,981,095	9	1.17%
Comcast				4,455,059	10	1.05%
	<u>49,055,380</u>		<u>14.58%</u>	<u>74,556,772</u>		<u>17.51%</u>
Total Village Taxable Assessed Value	<u>336,484,951</u>			<u>388,501,932</u>		

Data Source: Cook County Clerk's Office

\* Kmart closed store December 2013

## VILLAGE OF HOMEWOOD, ILLINOIS

### Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2017 (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
2008	\$ 4,589,000	\$ 2,005,000	43.69%	\$ 2,784,000	\$ 4,789,000	104.36%
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%	-	2,956,327	46.37%

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, 2017 (Unaudited)

	2007	2008	2009
General Merchandise	\$ 778,385	688,525	654,097
Food	768,204	748,634	746,906
Drinking/Eating Places	362,640	362,956	332,936
Apparel	65,098	50,966	49,512
Furniture/Household/Radio	255,209	247,603	240,204
Lumber/Bldg/Hardware	478,358	440,480	418,571
Automobile/Filling Stations	691,351	566,265	429,140
Drugs & Misc. Retail	607,156	624,280	619,369
Agriculture & Others	152,689	132,052	107,734
Manufacturing	6,154	12,488	11,200
Totals	4,165,244	3,874,249	3,609,669
Village Sales Tax Rate	1.00%	1.00%	1.00%

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.

2010	2011	2012	2,013	2014	2015	2016
644,999	636,152	602,553	585,896	446,341	440,911	540,576
699,893	669,347	668,740	671,951	737,234	737,074	629,998
362,146	375,907	398,657	433,416	480,685	545,958	589,189
50,287	56,680	60,713	57,241	57,449	60,023	57,471
237,418	222,670	226,438	229,636	219,665	233,835	224,768
416,814	391,645	396,135	417,327	423,156	430,626	371,125
631,908	743,802	738,288	752,288	768,365	849,460	898,842
578,648	595,760	636,614	695,113	659,177	963,109	883,691
115,906	99,286	91,545	99,662	165,086	175,712	165,272
15,392	4,182	3,276	3,080	3,471	2,430	11,695
3,753,411	3,795,431	3,822,959	3,945,610	3,960,629	4,439,138	4,372,627
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, 2017 (Unaudited)

Fiscal Year	Village of Homewood Rate	Cook County Rate	State of Illinois Rate	Regional Transit Authority Rate
2008	1.00%	1.75%	5.00%	1.00%
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%

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

#### Notes:

2008 includes increases passed by Cook County and RTA during their last budget process.  
2010 County made the decision to decrease their rate.

# **VILLAGE OF HOMEWOOD, ILLINOIS**

## **Ratios of Outstanding Debt by Type - Last Ten Fiscal Years April 30, 2017 (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			
2008	\$ 1,830,000	\$ 1,425,000	\$ -	\$ 3,255,000	0.54%	\$ 166.56
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

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, 2017 (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)
2008	\$ 1,830,000	\$ 1,425,000	\$ 3,255,000	0.84%	\$ 166.56
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

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, 2017 (Unaudited)

Governmental Unit	(1) Outstanding Debt	(2) Percentage of Debt Applicable to Village	(3) Village's Share of Debt
Direct			
Village of Homewood	\$ 655,667	100.00%	\$ 655,667
Overlapping			
Homewood School District No. 153	17,109,606	94.640%	16,192,531
Flossmoor School District No. 161	6,925,000	16.790%	1,162,708
Hazel Crest School District No. 152 1/2	6,553,949	3.580%	234,631
Thornton School District No. 154	1,625,000	0.430%	6,988
Homewood-Flossmoor H.S.D. No. 233	27,460,000	50.740%	13,933,204
Thornton H.S.D. No. 205	56,455,000	0.320%	180,656
Prairie State Community College No. 515	12,260,000	14.880%	1,824,288
Thornton Community College No. 510	19,164,232	0.130%	24,914
Cook County, Including Forest Preserve District	3,213,141,750	0.230%	7,390,226
Metropolitan Water Reclamation District	2,475,413,548	0.001%	24,754
Total Overlapping Debt	<u>5,836,108,085</u>		<u>40,974,899</u>
Total Direct and Overlapping Debt	<u>5,836,763,752</u>		<u>41,630,566</u>

#### 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, 2017 (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
2008	\$ 35,519,417	2,450,000	33,069,417	0.59%
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%

### Legal Debt Margin Calculation for Fiscal Year 2017

Total Equalized Assessed Valuation - 2016	\$ 336,484,951
Debt Limit - 8.625% of Total EAV	29,021,827
General Obligation Bonds	600,000
Less: TIF Supported Debt	-
Net Debt Applicable to Limit	600,000
Legal Debt Margin	28,421,827

Data Source: Cook County Clerk and Village Records

## VILLAGE OF HOMEWOOD, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Fiscal Year	(1) Population	Per Capita Income	Total Personal Income	Median Age	Education Level in Years of Schooling	(2) School Enrollment	Unemployment Rate
2008	19,543	\$ 30,689	\$ 599,755,127	39.2	13.8	3,941	2.6%
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%

#### Data Sources:

(1) 2008 Population is from US Census. 2009 - 2010 is from first pass 2010 census. 2011 - 2017 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, 2017 (Unaudited)

Employer	2017			2008		
	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%	330	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%			
Home Depot				125	9	0.65%
Super Kmart				210	6	1.09%
Totals	<u>3,035</u>		<u>15.71%</u>	<u>2,895</u>		<u>14.98%</u>

Source: 2008 data is from Illinois Dept. Commerce and Economic Opportunity  
2017 data is from Village's Community Development Department/Finance Dept.

Notes: CN grew substantially when they made the Homewood facility their North American HQ in 2003.

**VILLAGE OF HOMEWOOD, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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**See Following Page**

## VILLAGE OF HOMEWOOD, ILLINOIS

### Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Function	2008	2009	2010
Village Hall			
Manager's Office	6.50	6.00	5.50
Finance (a)	7.00	7.00	7.00
Community Development	6.00	6.00	5.00
Public Safety			
Fire (c)			
Sworn Firefighters/EMT	38.00	38.00	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	2.00
Public Works			
Streets	15.00	15.00	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	120.50	120.00	116.00

#### 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.

2011	2012	2013	2014	2015	2016	2017
5.50	5.50	5.50	5.00	5.00	5.00	6.00
6.50	6.50	6.50	6.00	6.50	7.00	6.00
4.00	4.00	5.00	5.00	3.00	-	-
36.50	36.00	36.00	36.00	37.50	17.00	17.00
5.50	5.50	5.50	5.50	6.50	4.00	4.00
17.00	17.00	17.00	17.00	17.00	39.50	39.50
1.00	1.00	1.00	1.00	1.00	6.50	6.50
14.00	13.00	13.00	13.00	6.00	7.00	7.00
11.50	11.50	11.50	11.50	10.00	11.00	11.50
3.00	3.00	3.00	3.00	3.00	3.00	3.00
9.00	9.00	9.00	9.00	7.00	10.00	10.00
113.50	112.00	113.00	112.00	102.50	110.00	110.50

# VILLAGE OF HOMEWOOD, ILLINOIS

## Operating Indicators by Function - Last Ten Fiscal Years April 30, 2017 (Unaudited)

Function	2008	2009	2010
<b>Police</b>			
Number of Employees			
Full Time	43	43	42
Reserve	13	16	14
Crossing Guards	16	16	16
Part-time Clerical	8	7	7
Miles Patrolled	260,000	260,000	260,000
Calls for Service	20,831	20,460	19,459
Part I Crimes Reported	915	900	683
Part I Crimes Cleared	334	318	263
Part II Crimes Reported	1,699	1,444	1,297
Part II Crimes Cleared	590	502	518
Number of Traffic Citations Issued	4,004	2,777	2,478
Number of Arrests Made	924	820	781
Jail Facilities	7	7	7
Jail Population	132	238	290
Number of Auto Accidents	-	-	665
<b>Vehicles</b>			
Patrol Units	12	12	12
Administrative	6	6	6
Motorcycles	2	1	1
<b>Fire</b>			
Number of Stations	1	1	1
Number of Employees	19	19	18
Number of Paid-on-Call	26	20	17
Number of Fire Responses	843	746	862
Est. \$ Loss from Fires	\$ 377,571	\$ 349,426	\$ 402,346
Number of Fire Prevention Inspections	1,749	1,497	2,300
Number of Public Education Presentations	204	119	70
Number of Emergency Medical Responses	1,732	1,671	1,736
<b>Health &amp; Environment</b>			
Number of Food Service Establishment Inspections	311	297	299
Number of Swimming Pool Inspections	30	186	3
Number of Property Code Inspections	733	587	1,297
Building Permits Issued	1,119	1,007	991

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.



2011	2012	2013	2014	2015	2016	2017
41	41	41	41	42	43	43
13	13	13	13	13	10	13
19	19	19	19	19	18	18
7	7	7	7	7	6	7
260,000	260,000	260,000	260,000	260,000	260,000	260,000
20,429	27,901	26,620	26,620	22,673	22,280	22,172
632	751	737	737	538	499	588
235	389	327	327	247	203	304
1,385	1,997	1,893	1,893	1,923	1,880	1,468
666	1,215	1,083	1,083	1,036	1,200	880
2,977	5,183	3,681	3,681	3,542	4,995	3,444
937	1,604	1,410	1,410	1,283	1,403	1,184
7	7	7	7	7	7	7
310	345	345	345	772	1,020	828
693	610	657	657	668	792	876
12	12	12	0	12	12	12
6	6	6	-	6	6	6
1	1	2	-	-	-	-
1	1	1	1	1	1	1
18	18	18	18	18	18	18
12	16	14	18	15	15	15
802	703	713	811	814	690	643
\$ 192,778	\$ 799,713	\$ 883,612	\$ 1,926,700	\$ 1,237,545	\$ 432,950	\$ 280,470
981	1,311	1,988	1,539	1,155	1,155	1,002
65	33	52	40	33	31	23
1,614	1,794	1,735	1,897	1,984	2,041	2,318
283	292	303	220	220	220	212
68	7	178	5	5	4	3
997	1,112	1,280	1,402	1,402	1,826	1,333
992	994	1,015	1,208	1,208	1,233	1,145