



Village of Homer Glen, Illinois

Comprehensive Annual Financial Report

Audit Report

For the Fiscal Year Ending April 30, 2016

**VILLAGE OF HOMER GLEN,
ILLINOIS
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2016**

**PREPARED BY:
FINANCE DEPARTMENT**

**JOHN SAWYERS
VILLAGE TREASURER**

**VILLAGE OF HOMER GLEN, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED APRIL 30, 2016**

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INTRODUCTORY SECTION



14240 W. 151st Street
Homer Glen, Illinois 60491

Phone (708) 301-0632
Fax (708) 301-8407

October 21, 2016

Dear Residents of the Village of Homer Glen, the Honorable Mayor George Yukich and the Village Board of Trustees:

We are happy to provide you with the Comprehensive Annual Financial Report (CAFR) for the Village of Homer Glen. This Comprehensive Annual Financial Report covers all aspects of Village finances. This letter of transmittal is divided into four sections, each one discussing different aspects of the Village of Homer Glen's financial performance and accomplishments this past year.

Financial Reporting Award

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the Village of Homer Glen for its comprehensive annual financial report for the fiscal year ending April 30, 2015. This was the fourteenth consecutive year that the Village of Homer Glen has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate award.

Introduction

Management Responsibility for Financial Information

This CAFR covers the fiscal year May 1, 2015 to April 30, 2016. The Village believes that the data, as presented, is accurate in all material respects. Responsibility for the accuracy and completeness of this data rests with the Village.

The management of the Village of Homer Glen is responsible for maintaining accurate financial records in order to ensure the efficiency and accountability of public funds. The accounts of the Village of Homer Glen are both organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in accounting for resources. The Village maintains a minimum number of funds to account for its operations. At this time, the Village utilizes only governmental funds, which include the General Fund, Motor Fuel Tax Fund, Park and Recreation Fund and Capital Project Fund. The Village also maintains an Agency Fund to account for funds held in escrow for professional fees incurred in connection with development. A more detailed explanation of the funds utilized is available in the financial section of the CAFR report.

In order to ensure the accuracy of its financial position, the Village engages an independent auditor to examine the Village's financial statements. The Village has received an unqualified opinion from the independent audit firm of Mulcahy, Pauritsch, Salvador, Ltd., verifying the accuracy of the Village's financial statements for the fiscal year.

Economic Condition and Outlook

Overview of Local Economy

The Village of Homer Glen is one of Illinois' newest municipalities. By referendum vote, the Village was incorporated on April 17, 2001. It had a population of 25,069 as of October 31, 2008 and therefore functions as a Home Rule community. The official 2010 Decennial Census figures were certified on March 3, 2011 indicating a population of 24,220. When the population dipped below 25,000, the residents needed to pass a referendum to remain a Home Rule community. In 2012, the voters approved a Home Rule referendum allowing the Village to continue as a Home Rule unit of local government. The Village covers an area of approximately 22 square miles. Homer Glen is a residential community with significant amounts of open space farmland and growing commercial areas.

To elaborate, the Village has commercial areas that generate a significant amount of sales tax revenue. The existence of sales tax revenue currently helps the Village operate without levying either municipal property taxes or utility taxes, for general operations. The Village officially adopted a Comprehensive Plan in early 2005 to help define and manage future growth.

Information Regarding Major Industries Affecting the Local Economy

There is no one significantly large employer located within the Village of Homer Glen. There are several senior care and residential facilities, educational facilities, commercial stores and governmental offices that employ a number of individuals. Sales tax receipts, from a growing commercial retail base, are one of the most important contributors to the Village organization's revenue stream.

Future Economic Outlook

The Village of Homer Glen has shown an upward trend in growth, increasing from a population of 22,269 (2000 census) to 24,083 (2004 special census) and then an increase to 24,220 (2010 census).

Homer Glen is located almost wholly in Homer Township and constitutes a majority of the Township's area and population. A 2004 annexation extended the Village's southeast boundary into New Lenox Township. Homer Township figures indicate a growth of 35% over the past 10 years. Other census figures for Homer Township show a significant growth in income and home values. (See Fig. 1)

Fig. 1

	Median Household Income		Median Value Owner Occupied Housing	
	1999	2010	1999	2010
Homer Township	\$79,793	\$103,603	\$217,800	\$356,000
Will County	\$62,238	\$85,488	\$154,300	\$240,500

There are approximately 5,000 acres of land in the Village of Homer Glen that are currently being farmed. For the most part, this acreage is owned by developers or investors. This provides an incredible potential for growth in the future that must be managed carefully. The Village has enacted construction and commercial development ordinances, to help preserve the Village's character, along with recent updates to the Village's zoning ordinance. In addition, fire codes have been unified throughout the Village. Another ordinance established exterior construction standards for residential and commercial structures requiring first floor masonry. On December 18, 2007, the Village Board passed an ordinance regulating outdoor lighting to preserve the night sky as a natural resource.

Major Initiatives

Current Planning and Capital Projects

Several initiatives were successfully implemented in FY 15-16. Those initiatives are listed below.

- Finalized the codification project and adopted the first Code of the Village of Homer Glen.
- Launched Village of Homer Glen's newly redesigned website.
- Worked with Highway Department and finished the final roadway lift on unfinished roads in Erin Hills Unit 4D, Cypress Pointe, Glenview Walk and Windsor Court Subdivisions.
- Completed patching, installation of final surface and completed installation of stone shoulders in Hunt Club Meadows.
- Received ongoing professional services, such as architectural services related to the remodeling of the new Village Hall.
- The Village of Homer Glen moved into the new Village Hall, located at 14240 W. 151st Street, in July of 2016.
- Opened Heritage Park site. Heritage Park is the Village's fourth park, which consists of a walking path within 103 acres of open space.

- Approved an Agreement with Planning Resources, Inc. for Professional Services Related to the Creation of a Master Park Development Plan for Heritage Park.
- Purchased and utilized equipment for maintenance of the Village's Parks and Heroes Trail System.
- Approved a Village of Homer Glen Public Parkway Tree Replacement Program policy.
- Worked with Homer Township Highway Department to remove hundreds of public parkway trees that are dead or dying due to the infestation of the Emerald Ash Borer.
- Approved a five year contract with NuWay/Homewood Disposal Service, Inc. for refuse, recycling and yard waste collection that resulted in 3% increases per year, an increase in the senior citizen discount from \$2.00 per month to \$3.00 per month and free removal of refuse from the Village Hall and all Village parks.
- Mr. Pete Pointner, a planning expert who was also instrumental in the development of the Village of Homer Glen's Comprehensive Land Use Plan, gave a presentation regarding shaping the future of Homer Glen for Economic Vitality and Environmental quality.
- Approved Phase II for the Goodings Grove Extension to the Village of Homer Glen's Heroes Trail.
- Approved a proposal from HR Green to complete Phase I Engineering Services for the widening of 151st Street, between Cedar Road and Bell Road.
- Began Phase II design of the Goodings Grove Park Project.
- Applied for a Surface Transportation Program STP grant for funding of the 151st Street widening project.
- Completed the South Extension to the Heroes Trail, resulting in an additional 1.6 miles added to the Village's Trail System.
- Instituted a 3 cent per gallon municipal retail motor fuel tax designated to fund the Village's park and recreation projects.
- The construction of a new water main and sanitary sewer along the 159th Street corridor to provide service for the area bound by 151st street and 159th street, between Cedar Road and Gougar Road.
- Completed the Woodbine Area Regional Drainage Study.
- Completed drainage ditches in the Hunt Club Meadows subdivision.
- Approved bid proposal from HR Green for construction engineering services related to Phase III of the Homer Glen Works! Stormwater Improvement Project.
- Completed Phase III of the Street Lighting Retrofit Project.

Street Resurfacing Program

The Village of Homer Glen, through the Highway Department, completed a significant street resurface program during the 2015- 2016 construction year. The annual resurfacing program covered 4.83 miles of the Village's roads this year. Portions of Village roads resurfaced with Village money in 2016 are included on the list below.

<u>Street</u>	<u>Limits</u>	<u>Length</u>
Forest View Drive	Lake View Drive to Will Cook Road	3,030 feet
Lake View Drive	Lake View Court to Will Cook Road	2,550 feet
Wooly Hill Drive	Forest View Drive to Lake View Dr.	930 feet
Wooly Hill Court	Wooly Hill Drive to East End	390 feet
Murvey Drive	Forest View Drive to Wooly Hill Dr.	920 feet
Murvey Court	South End to Murvey Dr.	390 feet
Hiawatha Court		200 feet
Teakwood Drive		2,200 feet
Split Rail Drive		200 feet
Lemont Road	Nolan Court to Janas Parkway	4,630 feet
Janas Drive	West End to Lemont Road	650 feet
Cokes Road		90 feet
Shady Lane	Gougar Road to East End	675 feet
Forest Court	Shady Lane to North End	120 feet
167 th Street	Eastlake Parkway to Parker Road	7,075 feet
Parker Road	163 rd Street to Dokter Place	1,125 feet
Oak Court	West End to Oak Trail	326 feet

Financial Information

Internal Control Framework and Budgetary Controls

In developing and evaluating the Village's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: the safeguarding of assets against loss from unauthorized use or disposition; the reliability of financial records for preparing financial statements and maintaining accountability for assets; and the promoting of operational efficiency.

The concept of reasonable assurance recognizes that the costs of internal control should not exceed the benefits likely to be desired and that the evaluation of cost and benefits requires judgments by management. All internal control evaluations take place within the above framework. The relationship of internal control to basic management responsibilities emphasizes the relationship of the accounting system with all other management control systems. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

Budgetary control is maintained through an annual budget passed by the Village of Homer Glen's Village Board. The FY 2015-16 budget is balanced and is based on actual expected receipts for the year plus any unexpended surplus from prior years. The Village may transfer budgeted amounts between departments within a fund. The budget is appropriately controlled through a computerized accounting system to assure effective fiscal management and accountability.

Financial reports, which compare actual to-date performance with the approved budget, are prepared monthly and presented to the Mayor, Village Board, Treasurer and Village Manager. In this manner, the Village is able to review the financial status of the various activities and funds on a monthly basis and determine the effectiveness of budgetary controls.

Other Information

Independent Audit

The Village of Homer Glen is required by state law to be audited annually by an independent certified public accountant. The Village Board has selected Mulcahy, Pauritsch, Salvador, and Co., Inc. for this task.

For the Fiscal Year Ending April 30, 2016, the Village has received an unqualified opinion from the independent auditor, meaning the auditor has determined that the financial statements of the Village are an accurate representation of the Village's financial position.

For additional financial highlights see management discussion and analysis contained in the CAFR, directly behind the independent auditor's report

Acknowledgements

The preparation of the Village of Homer Glen's comprehensive annual financial report was made possible by the cooperative efforts of the Village's administrative staff. In addition, we would also like to thank our accounting firm, Mulcahy, Pauritsch, Salvador, and Co. Inc., for their guidance to the Village through this process.

Respectfully submitted,



Michael S. Mertens,
Village Manager



John Sawyers,
Treasurer/Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Homer Glen
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO

VILLAGE OF HOMER GLEN, ILLINOIS
NAMES AND TITLES OF PRINCIPAL OFFICIALS

APRIL 30, 2016

LEGISLATIVE

VILLAGE PRESIDENT

George Yukich

TRUSTEES

Brian Burian

Christina Neitzke-Troiike

Carlo Caprio

Beth Rodgers

Michael Costa

Sharon Sweas

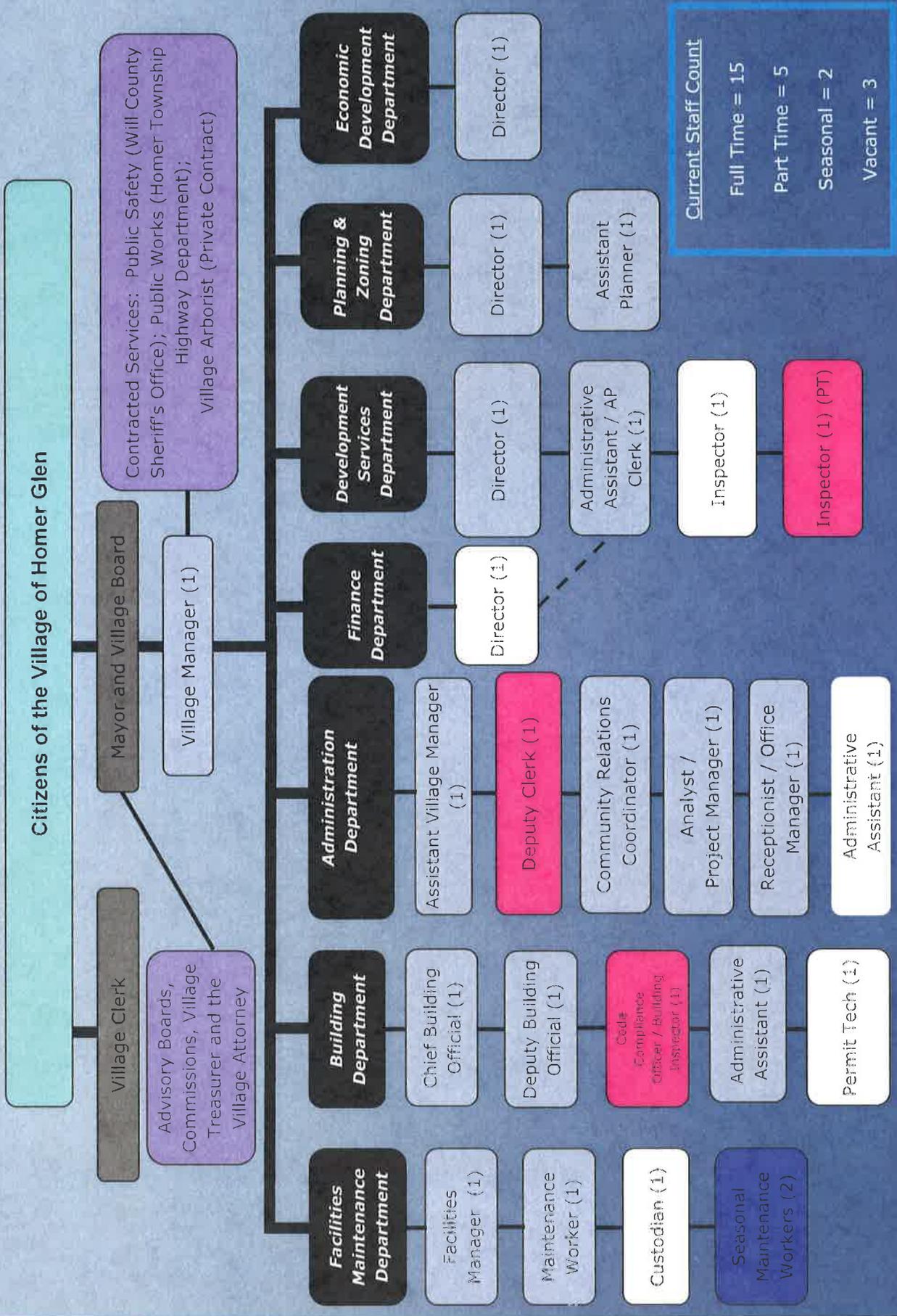
Ann Holtz

John Sawyers

Village Clerk

Village Treasurer

Village of Homer Glen Organizational Chart



Current Staff Count
 Full Time = 15
 Part Time = 5
 Seasonal = 2
 Vacant = 3

Legend: Citizens of the Village of Homer Glen (Light Blue), Elected Officials (Dark Blue), Constituents (Light Blue), Appointed Officials/Contracted Services (Light Blue), Full-Time (Light Blue), Part-Time (Light Blue), Seasonal (Light Blue), Vacant (Light Blue)

FINANCIAL SECTION



To the Honorable Village President and Board of Trustees
Village of Homer Glen, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Village of Homer Glen, Illinois, as of and for the year ended April 30, 2016, 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the Village of Homer Glen, Illinois, as of April 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund, Motor Fuel Tax Fund, and Park and Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note II. K. to the basic financial statements, the Village of Homer Glen, Illinois changed its method of accounting and financial reporting for pensions as required by the provisions of GASB Statement No. 68. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of pension information on pages xiii through xxi and 35 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Homer Glen, Illinois. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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.

Report on Comparative Information

We have previously audited the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Village of Homer Glen, Illinois for the year ended April 30, 2015, and we expressed unmodified audit opinions on those audited financial statements in our report dated October 23, 2015. In our opinion, the comparative information presented herein as of and for the year ended April 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Homer Glen, Illinois, as a whole. The supplementary information for the Capital Projects Fund and the Debt Service Fund for the year ended April 30, 2015, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the April 30, 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the April 30, 2015 supplementary information for the Capital Projects Fund and the Debt Service Fund is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

MPS/CPA

Orland Park, Illinois
October 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016

As management of the Village of Homer Glen, we offer readers of the Village of Homer Glen's financial statements this narrative overview and analysis of the financial activities of the Village of Homer Glen for the fiscal year ended April 30, 2016.

Financial Highlights

•The assets and deferred outflows of resources of the Village of Homer Glen exceeded its liabilities per the Statement of Net Position as of April 30, 2016 by \$51,690,428 (*net position*). Of this amount, \$3,185,769 was restricted for highways and streets, \$2,883,132 was restricted for debt service, and \$1,758,993 was restricted for capital projects.

•As of April 30, 2016, the Village of Homer Glen's Governmental Funds Balance Sheet reported a combined ending fund balance of \$30,217,577. Fund balance increased \$133,142 from the prior fiscal year.

•For the fiscal year ending April 30, 2016, the Statement of Activities change in net position was \$7,158,244. The biggest reason for this change was that the Village received contributions of capital assets from other governmental entities and from developers.

•During the current fiscal year, the Village changed its method of accounting and financial reporting for pensions as required by the provisions of GASB Statement No. 68. Amounts presented in this analysis for the years ended April 30, 2016 and 2015 reflect the provisions of GASB Statement No. 68.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Homer Glen's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Homer Glen's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village of Homer Glen's assets, deferred outflows of resources, liabilities, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Homer Glen is improving or deteriorating.

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., earned, unused vacation and sick leave).

The governmental activities of the Village of Homer Glen include general government, public safety, building, highways and streets, economic development, and culture and recreation.

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

The Village of Homer Glen has no business-type activities because sewer and water services are provided by a privately owned utility company.

The government-wide financial statements include only the activities of the Village of Homer Glen. The Village has no component units.

The government-wide financial statements can be found on pages 1-2 of this report.

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 of Homer Glen, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Homer Glen can be categorized as governmental funds or 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, unlike the government-wide financial statements, 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 a government's near-term financing requirements.

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 this comparison between *governmental funds* and *governmental activities*.

The Village of Homer Glen maintains five individual governmental funds. The governmental funds are considered to be major funds. There are no nonmajor governmental funds. Information is presented separately in the Balance Sheet - Governmental Funds and in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. The basic governmental fund financial statements can be found on pages 3-15 of this report.

The Village of Homer Glen adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary Fund: The Village also maintains a fiduciary fund in the form of an agency fund, which is used to account for resources - exclusively cash - held by the Village for good faith deposits required for construction within the Village. 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 fiduciary fund uses the accrual basis of accounting. The fiduciary fund financial statement can be found on page 16 of this report.

Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016

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 17-34 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, *required supplementary information* presents schedules of changes in the Village's net pension liability and Village contributions related to the Illinois Municipal Retirement Fund. Individual fund statements are presented immediately following the required supplementary information and can be found on pages 38 - 41 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Homer Glen, assets and deferred outflows of resources exceeded liabilities by \$51,690,428 at the close of the most recent fiscal year.

	Governmental Activities	
	2016	2015
Cash and investments	\$28,505,112	\$28,994,998
Receivables	2,567,181	2,015,273
Other assets	9,560	11,112
Capital assets	34,316,694	28,841,759
Total assets	<u>65,398,547</u>	<u>59,863,142</u>
Deferred outflows of resources related to pensions	<u>126,515</u>	<u>158,879</u>
Current liabilities	1,069,047	1,154,011
Noncurrent liabilities	12,765,587	14,335,826
Total liabilities	<u>13,834,634</u>	<u>15,489,837</u>
Net position:		
Net investment in capital assets	34,316,694	28,841,759
Restricted	7,827,894	5,572,095
Unrestricted	9,545,840	10,118,330
Total net position	<u>\$51,690,428</u>	<u>\$44,532,184</u>

A large portion of the Village of Homer Glen's net position reflects its investment in capital assets (e.g. roads received via contribution, equipment and vehicles). The Village of Homer Glen uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The Village of Homer Glen's investment in its capital assets, reported net of related debt, is not a spendable resource.

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

An additional portion of the Village's net position (15.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,545,840 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the fiscal year, the Village is able to report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

Governmental Activities. The Village of Homer Glen's "net position" at April 30, 2016 was \$51,690,428, which was an increase of \$7,158,244 from the prior year. As mentioned, the main reason for this increase relates to contributions of capital assets from other governmental entities and from developers.

	Governmental Activities	
	2016	2015
Revenues		
Intergovernmental	\$7,078,271	\$6,765,946
Charges for services		
General government	1,052,261	1,032,549
Highways and streets	2,224,569	1,474,824
Culture and recreation	111,877	126,249
Home Rule sales tax	2,566,128	2,425,633
Capital contributions and grants	4,260,586	175,000
Operating contributions and grants	156,232	363,956
Investment income (loss)	18,257	-280,135
Other	13,885	19,996
Total revenues	17,482,066	12,104,018
Expenses		
General government	1,711,327	1,825,247
Public safety	4,406,522	3,993,883
Building	453,510	380,089
Highways and streets	2,524,366	2,828,902
Culture and recreation	289,177	131,478
Economic development	648,322	487,409
Interest and costs	290,598	307,284
Total expenses	10,323,822	9,954,292
Change in net position	7,158,244	2,149,726
Net position – beginning, as restated	44,532,184	42,382,458
Net position – ending	\$51,690,428	\$44,532,184

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

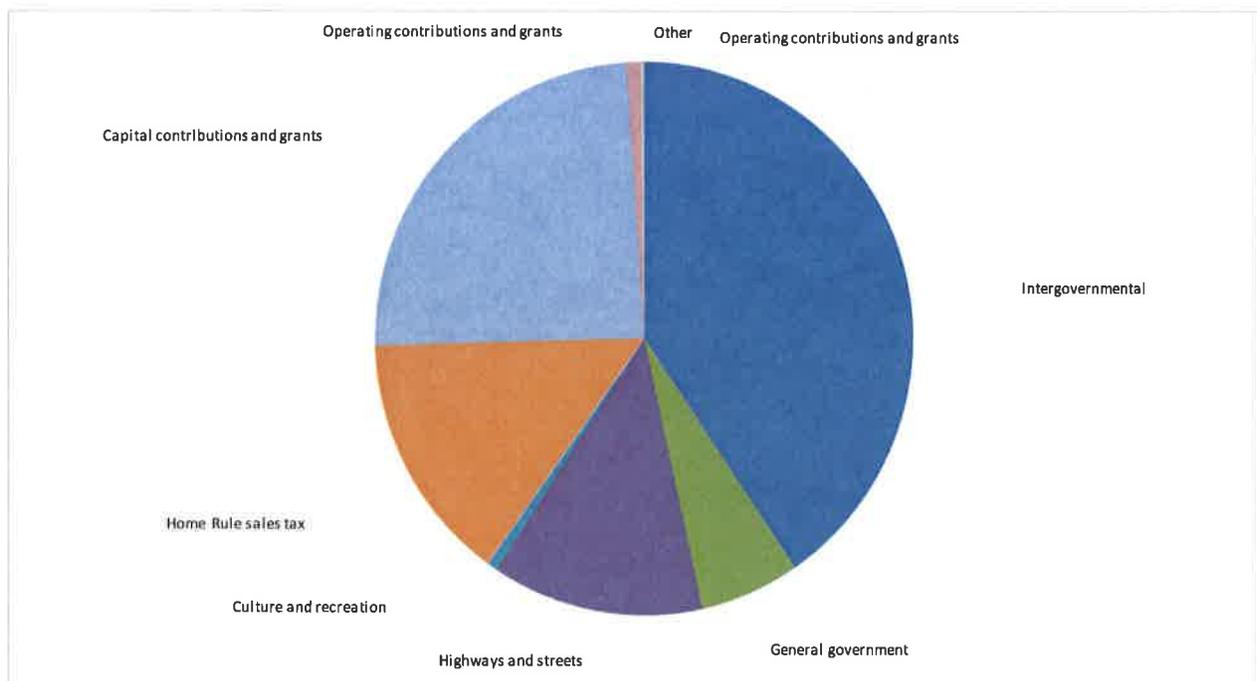
Revenues increased by \$5,378,048 from the previous period. Aside from the previously mentioned contribution of capital assets, charges for services related to highways and streets increased by \$749,745.

Public safety activities account for approximately 43 percent of the total expenditures within the governmental funds of the Village of Homer Glen. The Village subcontracts its public safety to the Will County Sheriff's Department. The Village paid \$4,113,516 for public safety to the Will County's Sheriff's Department for the fiscal year ending April 30, 2016.

Highway and street activities account for approximately 25 percent of the total expenditures within the governmental funds of the Village of Homer Glen. The Village has an intergovernmental agreement with the Homer Township Road District for maintenance of the streets. The maintenance cost for the year ended April 30, 2016 was \$1,311,004.

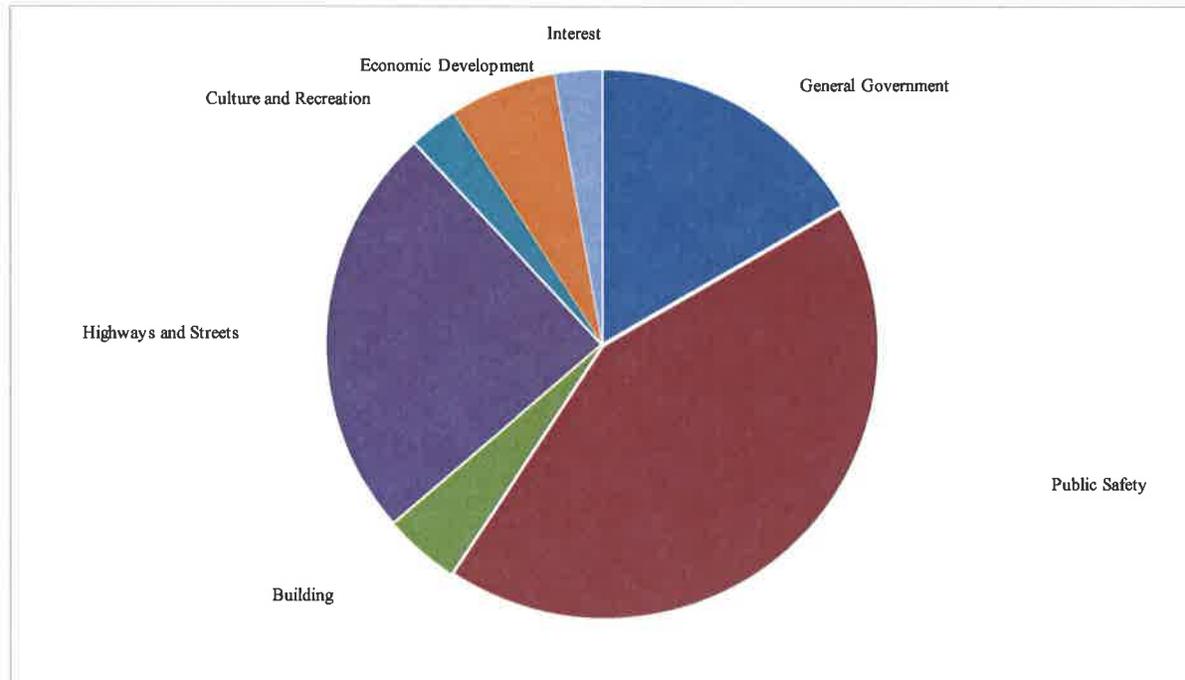
As shown by the following graphs and identified by the Statement of Activities on page 2, intergovernmental revenues not restricted or applicable to specific programs provide the major revenue source for governmental activities.

Revenues by Source - Governmental Activities



**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

Expenditures - Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Village of Homer Glen's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Homer Glen's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Village's Board.

As of April 30, 2016, the Village of Homer Glen's governmental funds reported combined ending fund balances of \$30,217,577, of which \$2,462,737 was unassigned, \$602,437 was committed, \$6,536,037 was assigned, \$356,966 was considered nonspendable, and \$20,259,400 was restricted. Fund balance increased by \$133,142. The increase in fund balance was predominately from an increase in intergovernmental revenues and a decrease in debt service expenditures.

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

The general fund continues to produce significant surpluses. An excess of revenues over expenditures of \$453,494 was reported in the current year.

The motor fuel tax fund balance at April 30, 2016 was \$3,311,617, of which \$3,185,769 was restricted and \$125,848 was assigned. Fund balance increased by \$1,119,530 from the previous year. The increase in fund balance is the result of the Village receiving a reimbursement from another governmental entity for a portion of road construction costs expended in previous years.

The park and recreation fund balance at April 30, 2016 was \$2,638,555. The entire fund balance was assigned. Fund balance decreased by \$63,873 from the previous year. The decrease in fund balance resulted primarily from an increase in park maintenance costs in the current year.

The capital projects fund balance at April 30, 2016 was \$18,240,637, of which \$13,985,728 was restricted, \$483,275 was committed, and \$3,771,634 was assigned for future capital projects. The fund balance decreased by \$1,946,187 from the previous year. The decrease is the result of incurring \$1,144,169 of capital outlay costs. These expenditures were funded through the accumulation of prior year's fund equity.

The debt service fund balance at April 30, 2016 was \$1,385,457, all of which was restricted. Fund balance increased by \$570,178 from the previous year. The increase in fund balance resulted primarily from an excess of pledged home rule sales tax revenue over debt service costs.

General Fund Budgetary Highlights

The 2016 annual program budget for the Village of Homer Glen's general fund identified the budgeted level of spending at \$8,571,134. Actual expenditures of \$8,344,282 (budgetary basis) were less than budgeted expenditures by \$226,852. Actual expenditures (budgetary basis) related to public safety contractual services were \$78,101 lower than anticipated. Actual expenditures (budgetary basis) related to general government miscellaneous expenditures were \$81,883 lower than anticipated. The Village historically is conservative in its budgeting approach. Expenditures are forecasted given the circumstances present at the time.

The 2016 annual program budget for the Village of Homer Glen's general fund identified the budgeted revenues at \$8,530,404. Actual revenues of \$8,815,727 (budgetary basis) were \$285,323 more than anticipated. This was primarily due to the receipt of \$304,398 more in intergovernmental revenues than was anticipated.

Capital Assets

The Village of Homer Glen's investment in capital assets for its governmental activities as of April 30, 2016, is \$34,316,694, net of accumulated depreciation. This investment in capital assets includes land, vehicles, equipment, signage, and infrastructure. The infrastructure assets, measured at replacement cost – net of depreciation, were received via contribution from Homer Township as a result of the Village's incorporation on April 3, 2001. The infrastructure assets consist of roads, curbs and storm sewers.

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

Capital assets, net of accumulated depreciation, as of April 30, 2016 and 2015 were as follows:

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Land	\$ 18,964,928	\$ 17,496,428
Construction in progress	718,842	-
Equipment	69,959	43,730
Infrastructure	12,266,144	9,049,908
Land Improvements	2,184,931	2,214,904
Signage	2,877	3,516
Vehicles	109,013	33,273
Total Net Capital Assets	<u>\$ 34,316,694</u>	<u>\$ 28,841,759</u>

Major capital asset events during the current fiscal year included the following:

The Village received contributions of \$4,260,586 of capital assets from other governmental activities and developers.

Additional information on the capital assets can be found in note II. C. in the Notes to Financial Statements.

Debt Management

The Village of Homer Glen had total outstanding debt of \$12,765,587 at April 30, 2016. Following is a comparative schedule of outstanding debt:

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Bond Payable	\$ 11,400,000	\$ 12,875,000
Deferred amounts:		
Issuance premiums	826,736	1,044,796
Net pension liability	490,536	368,876
Compensated absences payable	<u>48,315</u>	<u>47,154</u>
Total	<u>\$ 12,765,587</u>	<u>\$ 14,335,826</u>

During the year, long-term debt decreased by \$1,570,239. The Village made scheduled debt payments on its general obligation bonds during the year.

Additional information on the long-term debt can be found in note II. E. in the Notes to Financial Statements.

**Village of Homer Glen, Illinois
Management's Discussion and Analysis (Unaudited)
April 30, 2016**

Economic Factors and Next Year's Budgets and Rates

- The Village continues to pursue commercial development, through its investment in economic development, to expand its tax base and secure new sales tax revenue.
- The Village projects moderate growth in residential and commercial building permit revenue.
- The Village projects moderate growth in sales tax and home rule sales tax resulting from new businesses opening in 2016-17.
- The Village projects a small decline in income tax revenue based on previous year's trended performance and projections from Illinois Municipal League.
- The Village continues to proactively manage expenditures to match projected revenues.

Requests for Information

This financial report is designed to provide a general overview of the Village of Homer Glen'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 financial information should be addressed to the Office of the Village Treasurer or the Office of the Village Manager, 14240 West 151st Street, Homer Glen, IL 60491.

General information relating to the Village of Homer Glen, Illinois, can be found at the Village's website, <http://www.homerglen.org>.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2016
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2015

	Governmental Activities	
	2016	2015
ASSETS		
Cash and investments	\$ 28,505,112	\$ 28,994,998
Receivables:		
Intergovernmental	1,671,580	1,718,442
Other	895,601	296,831
Other assets	9,560	11,112
Capital assets not being depreciated	19,683,770	17,496,428
Other capital assets, net of accumulated depreciation	14,632,924	11,345,331
Total assets	65,398,547	59,863,142
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	126,515	158,879
LIABILITIES		
Accounts payable and other current liabilities	1,056,137	1,144,796
Unearned revenue	12,910	9,215
Noncurrent liabilities:		
Due within one year	1,553,315	1,522,154
Due in more than one year	11,212,272	12,813,672
Total liabilities	13,834,634	15,489,837
NET POSITION		
Net investment in capital assets	34,316,694	28,841,759
Restricted for debt service	2,883,132	2,300,662
Restricted for highways and streets	3,185,769	2,072,559
Restricted for capital projects	1,758,993	1,198,874
Unrestricted	9,545,840	10,118,330
Total net position	\$ 51,690,428	\$ 44,532,184

See notes to basic financial statements.

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED APRIL 30, 2015

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Change in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>2016</u>	<u>2015</u>
Functions/programs:						
Governmental activities:						
General government	\$ 1,711,327	\$ 1,052,261	\$ -	\$ -	\$ (659,066)	\$ (551,461)
Public safety	4,406,522	-	-	-	(4,406,522)	(3,993,883)
Building	453,510	-	-	-	(453,510)	(380,089)
Highways and streets	2,524,366	2,224,569	4,260,586	-	3,960,789	(1,179,078)
Economic development	648,322	-	-	-	(648,322)	(487,409)
Culture and recreation	289,177	111,877	-	156,232	(21,068)	117,490
Interest and costs	290,598	-	-	-	(290,598)	(307,284)
Total governmental activities	<u>\$ 10,323,822</u>	<u>\$ 3,388,707</u>	<u>\$ 4,260,586</u>	<u>\$ 156,232</u>	<u>(2,518,297)</u>	<u>(6,781,714)</u>
General revenues:						
Intergovernmental					7,078,271	6,765,946
Home rule sales tax					2,566,128	2,425,633
Investment income (loss)					18,257	(280,135)
Other income					13,885	19,996
Total general revenues					<u>9,676,541</u>	<u>8,931,440</u>
Change in net position					7,158,244	2,149,726
Net position at beginning of year, as restated for 2015					<u>44,532,184</u>	<u>42,382,458</u>
Net position at end of year					<u>\$ 51,690,428</u>	<u>\$ 44,532,184</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

**VILLAGE OF HOMER GLEN, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2016
WITH COMPARATIVE TOTALS FOR APRIL 30, 2015**

ASSETS	General	Special Revenue	
		Motor Fuel Tax	Park and Recreation
Cash and investments	\$ 4,002,086	\$ 2,559,106	\$ 2,582,385
Receivables:			
Intergovernmental	1,274,914	55,120	-
Other	120,108	716,755	58,738
Other assets	9,560	-	-
Total assets	\$ 5,406,668	\$ 3,330,981	\$ 2,641,123
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 716,268	\$ 19,364	\$ 234
Other payables	36,179	-	2,334
Unearned revenue	12,910	-	-
Total liabilities	765,357	19,364	2,568
Fund balances:			
Nonspendable	356,966	-	-
Restricted	1,702,446	3,185,769	-
Committed	119,162	-	-
Assigned	-	125,848	2,638,555
Unassigned	2,462,737	-	-
Total fund balances	4,641,311	3,311,617	2,638,555
Total liabilities and fund balances	\$ 5,406,668	\$ 3,330,981	\$ 2,641,123

See notes to basic financial statements.

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals</u>	
		<u>2016</u>	<u>2015</u>
\$ 18,317,624	\$ 1,043,911	\$ 28,505,112	\$ 28,994,998
-	341,546	1,671,580	1,718,442
-	-	895,601	296,831
-	-	9,560	11,112
<u>\$ 18,317,624</u>	<u>\$ 1,385,457</u>	<u>\$ 31,081,853</u>	<u>\$ 31,021,383</u>
\$ 76,987	\$ -	\$ 812,853	\$ 892,559
-	-	38,513	35,174
-	-	12,910	9,215
<u>76,987</u>	<u>-</u>	<u>864,276</u>	<u>936,948</u>
-	-	356,966	425,747
13,985,728	1,385,457	20,259,400	19,708,954
483,275	-	602,437	617,978
3,771,634	-	6,536,037	7,362,003
-	-	2,462,737	1,969,753
<u>18,240,637</u>	<u>1,385,457</u>	<u>30,217,577</u>	<u>30,084,435</u>
<u>\$ 18,317,624</u>	<u>\$ 1,385,457</u>	<u>\$ 31,081,853</u>	<u>\$ 31,021,383</u>

**VILLAGE OF HOMER GLEN, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
APRIL 30, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 30,217,577
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Capital assets used in governmental activities of \$50,326,780, net of accumulated depreciation of \$16,010,086, are not financial resources and, therefore, are not reported in the funds.	34,316,694
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Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	126,515
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Long-term liabilities and related accounts at year-end consist of:

Bonds payable	\$ (11,400,000)	
Unamortized issuance premium	(826,736)	
Accrued interest on bonds	(204,771)	
Net pension liability	(490,536)	
Compensated absences payable	(48,315)	

Total		(12,970,358)
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Net position of governmental activities	\$ 51,690,428
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See notes to basic financial statements.

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED APRIL 30, 2015

	<u>Special Revenue</u>		
	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Park and Recreation</u>
Revenues:			
Intergovernmental	\$ 7,634,791	\$ 1,534,339	\$ 115,233
Licenses, fees and permits	1,052,261	-	-
Community festival	111,877	-	-
Contributions	-	-	156,232
Grants	-	-	-
Investment income (loss)	(60,043)	6,320	8,519
Other income	7,025	-	-
	<u>8,745,911</u>	<u>1,540,659</u>	<u>279,984</u>
Total revenues			
Expenditures:			
Current operations:			
General government	1,676,292	-	1,479
Public safety	4,224,326	-	-
Building	394,080	-	-
Highways and streets	1,311,004	284,859	-
Economic development	635,760	-	-
Culture and recreation	211	-	179,741
Capital outlay:			
General government	12,013	-	-
Public safety	38,008	-	-
Building	723	-	-
Highways and streets	-	136,270	-
Culture and recreation	-	-	186,203
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>8,292,417</u>	<u>421,129</u>	<u>367,423</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>453,494</u>	<u>1,119,530</u>	<u>(87,439)</u>
Other financing sources (uses):			
Transfers in	-	-	23,566
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>23,566</u>
Total other financing sources (uses)			
Net change in fund balances	453,494	1,119,530	(63,873)
Fund balances at beginning of year	<u>4,187,817</u>	<u>2,192,087</u>	<u>2,702,428</u>
Fund balances at end of year	<u>\$ 4,641,311</u>	<u>\$ 3,311,617</u>	<u>\$ 2,638,555</u>

See notes to basic financial statements.

Capital Projects	Debt Service	Totals	
		2016	2015
\$ 25,337	\$ 2,566,128	\$ 11,875,828	\$ 10,666,403
-	-	1,052,261	1,032,549
-	-	111,877	126,249
-	-	156,232	122,719
-	-	-	175,000
63,461	-	18,257	(280,135)
-	-	7,025	261,233
<u>88,798</u>	<u>2,566,128</u>	<u>13,221,480</u>	<u>12,104,018</u>
275,135	-	1,952,906	1,874,410
-	-	4,224,326	3,824,041
-	-	394,080	381,303
-	-	1,595,863	1,497,544
-	-	635,760	488,564
-	-	179,952	31,506
592,115	-	604,128	655,358
-	-	38,008	9,173
-	-	723	-
1,144,169	-	1,280,439	1,602,444
-	-	186,203	101,318
-	1,475,000	1,475,000	2,500,000
-	520,950	520,950	549,950
<u>2,011,419</u>	<u>1,995,950</u>	<u>13,088,338</u>	<u>13,515,611</u>
<u>(1,922,621)</u>	<u>570,178</u>	<u>133,142</u>	<u>(1,411,593)</u>
-	-	23,566	400,000
<u>(23,566)</u>	<u>-</u>	<u>(23,566)</u>	<u>(400,000)</u>
<u>(23,566)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,946,187)	570,178	133,142	(1,411,593)
<u>20,186,824</u>	<u>815,279</u>	<u>30,084,435</u>	<u>31,496,028</u>
<u>\$ 18,240,637</u>	<u>\$ 1,385,457</u>	<u>\$ 30,217,577</u>	<u>\$ 30,084,435</u>

**VILLAGE OF HOMER GLEN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2016**

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

Net change in fund balances - total governmental funds	\$	133,142
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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. This is the amount by which capitalized expenditures (\$2,103,357) exceeded depreciation (\$889,008) in the current period.		1,214,349
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The issuance of long-term debt (e.g., bonds, financing leases payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these differences in the treatment of long-term debt and related items are summarized as follows:

Principal repayments	\$	1,475,000	
Amortization of bond premium		<u>218,060</u>	
 Total			 1,693,060

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in the accrued interest balance results in a decrease in interest expense reported in the statement of activities.		12,292
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Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This is the amount by which the accrual for these expenses at the end of the current fiscal year changed from the corresponding amount at the end of the previous fiscal year.		(1,161)
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Governmental funds report Village pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which Village pension contributions exceeded pension benefits earned in the current period.		(154,024)
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Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		<u>4,260,586</u>
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Change in net position of governmental activities	\$	<u><u>7,158,244</u></u>
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VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GENERAL FUND
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ 7,397,054	\$ 7,701,452	\$ 304,398	\$ 7,075,011
Licenses, fees and permits	1,036,150	1,043,567	7,417	963,490
Community festival	83,500	115,572	32,072	127,634
Investment income (loss)	8,500	(60,043)	(68,543)	(361,290)
Other income	5,200	15,179	9,979	76,438
	<u>8,530,404</u>	<u>8,815,727</u>	<u>285,323</u>	<u>7,881,283</u>
Total revenues				
Expenditures:				
General government:				
Current:				
Personnel	858,813	819,445	39,368	782,835
Communication	18,000	15,927	2,073	16,139
Contractual services	78,500	88,116	(9,616)	103,119
Maintenance	31,315	19,476	11,839	26,508
Professional development	44,500	45,335	(835)	39,381
Professional fees	283,700	238,179	45,521	284,309
Supplies	50,500	51,352	(852)	40,899
Other	562,806	480,923	81,883	349,431
Capital outlay	10,100	12,013	(1,913)	6,861
Public safety:				
Current:				
Personnel	13,000	13,000	-	11,089
Contractual services	4,168,495	4,090,394	78,101	3,661,959
Supplies	6,275	5,324	951	4,974
Other	109,075	84,890	24,185	97,481
Capital outlay	12,300	38,638	(26,338)	8,543
Building:				
Current:				
Personnel	370,915	375,913	(4,998)	361,381
Contractual services	10,000	9,883	117	9,219
Maintenance	2,250	-	2,250	1,972
Supplies	7,300	4,810	2,490	5,415
Other	4,500	3,904	596	3,045
Capital outlay	-	723	(723)	-

See notes to basic financial statements.

	2016		2015	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Highways and streets:				
Current:				
Contractual services	1,290,000	1,311,004	(21,004)	1,284,964
Economic development:				
Current:				
Personnel	104,740	104,740	-	103,103
Contractual services	1,000	1,275	(275)	900
Supplies	1,100	-	1,100	-
Other	531,700	528,807	2,893	383,929
Culture and recreation:				
Current:				
Other	250	211	39	320
Total expenditures	<u>8,571,134</u>	<u>8,344,282</u>	<u>226,852</u>	<u>7,587,776</u>
Excess (deficiency) of revenues over expenditures	(40,730)	471,445	512,175	293,507
Other financing uses:				
Transfers out	-	-	-	(400,000)
Net change in fund balances	(40,730)	471,445	512,175	(106,493)
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>3,447,984</u>	<u>3,447,984</u>	<u>-</u>	<u>3,554,477</u>
Fund balances at end of year (non-GAAP budgetary basis)	<u>\$ 3,407,254</u>	<u>\$ 3,919,429</u>	<u>\$ 512,175</u>	<u>\$ 3,447,984</u>

(continued)

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GENERAL FUND
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2015

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources / inflows of resources:

Actual amount (budgetary basis) "available for appropriation" from the budgetary comparison statement	\$ 8,815,727
Differences - budget to GAAP:	
Receivables:	
Other taxes	(66,661)
Other	540
Unearned revenue	<u>(3,695)</u>
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	 <u><u>\$ 8,745,911</u></u>

Uses / outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	\$ 8,344,282
Differences - budget to GAAP:	
Other assets	
Other assets	(1,552)
Payables:	
Accounts payable	(51,318)
Other payables	<u>1,005</u>
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	 <u><u>\$ 8,292,417</u></u> (concluded)

See notes to basic financial statements.

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
MOTOR FUEL TAX FUND
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Intergovernmental:				
Motor fuel tax allotments	\$ 603,217	\$ 647,322	\$ 44,105	\$ 826,171
Other	-	171,473	171,473	98,344
Investment income	<u>4,000</u>	<u>6,320</u>	<u>2,320</u>	<u>5,990</u>
Total revenues	<u>607,217</u>	<u>825,115</u>	<u>217,898</u>	<u>930,505</u>
Expenditures:				
Current:				
Highways and streets:				
Maintenance	65,100	84,787	(19,687)	29,193
Professional fees	4,000	-	4,000	-
Contractual services	193,600	183,600	10,000	183,600
Capital outlay	<u>596,535</u>	<u>169,652</u>	<u>426,883</u>	<u>598,484</u>
Total expenditures	<u>859,235</u>	<u>438,039</u>	<u>421,196</u>	<u>811,277</u>
Excess (deficiency) of revenues over expenditures	(252,018)	387,076	639,094	119,228
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>2,172,030</u>	<u>2,172,030</u>	<u>-</u>	<u>2,052,802</u>
Fund balances at end of year (non-GAAP budgetary basis)	<u>\$ 1,920,012</u>	<u>\$ 2,559,106</u>	<u>\$ 639,094</u>	<u>\$ 2,172,030</u>

See notes to basic financial statements.

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources / inflows of resources:

Actual amount (budgetary basis) "available for appropriation" from the budgetary comparison statement	\$ 825,115
Difference - budget to GAAP:	
Receivables:	
Motor fuel tax allotments	(1,211)
Other	<u>716,755</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,540,659</u>

Uses / outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	\$ 438,039
Difference - budget to GAAP:	
Accounts payable	<u>(16,910)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 421,129</u>

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
PARK AND RECREATION FUND
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED APRIL 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Contributions	\$ 20,000	\$ 156,232	\$ 136,232	\$ 124,935
Grants	180,500	110,900	(69,600)	-
Intergovernmental	122,400	56,495	(65,905)	-
Investment income	<u>18,000</u>	<u>8,519</u>	<u>(9,481)</u>	<u>7,546</u>
Total revenues	<u>340,900</u>	<u>332,146</u>	<u>(8,754)</u>	<u>132,481</u>
Expenditures:				
Current:				
General government:				
Other	23,400	1,245	22,155	39,572
Culture and recreation:				
Contractual services	93,250	33,764	59,486	567
Maintenance	102,000	147,508	(45,508)	26,769
Capital outlay	<u>878,000</u>	<u>186,653</u>	<u>691,347</u>	<u>206,868</u>
Total expenditures	<u>1,096,650</u>	<u>369,170</u>	<u>727,480</u>	<u>273,776</u>
Deficiency of revenues over expenditures	(755,750)	(37,024)	718,726	(141,295)
Other financing sources:				
Transfers in	<u>-</u>	<u>23,566</u>	<u>23,566</u>	<u>350,000</u>
Net change in fund balances	(755,750)	(13,458)	742,292	208,705
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>2,590,773</u>	<u>2,590,773</u>	<u>-</u>	<u>2,382,068</u>
Fund balances at end of year (non-GAAP budgetary basis)	<u>\$ 1,835,023</u>	<u>\$ 2,577,315</u>	<u>\$ 742,292</u>	<u>\$ 2,590,773</u>

See notes to basic financial statements.

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources / inflows of resources:

Actual amount (budgetary basis) "available for appropriation" from the budgetary comparison statement	\$ 332,146
Differences - budget to GAAP:	
Receivables:	
Grants	(110,900)
Intergovernmental	<u>58,738</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 279,984</u>

Uses / outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison statement	\$ 369,170
Difference - budget to GAAP:	
Accounts payable	(4,081)
Accrued expenses	<u>2,334</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 367,423</u>

VILLAGE OF HOMER GLEN, ILLINOIS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND - REVOLVING ESCROW FUND
APRIL 30, 2016
WITH COMPARATIVE AMOUNTS FOR APRIL 30, 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	<u>\$ 106,838</u>	<u>\$ 98,629</u>
LIABILITIES		
Other payables	<u>\$ 106,838</u>	<u>\$ 98,629</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The Village does not engage in any business-type activities.

B. Reporting Entity

The Village of Homer Glen, Illinois was incorporated April 3, 2001. The Village operates under Council-Manager form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, building, culture-recreation, public improvements, and general administrative services.

These financial statements include the Village and its component units, entities for which the Village is considered to be financially accountable. At April 30, 2016, no entities were considered component units of the Village.

C. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities incorporate data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Village's funds, including its fiduciary fund. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The Village had no nonmajor funds at April 30, 2016.

The Village's governmental funds are comprised of the following:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

The Motor Fuel Tax Fund accumulates motor fuel tax allotments that are used for highways and streets throughout the Village.

The Park and Recreation Fund accumulates local fuel taxes and donations from developers to be used for parks throughout the Village.

The Capital Projects Fund accounts for the acquisition or construction of major capital projects throughout the Village.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the Village reports the following fiduciary fund type:

The Village's agency fund, the Revolving Escrow Fund, accounts for good faith deposits required for construction within the Village.

During the course of operations the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, the transfers are eliminated in the preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As of April 30, 2016, the state of Illinois, as a result of its financial difficulties, was several months in arrears in remitting state income tax collections to the Village. The availability period for state income tax revenue has been extended so that twelve months of revenue are reflected in the accompanying financial statements.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales and other taxes, motor fuel tax allotments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Village.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary Information

The Village adopts its budgets on an annual basis. The Village has adopted the budgetary system for the current and future fiscal years. The Village follows these procedures in establishing the budgetary data:

1. All departments of the Village submit requests for appropriation to the Village Treasurer who prepares the budget for submission to the Village Manager. The budget is prepared by fund, function, and activity, and includes information on current year estimates and requested appropriations for the next fiscal year.
2. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.
3. The budget is legally enacted through passage of an ordinance. The budget for the year ended April 30, 2016 was adopted through the passage of ordinance number 15-019 on April 22, 2015.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

4. The Village Treasurer is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.
5. Budgets are adopted on the cash basis of accounting for all governmental funds. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Appropriations lapse at the end of the fiscal year.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

Cash and cash equivalents of the Village are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

The Illinois Public Funds Investment Act permits 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, the Illinois Funds, and the Illinois Metropolitan Investment Fund.

Investments are reported at fair value (generally based on quoted market prices) except for the position in the Illinois Funds and the Illinois Metropolitan Investment Fund (IMET). Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount which reasonably approximates fair value.

In accordance with state law, the Illinois Funds operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Illinois Funds qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Illinois Funds is subject to regulatory oversight by the state Treasurer, although it is not registered with the SEC.

IMET is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

3. Capital Assets

Capital assets, which include land, equipment, land improvements, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost exceeding \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	7 years
Improvements (including infrastructure)	20-50 years
Signage	7 years
Vehicles	5 years

4. Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has one item that qualifies for reporting in this category in the statement of net position. It is the deferred outflows of resources related to pensions (see Note II. G. for further discussion of deferred outflows of resources related to pensions).

5. Net Position Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

6. Fund Balance Flow Assumptions

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Village itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the Village that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as committed. The Village Council has by resolution authorized the finance director to assign fund balance. The Village Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and Expenses/Expenditures

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to individuals or entities that 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

2. Compensated Absences

It is the Village's policy to permit employees to accumulate benefit days throughout the year based on their years of service. Benefit pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements as noncurrent liabilities, due in more than one year. Benefit pay is only reported in governmental funds if it has matured.

I. Comparative Data

Comparative data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations of the Village.

J. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses/expenditures. Actual results could differ from those estimates.

K. Reclassifications

Certain amounts as previously reported for 2015 have been reclassified to conform to the 2016 presentation.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Village's deposits might not be recovered. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2016, \$1,993,930 of the Village's bank balances of \$2,243,930 was uninsured and collateralized with securities held by the pledging financial institutions.

VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016

Investments

As of April 30, 2016, the Village had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
The Illinois Funds	\$ 2,565,440	AAAm	<1
Certificates of deposit	4,172,874	N/A	1.27
Illinois Metropolitan Investment Fund (IMET):			
1 - 3 Year Fund	108,182	Aaa/MRI	<1
Convenience Fund	19,258,075	N/A	<1
Liquidating Trust (3)	<u>356,966</u>	N/A	Not available
Total investments	<u>\$ 26,461,537</u>		

- (1) Ratings are provided where applicable to indicate associated *Credit Risk*. N/A indicates not applicable.
- (2) *Interest Rate Risk* is estimated using weighted average years to maturity.
- (3) Amounts held in this trust have been reduced to their estimated net realizable value. It is not currently known when funds will be released to the Village as a result of IMET's legal proceedings.

Investment Policies

The Village's investments are subject to the following risks:

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Village will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Village does not have an investment policy for the above risks.

VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016

B. Receivables

Receivables at April 30, 2016 for intergovernmental and other revenues are deemed collectible in full.

C. Capital Assets

Capital asset activity for the year ended April 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions and Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,496,428	\$ 1,468,500	\$ -	\$ 18,964,928
Construction in progress	<u>-</u>	<u>718,842</u>	<u>-</u>	<u>718,842</u>
Total	<u>17,496,428</u>	<u>2,187,342</u>	<u>-</u>	<u>19,683,770</u>
Capital assets being depreciated				
Equipment	237,295	43,230	-	280,525
Infrastructure	23,209,788	3,924,030	-	27,133,818
Land improvements	2,758,590	110,568	-	2,869,158
Signage	12,275	-	-	12,275
Vehicles	<u>248,461</u>	<u>98,773</u>	<u>-</u>	<u>347,234</u>
Total	<u>26,466,409</u>	<u>4,176,601</u>	<u>-</u>	<u>30,643,010</u>
Less accumulated depreciation for:				
Equipment	(193,565)	(17,001)	-	(210,566)
Infrastructure	(14,159,880)	(707,794)	-	(14,867,674)
Land improvements	(543,686)	(140,541)	-	(684,227)
Signage	(8,759)	(639)	-	(9,398)
Vehicles	<u>(215,188)</u>	<u>(23,033)</u>	<u>-</u>	<u>(238,221)</u>
Total	<u>(15,121,078)</u>	<u>(889,008)</u>	<u>-</u>	<u>(16,010,086)</u>
Total capital assets being depreciated, net	<u>11,345,331</u>	<u>3,287,593</u>	<u>-</u>	<u>14,632,924</u>
Total capital assets	<u>\$ 28,841,759</u>	<u>\$ 5,474,935</u>	<u>\$ -</u>	<u>\$ 34,316,694</u>

For the year ended April 30, 2016, depreciation of \$171,539, \$707,793, and \$9,676 was charged to the general government, highways and streets, and public safety functions, respectively.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

D. Interfund Transfers

Transfers are used to move unrestricted revenues collected in a fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. \$23,566 was transferred from the Capital Projects Fund to the Park and Recreation Fund during the year ended April 30, 2016 to finance projects in that fund.

E. Long-Term Liabilities

Long-term debt as of April 30, 2016 is summarized as follows:

General Obligation Bonds

Issued September 25, 2012
General Obligation Bonds, Series 2012A

<u>Fiscal Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,505,000	\$ 491,450	\$ 1,996,450
2018	1,550,000	446,300	1,996,300
2019	1,615,000	384,300	1,999,300
2020	1,680,000	319,700	1,999,700
2021	1,745,000	252,500	1,997,500
2022	1,830,000	165,250	1,995,250
2023	<u>1,475,000</u>	<u>73,750</u>	<u>1,548,750</u>
Total	<u>\$ 11,400,000</u>	<u>\$ 2,133,250</u>	<u>\$ 13,533,250</u>

Denomination	\$5,000
Bonds due each year	December 1st
Interest dates	December 1st and June 1st
Interest rates	2% - 5%

The above bonds were issued to provide funds for road expansion and water transmission lines. The Village has pledged home rule sales tax revenue to fund this debt as it comes due.

VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016

Legal Debt Margin

The Village's legal debt margin at April 30, 2016 is calculated as follows:

Equalized assessed valuation of taxable property (2015 levy - the most current information available)	\$ 859,408,996
Legal applicable rate	<u>0.08625</u>
Legal applicable limit	74,124,026
Less outstanding balance of general obligation bonds	<u>(11,400,000)</u>
Legal debt margin	<u>\$ 62,724,026</u>

Long-term liability activity for the year ended April 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 12,875,000	\$ -	\$ 1,475,000	\$ 11,400,000	\$ 1,505,000
Issuance premium	1,044,796	-	218,060	826,736	-
Net pension liability	368,876	124,879	3,219	490,536	-
Compensated absences payable	<u>47,154</u>	<u>66,735</u>	<u>65,574</u>	<u>48,315</u>	<u>48,315</u>
Total	<u>\$ 14,335,826</u>	<u>\$ 191,614</u>	<u>\$ 1,761,853</u>	<u>\$ 12,765,587</u>	<u>\$ 1,553,315</u>

The net pension liability and compensated absences payable have typically been liquidated from the General Fund in prior years.

F. Fund Balances

As of April 30, 2016, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Park and Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:						
IMET Liquidating Trust	\$ 356,966	\$ -	\$ -	\$ -	\$ -	\$ 356,966
Restricted:						
Debt service	1,702,446	-	-	-	1,385,457	3,087,903
Highway and street construction and maintenance	-	3,185,769	-	-	-	3,185,769
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,985,728</u>	<u>-</u>	<u>13,985,728</u>
Total restricted	<u>1,702,446</u>	<u>3,185,769</u>	<u>-</u>	<u>13,985,728</u>	<u>1,385,457</u>	<u>20,259,400</u>

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Park and Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Committed:						
Special events	119,162	-	-	-	-	119,162
Capital projects	-	-	-	483,275	-	483,275
Total committed	<u>119,162</u>	<u>-</u>	<u>-</u>	<u>483,275</u>	<u>-</u>	<u>602,437</u>
Assigned to:						
Highway and street construction and maintenance	-	125,848	-	-	-	125,848
Park development	-	-	2,638,555	-	-	2,638,555
Capital projects	-	-	-	3,771,634	-	3,771,634
Total assigned	<u>-</u>	<u>125,848</u>	<u>2,638,555</u>	<u>3,771,634</u>	<u>-</u>	<u>6,536,037</u>
Unassigned	<u>2,462,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,462,737</u>
Total fund balances	<u>\$ 4,641,311</u>	<u>\$ 3,311,617</u>	<u>\$ 2,638,555</u>	<u>\$ 18,240,637</u>	<u>\$ 1,385,457</u>	<u>\$ 30,217,577</u>

G. Defined Benefit Pension Plan

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan. 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). Employees of the Village who are eligible to participate in the plan participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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
- One-half of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms. As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>12</u>
 Total	 <u><u>21</u></u>

Contributions. As set by statute, the Village's Regular Plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 10.35%. For the fiscal year ended April 30, 2016, the Village contributed \$99,468 to the plan. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine the total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.50%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38 %	7.39 %
Fixed income	27	3.00
International equity	17	7.59
Alternative investments	9	2.75-8.15
Real estate	8	6.00
Cash equivalents	<u>1</u>	2.25
Total	<u><u>100 %</u></u>	

Single Discount Rate. A single discount rate of 7.47% was used to measure the total pension liability. 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

VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016

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 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

Changes in the Net Pension Liability. Changes in the net pension liability for the year ended December 31, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2014	\$ 1,623,652	\$ 1,254,776	\$ 368,876
Changes for the year:			
Service cost	106,568	-	106,568
Interest on the total pension liability	123,428	-	123,428
Differences between expected and actual experience of the total pension liability	20,621	-	20,621
Changes in assumptions	2,644	-	2,644
Contributions - employer	-	41,243	(41,243)
Contributions - employees	-	94,859	(94,859)
Net investment income	-	6,480	(6,480)
Benefit payments, including refunds of employee contributions	(53,648)	(53,648)	-
Other changes	-	(10,981)	10,981
Net changes	199,613	77,953	121,660
Balances at December 31, 2015	\$ 1,823,265	\$ 1,332,729	\$ 490,536

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Village calculated using a single discount rate of 7.47%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.47%)	Current Discount Rate (7.47%)	1% Higher (8.47%)
Net pension liability	\$ 778,436	\$ 490,536	\$ 254,541

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued IMRF Comprehensive Annual Financial Report.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2016, the Village recognized pension expense of \$154,024. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Deferred amounts to be recognized in pension expense in future periods:	
Differences between expected and actual experience	\$ 17,190
Changes of assumptions	2,204
Net difference between projected and actual earnings on plan investments	72,246
Total deferred amounts to be recognized in pension expense in future periods	91,640
Employer contributions made subsequent to the measurement date	34,875
Total deferred amounts related to pensions	\$ 126,515

\$34,875 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in years ended April 30 as follows:

2017	\$	21,933	
2018		21,933	
2019		21,933	
2020		21,931	
2021		3,871	
Thereafter		39	
Total	\$	91,640	

H. Operating Leases

The Village leases garage and office space under operating lease agreements expiring in May, 2017 and December, 2017. The lease agreements require the Village to make minimum monthly rental payments. Rent expense for the year ended April 30, 2016 was \$241,726.

Future minimum lease payments required under these leases in years ending April 30 are as follows:

2017	\$	251,352	
2018		154,778	
Total	\$	406,130	

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

I. 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 management, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

J. 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; injury to employees; and natural disasters. In order to protect against such losses, the Village has purchased insurance from private insurance companies, and has joined an insurance cooperative, as discussed below. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years. Insurance expense for the year ended April 30, 2016 was \$37,601.

Southwest Agency for Health Management - The Village is a participant in the Southwest Agency for Health Management (SWAHM), which provides medical, dental, and life insurance benefits to Village employees. SWAHM is a sub-pool of the Intergovernmental Personnel Benefit Cooperative (IPBC). The member agreement provides that SWAHM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$75,000 per occurrence. The Village contributes on a monthly basis to meet its obligations to SWAHM and IPBC. The members have a contractual obligation to fund any deficits.

One representative from each member serves on the Board of IPBC. The president of SWAHM serves as the representative to IPBC. Each member has one vote on the Board. None of the members of SWAHM or IPBC have any direct equity interest in the agencies.

K. Change in Accounting Principle

During the year ended April 30, 2016, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

The implementation of GASB 68 resulted in the restatement of beginning net position in the government-wide financial statements. Under GASB 68, the liability of employers to employees for defined benefit pensions (net pension liability) is required to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. Prior to the issuance of GASB 68, employers reported a pension liability equal to the cumulative difference between the actuarial required contribution, as adjusted, and the actual employer contributions made.

**VILLAGE OF HOMER GLEN, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2016**

The restatement of beginning net position is summarized as follows:

Net position at April 30, 2014, as previously reported	\$ 42,604,739
Change in reporting of:	
Net pension liability	<u>(222,281)</u>
Net position at April 30, 2014, as restated	<u>\$ 42,382,458</u>

The effect of the restatement on the change in net position for the year ended April 30, 2015 was an increase of \$12,284.

L. Construction Commitments

As of April 30, 2016, the Village had commitments with respect to unfinished capital projects totaling approximately \$1,230,000.

M. Subsequent Events

Management has evaluated subsequent events through October 21, 2016, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF HOMER GLEN, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND**

**SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS**

	<u>Calendar Year</u>	
	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 106,568	\$ 104,766
Interest on the total pension liability	123,428	100,899
Differences between expected and actual experience of the total pension liability	20,621	63,250
Changes of assumptions	2,644	73,983
Benefit payments, including refunds of employee contributions	<u>(53,648)</u>	<u>(27,945)</u>
Net change in total pension liability	199,613	314,953
Total pension liability at beginning of year	<u>1,623,652</u>	<u>1,308,699</u>
Total pension liability at end of year	<u>\$ 1,823,265</u>	<u>\$ 1,623,652</u>
Plan fiduciary net position:		
Contributions - employer	\$ 94,859	\$ 86,169
Contributions - employees	41,243	39,976
Net investment income	6,480	69,267
Benefit payments, including refunds of employee contributions	(53,648)	(27,945)
Other	<u>(10,981)</u>	<u>891</u>
Net change in plan fiduciary net position	77,953	168,358
Plan fiduciary net position at beginning of year	<u>1,254,776</u>	<u>1,086,418</u>
Plan fiduciary net position at end of year	<u>\$ 1,332,729</u>	<u>\$ 1,254,776</u>
Net pension liability at end of year	<u>\$ 490,536</u>	<u>\$ 368,876</u>
Plan fiduciary net position as a percentage of total pension liability	73.10 %	77.28 %
Covered valuation payroll	\$ 916,521	\$ 904,585
Net pension liability as a percentage of covered valuation payroll	53.52 %	40.78 %

**VILLAGE OF HOMER GLEN, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>Calendar Year</u>	
	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 94,860	\$ 87,745
Actual contribution	<u>94,859</u>	<u>86,169</u>
Contribution deficiency	<u>\$ 1</u>	<u>\$ 1,576</u>
Covered valuation payroll	\$ 916,521	\$ 904,585
Actual contribution as a percentage of covered valuation payroll	10.35 %	9.53 %

The information in both schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine the 2015 Contribution Rate:*

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28-year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	4%
Price inflation	3%, approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	4.4% to 16% including inflation
Investment rate of return	7.5%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.

**VILLAGE OF HOMER GLEN, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION -
ILLINOIS MUNICIPAL RETIREMENT FUND**

Mortality

RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scales AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

There were no benefit changes during the year.

- * Based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND

VILLAGE OF HOMER GLEN, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED APRIL 30, 2015

	<u>2016</u>			<u>2015</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues:				
Intergovernmental Grants	\$ 163,577	\$ 91,700	\$ (71,877)	25,153
Investment income	-	-	-	175,000
Other	54,000	63,461	9,461	67,619
	<u>159,420</u>	<u>-</u>	<u>(159,420)</u>	<u>241,237</u>
Total revenues	<u>376,997</u>	<u>155,161</u>	<u>(221,836)</u>	<u>509,009</u>
Expenditures:				
General government:				
Contractual services	342,178	295,154	47,024	78,377
Capital outlay	5,350,514	1,723,662	3,626,852	1,572,796
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,000</u>
Total expenditures	<u>5,692,692</u>	<u>2,018,816</u>	<u>3,673,876</u>	<u>2,701,173</u>
Deficiency of revenues over expenditures	<u>(5,315,695)</u>	<u>(1,863,655)</u>	<u>3,452,040</u>	<u>(2,192,164)</u>
Other financing sources (uses):				
Transfers in	-	-	-	50,000
Transfers out	<u>-</u>	<u>(23,566)</u>	<u>(23,566)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(23,566)</u>	<u>(23,566)</u>	<u>50,000</u>
Net change in fund balances	(5,315,695)	(1,887,221)	3,428,474	(2,142,164)
Fund balances at beginning of year (non-GAAP budgetary basis)	<u>20,255,509</u>	<u>20,255,509</u>	<u>-</u>	<u>22,397,673</u>
Fund balances at end of year (non-GAAP budgetary basis)	<u>\$ 14,939,814</u>	<u>\$ 18,368,288</u>	<u>\$ 3,428,474</u>	<u>\$ 20,255,509</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources / inflows of resources:

Actual amount (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 155,161
Difference - budget to GAAP:	
Receivables:	
Other	<u>(66,363)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 88,798</u>

Uses / outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,018,816
Difference - budget to GAAP:	
Accounts payable	<u>(7,397)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 2,011,419</u>

DEBT SERVICE FUND

VILLAGE OF HOMER GLEN, ILLINOIS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YEAR ENDED APRIL 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED APRIL 30, 2015

	2016			2015
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues:				
Intergovernmental	\$ 2,621,329	\$ 2,545,118	\$ (76,211)	\$ 2,105,097
Expenditures:				
Debt service:				
Principal	1,475,000	1,475,000	-	1,450,000
Interest	520,950	520,950	-	549,950
Total expenditures	1,995,950	1,995,950	-	1,999,950
Excess of revenues over expenditures	625,379	549,168	(76,211)	105,147
Fund balances at beginning of year (non-GAAP budgetary basis)	494,743	494,743	-	389,596
Fund balances at end of year (non-GAAP budgetary basis)	\$ 1,120,122	\$ 1,043,911	\$ (76,211)	\$ 494,743

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources / inflows of resources:

Actual amount (budgetary basis) "available for appropriation" from the budgetary comparison schedule \$ 2,545,118

Difference - budget to GAAP:

Receivables:

Other 21,010

Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 2,566,128

AGENCY FUND

REVOLVING ESCROW FUND

VILLAGE OF HOMER GLEN, ILLINOIS
AGENCY FUND
REVOLVING ESCROW FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED APRIL 30, 2016

	<u>Balance</u> <u>May 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30, 2016</u>
ASSETS				
Cash	<u>\$ 98.629</u>	<u>\$ 30.000</u>	<u>\$ (21,791)</u>	<u>\$ 106.838</u>
LIABILITIES				
Other payables	<u>\$ 98.629</u>	<u>\$ 30.000</u>	<u>\$ (21,791)</u>	<u>\$ 106.838</u>

STATISTICAL SECTION

**VILLAGE OF HOMER GLEN, ILLINOIS
STATISTICAL SECTION
YEAR ENDED APRIL 30, 2016**

This part of the comprehensive annual financial report of the Village of Homer Glen, Illinois presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. The section is divided into five sections as follows:

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

	<u>Page</u>
Net Position by Component	42
Change in Net Position	43 - 44
Fund Balances of Governmental Funds	45
Changes in Fund Balances of Governmental Funds	46

Revenue Capacity - These schedules contain information to help the reader assess the government's most significant local revenue sources.

	<u>Page</u>
Intergovernmental Revenues by Source	47
Governmental Own-Source Revenues	48

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

	<u>Page</u>
Ratios of Outstanding Debt by Type	49
Ratios of General Bonded Debt Outstanding	50
Direct and Overlapping General Obligation Bonded Debt	51
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Demographic and Economic Information - These schedules contain demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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

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Only schedules applicable to the Village are presented.

VILLAGE OF HOMER GLEN, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government/Governmental Activities										
Invested in Capital Assets	\$ 12,827,471	\$ 26,413,030	\$ 27,104,039	\$ 26,621,275	\$ 25,978,170	\$ 25,190,404	\$ 24,965,065	\$ 28,032,216	\$ 28,841,759	\$ 34,316,694
Restricted for:										
Highways and streets	1,699,262	917,882	890,813	1,076,178	1,400,114	1,701,009	1,530,629	1,972,025	2,072,559	3,185,769
Debt service	-	-	-	-	-	-	1,374,304	1,862,896	2,300,662	2,883,132
Parks	855,456	710,125	646,640	703,502	380,008	124,014	149,895	-	-	-
Capital Projects	648,494	1,213,253	1,150,399	715,401	-	-	455,678	95,250	1,198,874	1,758,993
Unrestricted	2,451,594	2,934,745	3,054,751	2,943,702	6,645,139	10,128,819	12,054,783	10,642,352	10,118,330	9,545,840
Total Primary Government/Governmental Activities	\$ 18,482,277	\$ 32,189,035	\$ 32,846,642	\$ 32,060,058	\$ 34,403,431	\$ 37,144,246	\$ 40,530,354	\$ 42,604,739	\$ 44,532,184	\$ 51,690,428

Data Source

Audited Financial Statements

Note: Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Village.

Note: Amounts reported for 2007 - 2014 have not been restated for the adoption of GASB 68.

VILLAGE OF HOMER GLEN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Primary Government/Governmental Activities										
General government	\$ 1,845,939	\$ 2,472,786	\$ 2,547,421	\$ 2,797,616	\$ 2,260,549	\$ 2,018,581	\$ 2,307,738	\$ 2,097,100	\$ 1,825,247	\$ 1,711,327
Public safety	2,804,030	3,053,374	3,258,898	3,344,424	3,496,309	3,737,634	3,802,083	3,898,108	3,993,883	4,406,522
Building	454,805	460,203	430,456	414,521	370,340	335,560	365,585	397,648	380,089	453,510
Highways and streets	2,454,143	2,395,694	2,110,419	3,603,112	2,122,057	2,093,884	1,964,174	2,108,873	2,828,902	2,524,366
Culture and recreation	59,741	35,907	62,463	61,427	59,026	240,245	82,000	478,005	131,478	289,177
Economic development	-	-	-	-	-	-	52,507	112,459	487,409	648,322
Interest and costs	-	-	-	-	-	-	489,468	333,011	307,284	290,598
Total Primary Government/Governmental Activities Expenses	\$ 7,618,658	\$ 8,415,964	\$ 8,409,657	\$ 10,221,100	\$ 8,308,281	\$ 8,425,904	\$ 9,063,575	\$ 9,425,204	\$ 9,954,292	\$ 10,323,822
Program Revenues										
Primary Government/Governmental Activities										
Charges for Services	\$ 1,209,519	\$ 1,032,351	\$ 903,089	\$ 785,615	\$ 835,381	\$ 813,893	\$ 987,661	\$ 1,000,035	\$ 1,032,549	\$ 1,052,261
General government	1,196,295	1,384,192	1,219,817	1,303,197	1,286,867	1,139,913	1,262,797	1,258,648	1,474,824	2,224,569
Highways and streets	-	-	-	-	-	-	-	99,124	126,249	111,877
Culture and recreation	204,889	341,604	114,767	73,342	-	-	198,858	133,458	241,237	-
Operating Grants and Contributions	-	-	-	75,000	-	-	11,656	31,179	122,719	156,232
General government	-	-	50,000	-	78,470	12,805	-	19,750	-	-
Culture and recreation	-	-	-	-	-	-	573,405	55,650	175,000	4,260,586
Capital Grants and Contributions	10,816	615,635	818,460	29,770	-	-	18,160	110,900	-	-
Total Primary Government/Governmental Activities Program Revenues	\$ 2,621,519	\$ 3,373,782	\$ 3,106,133	\$ 2,266,924	\$ 2,200,718	\$ 1,966,611	\$ 3,052,537	\$ 2,708,744	\$ 3,172,578	\$ 7,805,525
Total Primary Government Net (Expense) Revenue										
	\$ (4,997,139)	\$ (5,042,182)	\$ (5,303,524)	\$ (7,954,176)	\$ (6,107,563)	\$ (6,459,293)	\$ (6,011,038)	\$ (6,716,460)	\$ (6,781,714)	\$ (2,518,297)

VILLAGE OF HOMER GLEN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities										
Intergovernmental	\$ 5,516,675	\$ 5,732,705	\$ 5,550,988	\$ 6,850,402	\$ 8,295,630	\$ 8,913,458	\$ 6,472,332	\$ 6,237,392	\$ 6,765,946	\$ 7,078,271
Homer rule sales tax							2,719,132	2,386,491	2,425,633	2,566,128
Investment earnings (loss)	244,669	271,507	143,997	99,269	69,161	44,343	73,767	96,535	(280,135)	18,257
Other income	479,764	336,882	266,146	217,921	86,145	242,307	131,915	70,427	19,596	13,885
Total Primary Government/Governmental Activities	\$ 6,241,108	\$ 6,341,094	\$ 5,961,131	\$ 7,167,592	\$ 8,450,936	\$ 9,200,108	\$ 9,397,146	\$ 8,790,845	\$ 8,931,440	\$ 9,676,541
Total Primary Government Change in Net Position	\$ 1,243,969	\$ 1,298,912	\$ 657,607	\$ (786,584)	\$ 2,343,373	\$ 2,740,815	\$ 3,386,108	\$ 2,074,385	\$ 2,149,726	\$ 7,158,244

Data Source

Audited Financial Statements

Note: Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Note: Amounts reported for 2007 - 2014 have not been restated for the adoption of GASB 68.

VILLAGE OF HOMER GLEN, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,747	\$ 356,966
Restricted for debt service	-	-	-	-	-	-	1,702,446	1,702,446	1,702,446	1,702,446
Committed for special events	-	-	-	-	-	-	20,885	79,001	89,871	119,162
Unreserved	2,451,594	2,734,745	2,735,836	3,459,914	-	-	-	-	-	-
Unassigned	-	-	-	-	4,726,786	5,692,440	4,040,366	2,502,034	1,969,753	2,462,737
Total General Fund	\$ 2,451,594	\$ 2,734,745	\$ 2,735,836	\$ 3,459,914	\$ 4,726,786	\$ 5,692,440	\$ 5,763,697	\$ 4,283,481	\$ 4,187,817	\$ 4,641,311
All Other Governmental Funds										
Designated for intergovernmental agreements	\$ -	\$ 200,000	\$ 318,915	\$ 423,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Designated for capital projects	-	-	-	459,958	-	-	-	-	-	-
Reserved for:										
Highways and streets	1,699,262	917,882	890,813	1,076,178	-	-	-	-	-	-
Parks	855,456	710,125	646,640	703,502	-	-	-	-	-	-
Capital projects	648,494	1,213,253	1,150,399	715,401	-	-	-	-	-	-
Restricted for:										
Highways and streets	-	-	-	-	1,400,114	1,701,009	1,530,629	1,972,025	2,072,559	3,185,769
Parks	-	-	-	-	380,008	124,014	149,895	-	-	-
Capital projects	-	-	-	-	-	-	17,909,445	16,745,629	15,118,670	13,985,728
Debt service	-	-	-	-	-	-	-	389,596	815,279	1,385,457
Committed to:										
Capital projects	-	-	-	-	-	-	-	500,000	528,107	483,275
Assigned to:										
Highways and streets	-	-	-	-	-	-	109,591	113,538	119,528	125,848
Parks	-	-	-	-	641,930	709,730	1,049,214	2,394,239	2,702,428	2,638,555
Capital projects	-	-	-	-	2,626,423	4,976,649	7,736,660	5,097,520	4,540,047	3,771,634
Total All Other Governmental Funds	\$ 3,203,212	\$ 3,041,260	\$ 3,006,767	\$ 3,378,869	\$ 5,048,475	\$ 7,511,402	\$ 28,485,434	\$ 27,212,547	\$ 25,896,618	\$ 25,576,266

Data Source:

Audited Financial Statements

The District began to classify fund balances in accordance with the requirements of GASB 54 with the year ended 4/30/11.

VILLAGE OF HOMER GLEN, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Intergovernmental	\$ 6,712,970	\$ 7,116,897	\$ 6,770,805	\$ 8,153,599	\$ 9,553,727	\$ 10,053,371	\$ 10,454,261	\$ 9,965,652	\$ 10,666,403	\$ 11,875,828
Licenses, fees and permits	1,209,519	1,032,351	903,089	785,615	835,381	813,893	987,661	1,000,105	1,032,549	1,052,261
Community festival	-	-	-	-	-	-	-	99,124	126,249	111,877
Contributions	204,889	311,194	114,767	148,342	-	-	212,144	31,179	122,719	156,232
Grants	-	77,635	341,095	29,770	78,470	75,579	149,935	130,650	175,000	-
Investment income (loss)	244,669	271,507	143,997	99,269	69,161	44,343	73,767	96,535	(280,135)	18,257
Other	479,764	343,292	266,146	217,921	114,915	242,307	131,915	176,344	261,233	7,025
Total Revenues	8,851,811	9,152,876	8,539,899	9,434,516	10,651,654	11,229,493	12,009,683	11,499,589	12,104,018	13,221,480
Expenditures										
General government	1,797,982	2,382,473	2,186,160	2,261,834	1,933,252	1,829,801	1,806,883	2,000,894	1,874,410	1,952,906
Public safety	2,796,921	3,086,132	3,207,710	3,310,882	3,436,319	3,599,402	3,665,401	3,752,313	3,824,041	4,224,326
Building	481,404	460,203	430,456	414,521	370,340	333,612	344,434	372,109	381,303	394,080
Highways and streets	1,616,388	1,435,101	1,442,058	1,480,187	1,471,862	1,481,707	1,472,473	1,466,862	1,497,544	1,595,863
Culture and recreation	54,563	23,306	18,650	9,689	14,410	123	20,801	24,136	31,506	179,952
Economic development	-	-	-	-	-	-	52,507	112,459	488,564	635,760
Capital outlay	475,624	1,644,462	1,288,267	761,223	438,993	393,493	505,835	4,427,024	2,368,293	2,109,501
Bond issuance cost	-	-	-	100,000	50,000	100,000	302,000	-	-	-
Debt service principal	-	-	-	-	-	-	100,000	1,415,000	2,500,000	1,475,000
Debt service interest	-	-	-	-	-	-	-	681,895	549,950	520,950
Total Expenditures	7,222,882	9,031,677	8,573,301	8,338,336	7,715,176	7,738,138	8,270,334	14,252,692	13,515,611	13,088,338
Excess of Revenues over (under)	1,628,929	121,199	(33,402)	1,096,180	2,936,478	3,491,355	3,739,349	(2,753,103)	(1,411,593)	133,142
Other financing Sources (Uses)										
Bond proceeds	-	-	-	-	-	-	15,640,000	-	-	-
Bond premiums	-	-	-	-	-	-	1,665,940	-	-	-
Transfers In	425,000	350,000	285,000	559,958	1,600,000	2,500,000	4,179,220	2,000,000	400,000	23,566
Transfers Out	(425,000)	(350,000)	(285,000)	(559,958)	(1,600,000)	(2,500,000)	(4,179,220)	(2,000,000)	(400,000)	(23,566)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	17,305,940	-	-	-
Net Change in Fund Balances	\$ 1,628,929	\$ 121,199	\$ (33,402)	\$ 1,096,180	\$ 2,936,478	\$ 3,491,355	\$ 21,045,289	\$ (2,753,103)	\$ (1,411,593)	\$ 133,142
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.29%	21.02%	26.70%	18.17%

Data Source

Audited Financial Statements

VILLAGE OF HOMER GLEN, ILLINOIS

INTERGOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	State Sales	Home Rule	State Income	State Use	Motor Fuel	Total
2016	\$ 3,163,667	\$ 2,566,128	\$ 2,477,386	\$ 678,357	\$ 758,861	\$ 9,644,399
2015	2,922,809	2,425,633	2,440,061	565,225	837,851	9,191,579
2014	2,753,965	2,386,491	2,312,971	437,110	733,346	8,623,883
2013	3,089,470	2,719,132	2,291,635	384,011	707,216	9,191,464
2012	5,776,158	-	2,052,065	353,493	731,742	8,913,458
2011	5,238,734	-	1,940,015	357,233	759,648	8,295,630
2010	3,963,978	-	1,936,492	300,677	649,255	6,850,402
2009	2,374,212	-	2,168,781	351,201	656,794	5,550,988
2008	2,437,927	-	2,269,012	337,669	688,097	5,732,705
2007	2,412,532	-	2,077,169	311,733	715,241	5,516,675

Data Source

Village records

VILLAGE OF HOMER GLEN, ILLINOIS
 GOVERNMENTAL OWN-SOURCE REVENUES

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
--	------	------	------	------	------	------	------	------	------	------

Licenses, Permits and Fees \$ 1,209,519 \$ 1,032,351 \$ 903,089 \$ 785,615 \$ 835,381 \$ 813,893 \$ 987,661 \$ 1,000,035 \$ 1,032,549 \$ 1,052,261

Data Source

Audited Financial Statements

VILLAGE OF HOMER GLEN, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

AS OF APRIL 30, 2016

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Note Payable</u>	<u>Total Outstanding Debt</u>	<u>Percentage of Personal Income</u>	<u>Population (2)</u>	<u>Debt per Capita</u>
2016	\$ 12,226,736	\$ -	\$ 12,226,736	1.39%	24,395	501
2015	13,919,796	-	13,919,796	1.58%	24,395	571
2014	15,600,379	1,050,000	16,650,379	1.91%	24,220	687
2013	17,165,266	1,150,000	18,315,266	2.10%	24,220	756
2012	-	1,250,000	1,250,000	0.14%	24,220	52
2011	-	1,350,000	1,350,000	0.15%	24,220	56
2010	-	1,400,000	1,400,000	0.16%	25,069	56

Ten years of data is required to be presented. There was no outstanding debt prior to the year ended April 30, 2010.

(1) Includes issuance premium

(2) United States Census Bureau

VILLAGE OF HOMER GLEN, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

AS OF APRIL 30, 2016

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less Amount Available for Debt Service</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita (2)</u>
2016	\$ 12,226,736	\$ 1,385,457	\$ 10,841,279	1.26	\$ 444
2015	13,919,796	815,279	13,104,517	1.56	537
2014	15,600,379	2,092,042	13,508,337	1.58	558
2013	17,165,266	1,702,446	15,462,820	1.74	638

Ten years of data is required to be presented. There was no general bonded debt outstanding prior to the year ended April 30, 2013.

(1) Includes issuance premium.

(2) Population data can be found on the Schedule of Demographic and Economic Statistics.

VILLAGE OF HOMER GLEN, ILLINOIS
 DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 AS OF APRIL 30, 2016

	<u>Debt Outstanding</u>	<u>Percent Applicable to Village</u>	<u>Total Direct and Overlapping Debt Outstanding</u>
<u>Governmental Unit (5):</u>			
Will County (1)	\$ 150,280,000	4.77%	\$ 7,166,396
Will County Forest Preserve District	163,577,359	4.77%	7,800,507
Cook County(2)	3,369,965,000	0.00%	3,431
Cook County Forest Preserve District	94,885,000	0.00%	97
Metropolitan Water Reclamation District	2,360,535,090	0.00%	2,453
Homer Township	4,620,000	68.25%	3,152,980
Homer Township Public Library District	3,000,000	68.25%	2,047,389
New Lenox Township	1,380,000	0.24%	3,325
New Lenox Public Library District	6,970,000	0.27%	18,528
Mokena Community Park District	2,640,000	0.01%	312
New Lenox Community Park District	2,231,000	0.27%	5,934
Orland Fire Protection District	5,025,000	0.01%	289
Will Co. Community Cons. School District No. 33C	14,340,000	72.27%	10,363,816
Will Co. School District No. 92	5,490,000	23.88%	1,310,839
Will Co. School District No. 122(3)	129,720,579	0.29%	376,478
Cook Co. School District No. 135	14,185,000	0.01%	939
Will Co. High School District No. 205	13,536,087	38.63%	5,228,351
Will Co. High School District No. 210	204,683,548	0.09%	176,785
Cook Co. Consolidated High School District No. 230	66,490,000	0.00%	1,911
Community College District No. 524	80,600,000	0.00%	1,089
Community College District No. 525	160,710,000	4.80%	7,710,608
Subtotal, overlapping debt			\$ 45,372,457
Village of Homer Glen Direct Debt (4)	12,226,736	100.00%	12,226,736
Total Direct and Overlapping Debt			<u>\$ 57,599,193</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Homer Glen. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) All of the outstanding bond issues of Will County are Alternate Bonds and are expected to be paid from sources other than property taxes.
- (2) Does not include Chicago Public Building Commission Bonds.
- (3) Includes debt certificates and lease certificates.
- (4) Includes issuance premium.
- (5) Information presented for overlapping debt is as of April 30, 2013, the most recent information available.

VILLAGE OF HOMER GLEN, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

AS OF APRIL 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Equalized Assessed Valuation of Property	\$ 859,261,426	\$ 842,508,020	\$ 853,823,972	\$ 888,021,990	\$ 960,017,432	\$ 1,013,409,218	\$ 1,037,141,943
Legal Applicable Rate	<u>8.625%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.625%</u>	<u>8.625%</u>
Legal Applicable Limit	74,111,298	72,666,317	73,642,318	76,591,897	82,801,504	87,406,545	89,453,493
General obligation debt Note payable	(11,400,000) 0	(12,875,000) 0	(14,325,000) (1,050,000)	(15,640,000) (1,150,000)	0 (1,250,000)	0 (1,350,000)	0 (1,400,000)
Legal debt margin	<u>\$ 62,711,298</u>	<u>\$ 59,791,317</u>	<u>\$ 58,267,318</u>	<u>\$ 59,801,897</u>	<u>\$ 81,551,504</u>	<u>\$ 86,056,545</u>	<u>\$ 88,053,493</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>15.38%</u>	<u>17.72%</u>	<u>20.88%</u>	<u>21.92%</u>	<u>1.51%</u>	<u>1.54%</u>	<u>1.57%</u>

Source: Equalized assessed valuation of taxable property from Will County, Illinois Tax Extension Department

Debt limit ceiling is established by the Illinois General Assembly and promulgated in the current edition of the Illinois Compiled Statutes.

VILLAGE OF HOMER GLEN, ILLINOIS

PLEDGED - REVENUE COVERAGE

AS OF APRIL 30, 2016

General Obligation (Home Rule Sales Tax) Bonds

<u>Fiscal Year</u>	<u>Home Rule Sales Tax</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2016	\$ 2,566,128	\$ 1,475,000	\$ 520,950	1.3
2015	2,425,633	1,450,000	549,950	1.2
2014	2,386,491	1,315,000	681,895	1.2
2013 (1)	1,702,446	-	-	0.0

(1) This was the year of issuance. Accordingly, no principal payments and interest were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenue.

VILLAGE OF HOMER GLEN, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Personal Income	Per Capita			Unemployment Rate
				Personal Income	Median Age	School Enrollment	
2016	24,395	878,610,320	36,016	39.0	Not available	5.00%	
2015	24,395	878,610,320	36,016	39.0	Not available	Not available	
2014	24,220	872,307,520	36,016	39.0	Not available	Not available	
2013	24,220	872,307,520	36,016	39.0	Not available	Not available	
2012	24,220	872,307,520	36,016	39.0	Not available	Not available	
2011	24,220	872,307,520	36,016	39.0	Not available	Not available	
2010	25,069	902,885,104	36,016	39.0	Not available	Not available	
2009	25,069	Not available	Not available	39.0	Not available	Not available	
2008	24,083	Not available	Not available	39.0	Not available	4.80%	
2007	24,083	Not available	Not available	39.0	Not available	3.70%	

Data Source

U.S. Census Bureau

VILLAGE OF HOMER GLEN, ILLINOIS

PRINCIPAL EMPLOYERS

AS OF APRIL 30, 2016

<u>Employer</u>	<u>Business</u>	<u>Employees</u>	<u>Percentage of Total Village Employment</u>
School District 33C	Education	437	NA
Meijer	Retail	300	NA
Victorian Village	Senior Living Community	175	NA
Jewel-Osco	Retail	158	NA
Menards	Retail	146	NA
The Home Depot	Retail	140	NA
School District 92	Education	132	NA
Marian Village	Senior Living Community	114	NA
Old Oak Country Club	Golf Course	80	NA
		<hr/> 1,682	

Source: Village records

Information for 2007 is not available.

NA - Not Available

VILLAGE OF HOMER GLEN

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
General	7.0	11.0	11.0	9.0	7.0	7.0	8.0	8.0	8.0	11.5
Economic development	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Building department	6.0	6.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	4.0
Public safety	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Highways and streets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Culture and recreation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Total	13.0	17.0	16.0	14.0	10.0	10.0	12.0	12.0	12.0	18.5

Data Source

Village Finance Department

VILLAGE OF HOMER GLEN, ILLINOIS

OPERATING INDICATORS BY FUNCTION

Last Six Fiscal Years

Function/Program	Fiscal Year					
	2011	2012	2013	2014	2015	2016
General government						
Building department						
Commercial permits	22	37	31	31	40	38
Residential permits	17	10	20	28	41	59
Other building permits	837	1,158	1,041	863	929	1,040
Public safety						
Police (per Will County Sheriff)						
Parking violations	182	160	456	447	362	197
Traffic violations	2,807	2,200	2,698	2,609	2,606	3,458
Highways and streets						
Streets (per Homer Township Road & Bridge District)						
Street resurfacing (miles)	5.37	4.66	3.64	3.90	5.51	4.83
Potholes repaired	40	NA	NA	NA	NA	NA

Data source: The Village subcontractors for the Police and Street Services' records.

Ten years of data is required to be presented. Only six years of data is currently available.

NA - Information not available

VILLAGE OF HOMER GLEN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
General	\$ 95,725	\$ 59,282	\$ 59,282	\$ 76,674	\$ 123,866	\$ 131,188	\$ 138,055	\$ 3,487,280	\$ 3,487,280	\$ 4,217,075
Building department	71,142	71,142	71,142	71,142	71,142	71,142	71,142	71,142	71,142	71,142
Public safety	138,108	182,267	182,267	190,819	209,103	217,653	241,552	241,552	241,552	273,829
Highways and streets	30,762,472	31,978,154	32,686,234	32,985,657	33,316,251	33,419,886	34,245,909	35,175,405	37,226,161	41,150,191
Culture and recreation	217,899	1,074,072	2,147,137	2,448,428	2,547,409	2,800,423	2,895,784	2,895,784	2,936,702	4,614,543
	\$ 31,285,346	\$ 33,364,917	\$ 35,146,062	\$ 35,772,720	\$ 36,267,771	\$ 36,640,292	\$ 37,592,442	\$ 41,871,163	\$ 43,962,837	\$ 50,326,780

Data Source

Village Finance Department