

TOWNSHIP OF HOMER, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MARCH 31, 2025

Prepared By:

HEARNE & ASSOCIATES, P.C.

Certified Public Accountants &
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Township of Homer, Illinois

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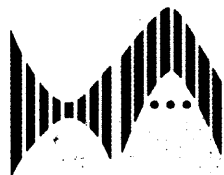
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Financial Section



HEARNE & ASSOCIATES, P.C.

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Independent Auditors' Report

To The Board of Trustees
Township of Homer, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Homer, Illinois (the Township) as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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 aggregate remaining fund information of the Township, as of March 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The budgetary comparison schedules and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and combining individual nonmajor fund financial statements are the responsibility of management and were derived from and related 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 budgetary comparison schedules, and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole with the modified cash basis of accounting described in Note 1.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The management's discussion and analysis and schedule of changes in the employer's net pension and related ratios and schedule of employer contributions, as listed in the table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 an assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the Township's internal controls over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

December 5, 2025
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

Township of Homer, Illinois

Management's Discussion and Analysis
March 31, 2025

As management of the Township of Homer, Illinois, we offer readers of the Township of Homer's financial statements, this narrative overview and analysis of the financial activities of the Township of Homer for the fiscal year ended March 31, 2025.

Financial Highlights

- The assets of the Township of Homer exceeded its liabilities per the Statement of Net Position, as of March 31, 2025 by \$25,510,005 (net position). This is an increase of \$841,795 from the prior year Net Position of \$24,668,210. This increase is mainly the result of the Township receiving State and Local Fiscal Recovery Funds.
- As of March 31, 2025, the Township of Homer's Governmental Funds Statement of Assets, Liabilities and Fund Balances arising from cash transactions reported a combined ending fund balance of \$2,930,176.
- For the fiscal year ending March 31, 2025, per the Governmental Funds Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances - Cash Basis, expenses exceeded revenues by \$1,861,044.
- The Township of Homer's total liabilities as of March 31, 2025 was \$470,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Homer'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 Township of Homer's finances, in a manner similar to a Private-Sector Business. The Statement of Net Position - Modified Cash Basis presents information on all of the Township of Homer's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Homer is improving or deteriorating.

The Statement of Activities - Modified Cash Basis presents information showing how the government's net position changed during the most recent year. Changes in net position are recorded in the Statement of Activities using the modified cash basis of accounting.

The cash basis of accounting is described in the notes to the financial statements. Both of the government-wide financial statements distinguish functions of the Township of Homer that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Township of Homer include general government, public safety, community enrichment services, conservation, and development.

The Township of Homer has no business-type activities.

The government-wide financial statements include only the activities of the Township of Homer. The Township has no component units, nor is it a component unit of any other entity.

Township of Homer, Illinois

Management's Discussion and Analysis
March 31, 2025

The government-wide financial statements can be found on pages 11 - 12 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 Township of Homer, 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 Township of Homer can be categorized as governmental 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 statement of assets and fund balances-cash basis and the governmental fund statement of revenues received, expenditures disbursed and changes in fund balances-cash basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township of Homer maintains nine individual governmental funds. Information is presented separately in the Statement of Assets and Fund Balance - Cash Basis, Governmental - Cash Basis, Governmental Funds. The Town, General Road, Open Space, Park and Founders Crossing Operating Funds are considered to be major funds. The Equipment and Building, General Assistance, Park Developer Contribution, and Founders Crossing Bond Funds are nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to an 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 - 25 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, supplementary information presents a budgetary comparison schedule for the General Fund and Special Revenue Funds, to demonstrate compliance with the budget and the funding progress for the Township's Illinois Municipal Retirement Fund (IMRF) employee pension obligation.

Township of Homer, Illinois

Management's Discussion and Analysis
March 31, 2025

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 Township of Homer, assets exceeded liabilities by \$25,510,005 at the close of the most recent fiscal year.

A large portion of the Township of Homer's net position reflects its investment in capital assets (e.g. land and buildings, roads, equipment, and vehicles). The Township of Homer uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Township of Homer's investment in its capital assets is reported net of related debt; it is not a spendable resource. As of March 31, 2025, the Township of Homer had \$470,000 of debt on its capital assets.

Condensed Statement of Net Position

| | <u>Governmental Activities</u> | |
|---|--------------------------------|----------------------|
| | <u>3/31/25</u> | <u>3/31/24</u> |
| Current and Other Assets | \$ 2,930,176 | \$ 4,791,220 |
| Capital Assets | <u>23,049,829</u> | <u>20,496,990</u> |
| Total Assets | <u>25,980,005</u> | <u>25,288,210</u> |
| Liabilities - current portion | 150,000 | 150,000 |
| Liabilities - due in more than one year | <u>320,000</u> | <u>470,000</u> |
| Total Liabilities | <u>470,000</u> | <u>620,000</u> |
| Net Position: | | |
| Net Investment in Capital Assets | 22,579,829 | 19,876,990 |
| Restricted | 1,129,057 | 1,894,356 |
| Unrestricted | <u>1,801,119</u> | <u>2,896,864</u> |
| Total Net Position | <u>\$ 25,510,005</u> | <u>\$ 24,668,210</u> |

This summary reflects a large net position balance due primarily to the reporting of capital assets, including infrastructure assets that were reported as required by GASB 34.

Township of Homer, Illinois

Management's Discussion and Analysis
March 31, 2025

Governmental Activities

The Township of Homer's net position as of March 31, 2025 was \$25,510,005 which was an increase of \$841,795 from the prior year. The increase in net position is due to additional grant funding for ongoing projects.

Condensed Statement of Activities

| | <u>Governmental Activities</u> | |
|-------------------------------------|--------------------------------|----------------------|
| | <u>3/31/25</u> | <u>3/31/24</u> |
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 480,233 | \$ 464,671 |
| Capital Grants and Contributions | 842,893 | 1,423,890 |
| General Revenues: | | |
| Property Taxes | 1,990,297 | 2,032,600 |
| Personal Property Replacement Taxes | 86,242 | 231,313 |
| Interest Income | 110,534 | 164,053 |
| Other General Revenues | <u>61,176</u> | <u>54,842</u> |
| Total Revenues | <u>3,571,375</u> | <u>4,371,369</u> |
| Expenses: | | |
| Assessor | \$ 445,363 | \$ 461,304 |
| Recreation and Development | 40,681 | 231,330 |
| Road and Bridge | 964,918 | 1,357,154 |
| Senior Housing | 251,490 | 249,177 |
| Administration | 1,018,098 | 2,027,886 |
| Interest on Long-Term Debt | <u>9,030</u> | <u>10,360</u> |
| Total Expenses | <u>2,729,580</u> | <u>4,337,211</u> |
| Change in Net Position | 841,795 | 34,158 |
| Net Position, Beginning of Year | <u>24,668,210</u> | <u>24,634,052</u> |
| Net Position, End of Year | <u>\$ 25,510,005</u> | <u>\$ 24,668,210</u> |

General Revenues decreased by \$234,559 and Program Revenues decreased by \$565,435 from the previous period. The General Revenues decreased primarily from a decrease in property taxes, personal property replacement taxes and interest income in the amount of \$252,147. The decrease in Program Revenues was due primarily to a decrease in capital grants received in the amount of \$580,997.

Road and Bridge Fund activities account for approximately 35.74% of the total expenses within the governmental funds of the Township of Homer. For the Government-wide financial statements, the Township also recorded \$234,814 in depreciation expense for the Road and Bridge Fund during the year ended March 31, 2025.

Township of Homer, Illinois

Management's Discussion and Analysis
March 31, 2025

Financial Analysis of the Government's Funds

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

Government Funds: The focus of the Township of Homer's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township of Homer's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of March 31, 2025, the Township of Homer's Governmental Funds Statement of Assets, Liabilities and Fund Balances - Cash Basis - Governmental Funds reported combined ending balances of \$2,930,176. The committed fund balances of \$392,920 and \$463,075 represent amounts committed by the board for the Township's open space and senior housing, respectively. Founders Crossing Bond Fund balances are primarily restricted due to debt agreements of \$43,897 and property tax levies (Roads - \$613,474; Parks - \$230,285; Equipment - \$152,793; General Assistance - \$88,608).

The Township's Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances had a net change of (\$1,861,044) compared to the prior year net change of (\$269,072). The primary factor affecting this change is a large increase in expense in the General Town Fund and General Road Fund which lead to a change in that fund balance of (\$750,109) and (\$436,842), respectively.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget. There were no additional appropriations.

The 2025 annual program budget for the Township of Homer's General Fund identified the budgeted level of spending at \$4,609,260. Actual expenses were less than budgeted expenses by approximately 56.63%, or \$2,610,413. Actual revenues were less than budgeted revenues in the General Fund by \$1,665,290 or approximately 57.14%.

The 2025 annual program budget for the Township of Homer's General Road Fund identified the budgeted level of spending at \$1,810,411. Actual expenses were less than budgeted expenses by approximately 35% or \$633,755. Actual revenues were less than budgeted revenues in the General Road Fund by \$20,243 or approximately 2.66%.

The 2025 annual program budget for the Township of Homer's Open Space Fund identified the budgeted level of spending at \$813,054. Actual expenses were less than budgeted expenses by approximately .16% or \$1,287. Actual revenues were more than budgeted revenues in the Open Space Fund by \$391,633 or approximately 498.21%.

The 2025 annual program budget for the Township of Homer's Park Fund identified the budgeted level of spending at \$750,574. Actual expenses were less than budgeted expenses by approximately 31.94% or \$239,754. Budgeted revenues were more than actual revenues in the Park Fund by \$9,470 or approximately 7.42%.

Township of Homer, Illinois

Management's Discussion and Analysis

March 31, 2025

The 2025 annual program budget for the Township of Homer's Founders Crossing Operating Fund identified the budgeted level of spending at \$1,657,082. Actual expenses were less than budgeted expenses by approximately 60.99% or \$1,010,819. Budgeted revenues were more than actual revenues in the Founders Crossing Operating Fund by \$547,755 or approximately 39.63%.

Capital Assets

The Township of Homer's investment in capital assets for its governmental activities as of March 31, 2025, is \$23,049,829 net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings, equipment, vehicles, and infrastructure. The infrastructure assets consist of roads, bridges, streetlights, and sidewalks.

Additional information on the Township's capital assets can be found in Note 3 in the Notes to the Financial Statements.

Governmental Activities Change in Capital Assets

| | | Net Additions/ Deletions | |
|-------------------------------|----------------------|--------------------------------|----------------------|
| | Balance 3/31/24 | | Balance 3/31/25 |
| Nondepreciable Capital Assets | | | |
| Land | \$ 13,462,264 | \$ - | \$ 13,462,264 |
| Construction in Progress | 347,630 | 2,382,351 | 2,729,981 |
| Depreciable Capital Assets | | | |
| Building and Improvements | 6,805,507 | 27,800 | 6,833,307 |
| Other Improvements | 548,513 | - | 548,513 |
| Vehicles | 801,349 | - | 801,349 |
| Equipment | 827,042 | 61,707 | 888,749 |
| Infrastructure | 4,486,987 | 517,669 | 5,004,656 |
| Accumulated Depreciation | (6,782,302) | (436,688) | (7,218,990) |
| Total Capital Assets, Net | <u>\$ 20,496,990</u> | <u>\$ 2,552,839</u> | <u>\$ 23,049,829</u> |

Debt Administration

The following is a summary of the components of long-term debt and related transactions of the Township for the year ended March 31, 2025.

| | Balance 04/01/24 | Issuances | Retirements | Balance 3/31/25 |
|--------------------------|---------------------|-------------|-------------------|--------------------|
| General Obligation Bonds | \$ 620,000 | \$ - | \$ 150,000 | \$ 470,000 |
| Total | <u>\$ 620,000</u> | <u>\$ -</u> | <u>\$ 150,000</u> | <u>\$ 470,000</u> |

More detailed information can be found in Note 4 to the Notes to the Basic Financial Statements.

Township of Homer, Illinois

Management's Discussion and Analysis

March 31, 2025

Economic Factors and Next Year's Budget

The budget for the fiscal year 2025 is very similar to 2024 as the Township attempts to maintain the existing level of services with the revenues available.

The current year finds The Founders Crossing Senior Housing Development at full occupancy for most of the year. Therefore, this development will be able to continue to be self-supporting. The Township has established a reserve fund for the purpose of future repairs and capital outlays for The Founders Crossing Development.

Requests for Information

This financial report is designed to provide a general overview of the Township of Homer's finances for 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 Supervisor, 14350 W. 151st Street, Homer Glen, IL 60491.

General information relating to the Township of Homer, Illinois, can be found at the Township's website at <http://www.homertownship.com>.

Township of Homer, Illinois

Statement of Net Position -

Modified Cash Basis

March 31, 2025

| | <u>Governmental Activities</u> |
|---------------------------------------|------------------------------------|
| Assets | |
| Cash | \$ 2,668,922 |
| Investments | 261,254 |
| Capital Assets not Being Depreciated | |
| Land | 13,462,264 |
| Construction in Progress | 2,729,981 |
| Capital Assets Being Depreciated, net | |
| Building and Improvements | 3,569,499 |
| Land Improvements | 490,080 |
| Vehicles | 263,661 |
| Equipment | 554,439 |
| Infrastructure | <u>1,979,905</u> |
| Total Assets | <u>25,980,005</u> |
| Liabilities | |
| Due Within One Year | 150,000 |
| Due In More Than One Year | <u>320,000</u> |
| Total Liabilities | <u>470,000</u> |
| Net Position | |
| Net Investment in Capital Assets | 22,579,829 |
| Restricted for: | |
| Roads | 613,474 |
| Parks | 230,285 |
| Equipment | 152,793 |
| General Assistance | 88,608 |
| Debt Service | 43,897 |
| Unrestricted | <u>1,801,119</u> |
| Total Net Position | <u><u>\$ 25,510,005</u></u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Statement of Activities -

Modified Cash Basis

Year Ended March 31, 2025

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense), Revenue and Change in Net Position</u> |
|---------------------------------|---------------------|--------------------------------|---|--|
| | | <u>Charges for Service</u> | <u>Capital Grants and Contributions</u> | |
| Governmental Activities: | | | | |
| Assessor | \$ 445,363 | \$ - | \$ - | \$ (445,363) |
| Recreation and Development | 40,681 | 54,859 | 393,555 | 407,733 |
| Road and Bridge | 964,917 | 5,101 | - | (959,816) |
| Senior Housing | 251,490 | 367,305 | 449,338 | 565,153 |
| Administration | 1,018,098 | 52,967 | - | (965,131) |
| Interest on Long-term Debt | <u>9,030</u> | <u>-</u> | <u>-</u> | <u>(9,030)</u> |
| Total Governmental Activities | <u>\$ 2,729,579</u> | <u>\$ 480,232</u> | <u>\$ 842,893</u> | <u>(1,406,454)</u> |
| General Revenues: | | | | |
| Taxes: | | | | |
| Property | | | | 1,990,297 |
| Personal Property Replacement | | | | 86,242 |
| Investment Income | | | | 110,534 |
| Other General Revenues | | | | <u>61,176</u> |
| Total General Revenues | | | | <u>2,248,249</u> |
| Change in Net Position | | | | 841,795 |
| Net Position, Beginning of Year | | | | <u>24,668,210</u> |
| Net Position, End of Year | | | | <u>\$ 25,510,005</u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Statement of Assets, Liabilities and Fund Balances - Cash Basis

Governmental Funds

March 31, 2025

| | General (Town) Fund | General Road Fund | Open Space Fund | Park Fund | Founders Crossing Operating Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------------------|------------------------|----------------------|--------------------|-------------------|---|-----------------------------------|--------------------------------|
| Assets | | | | | | | |
| Cash and Investments | \$ 945,124 | \$ 613,474 | \$ 392,920 | \$ 230,285 | \$ 463,075 | \$ 285,298 | \$ 2,930,176 |
| Total Assets | <u>\$ 945,124</u> | <u>\$ 613,474</u> | <u>\$ 392,920</u> | <u>\$ 230,285</u> | <u>\$ 463,075</u> | <u>\$ 285,298</u> | <u>\$ 2,930,176</u> |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deferred Inflows of Resources: | | | | | | | |
| Fund Balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Road and Bridge | - | 613,474 | - | - | - | - | 613,474 |
| Parks | - | - | - | 230,285 | - | - | 230,285 |
| Equipment | - | - | - | - | - | 152,793 | 152,793 |
| General Assistance | - | - | - | - | - | 88,608 | 88,608 |
| Debt Service | - | - | - | - | - | 43,897 | 43,897 |
| Committed for: | | | | | | | |
| Capital Projects | 10,000 | - | - | - | - | - | 10,000 |
| Open Space | - | - | 392,920 | - | - | - | 392,920 |
| Senior Housing | - | - | - | - | 463,075 | - | 463,075 |
| Subsequent Years Expense | 935,124 | - | - | - | - | - | 935,124 |
| Total Fund Balances | <u>945,124</u> | <u>613,474</u> | <u>392,920</u> | <u>230,285</u> | <u>463,075</u> | <u>285,298</u> | <u>2,930,176</u> |
| Total Liabilities and Fund Balances | <u>\$ 945,124</u> | <u>\$ 613,474</u> | <u>\$ 392,920</u> | <u>\$ 230,285</u> | <u>\$ 463,075</u> | <u>\$ 285,298</u> | <u>\$ 2,930,176</u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Reconciliation of the Governmental Funds Statement of Assets, Liabilities and Fund Balances

Cash Basis - to the Statement of Net Position - Modified Cash Basis

March 31, 2025

| | |
|--|----------------------|
| Total Fund Balances - Governmental Funds | \$ 2,930,176 |
| Amounts reported for governmental activities in the Statement of Net Position arising from cash transactions are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: | |
| Capital Assets | 23,049,829 |
| Some amounts reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported in the governmental funds. These amounts consist of: | |
| Bonds Payable | <u>(470,000)</u> |
| Net Position of Governmental Activities | <u>\$ 25,510,005</u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Statement of Revenues Received, Expenditures Disbursed and Changes
in Fund Balances - Cash Basis - Governmental Funds
Year Ended March 31, 2025

| | <u>General (Town)</u> | <u>General Road</u> | <u>Open Space</u> | <u>Park</u> | <u>Founders Crossing Operating</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-----------------------|---------------------|-------------------|-------------------|--|--|---|
| Revenues Received | | | | | | | |
| Taxes: | | | | | | | |
| Property | \$ 1,085,221 | \$ 650,695 | \$ - | \$ 100,257 | \$ - | \$ 154,124 | \$ 1,990,297 |
| Personal Property Replacement | 26,484 | 59,758 | - | - | - | - | 86,242 |
| Licenses, Permits and Inspections | - | 3,950 | - | - | - | - | 3,950 |
| Fines, Forfeitures and Penalties | - | 1,151 | - | - | - | - | 1,151 |
| Grants | - | - | 393,555 | - | 449,338 | - | 842,893 |
| Rental | 52,967 | - | 52,459 | - | 369,705 | - | 475,131 |
| Interest | 52,349 | 11,746 | 14,514 | 16,324 | 10,923 | 4,678 | 110,534 |
| Other Income | 31,717 | 12,513 | 9,713 | 1,464 | 4,423 | 1,346 | 61,176 |
| Total Revenues Received | <u>1,248,738</u> | <u>739,813</u> | <u>470,241</u> | <u>118,045</u> | <u>834,389</u> | <u>160,148</u> | <u>3,571,374</u> |
| Expenditures Disbursed | | | | | | | |
| Current: | | | | | | | |
| Administrative | 957,522 | - | - | - | - | 7,525 | 965,047 |
| Assessor | 421,015 | - | - | - | - | - | 421,015 |
| General Road | - | 1,176,655 | - | - | - | - | 1,176,655 |
| Development | - | - | 785,767 | - | - | - | 785,767 |
| Senior Housing | - | - | - | - | 149,490 | 136 | 149,626 |
| Recreation | - | - | - | 61,503 | - | - | 61,503 |
| Capital Outlay | 620,310 | - | 26,000 | 439,317 | 496,773 | 121,375 | 1,703,775 |
| Debt Service: | | | | | | | |
| Principal/Cost of Issuance | - | - | - | - | - | 150,000 | 150,000 |
| Interest | - | - | - | - | - | 9,030 | 9,030 |
| Total Expenditures Disbursed | <u>1,998,847</u> | <u>1,176,655</u> | <u>811,767</u> | <u>500,820</u> | <u>646,263</u> | <u>288,066</u> | <u>5,422,418</u> |
| Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed | <u>(750,109)</u> | <u>(436,842)</u> | <u>(341,526)</u> | <u>(382,775)</u> | <u>188,126</u> | <u>(127,918)</u> | <u>(1,851,044)</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers from Other Funds | - | - | - | - | - | 159,030 | 159,030 |
| Transfers to Other Funds | - | - | - | - | (159,030) | - | (159,030) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(159,030)</u> | <u>159,030</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(750,109)</u> | <u>(436,842)</u> | <u>(341,526)</u> | <u>(382,775)</u> | <u>29,096</u> | <u>31,112</u> | <u>(1,851,044)</u> |
| Fund Balances, Beginning of Year | <u>1,695,233</u> | <u>1,050,316</u> | <u>734,446</u> | <u>623,060</u> | <u>433,979</u> | <u>254,186</u> | <u>4,791,220</u> |
| Fund Balances, End of Year | <u>\$ 945,124</u> | <u>\$ 613,474</u> | <u>\$ 392,920</u> | <u>\$ 240,285</u> | <u>\$ 463,075</u> | <u>\$ 285,298</u> | <u>\$ 2,940,176</u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Reconciliation of the Governmental Funds Statement of
Revenues Received, Expenditures Disbursed and Changes in Fund
Balances - Cash Basis - to the Statement of Activities - Modified Cash Basis
Year Ended March 31, 2025

| | |
|---|--------------------------|
| Net change in fund balance - Governmental Funds | \$ (1,851,044) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis, the cost of those assets is allocated over their estimated useful lives, are reported as depreciation expense. | |
| This is the amount of expenditures capitalized in the current period. | 2,990,876 |
| This is the amount of depreciation in the current period. | (438,037) |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position. | <u>150,000</u> |
| Change in net position of governmental activities. | <u><u>\$ 851,795</u></u> |

See Notes to the Basic Financial Statements

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Township of Homer, Illinois was chartered in 1836. The citizens of the Township elect the Supervisor, Town Clerk, Highway Commissioner, Assessor, and four Trustees.

The accounting policies and the presentation of the basic financial statements of the Township have been prepared in conformity with the modified cash basis of accounting as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Township's more significant accounting policies.

Reporting Entity: The Township's reporting entity includes the Township's governing board and any related organizations for which the Township is financially accountable as defined by the Governmental Accounting Standards Board.

Financial accountability is defined as: (1) appointment of a voting majority of the component unit's board, and either; (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (2) fiscal dependency on the primary government.

Based on the foregoing criteria, the Township is not financially accountable for any other entity and thus does not include other entities in the Township's financial statements.

The Township's budgetary operations are governed by the appropriation law and administered by the Township Supervisor.

Township-wide and Fund Financial Statements

The township - wide financial statements (i.e., the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis) report information on all of the nonfiduciary activities of the Township. Governmental activities are primarily supported by taxes.

The Statement of Activities arising from cash transactions demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements. Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due mainly to the inclusion of capital assets and long-term debt activity. Fund financial statements include reconciliations and brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide financial statements are reported using the modified cash basis of accounting. This basis means that in addition to the cash basis transactions of the Township's individual funds, all capital asset activity including depreciation of capital assets is reported, and all long-term liability activity is included. This accounting basis differs from full-accrual accounting in that certain short-term receivables and payables are not reported.

Governmental Fund financial statements are reported using the cash basis of accounting. In cash basis accounting, revenues are recognized when received and expenditures are recognized when paid.

Fund Presentation

Governmental Funds - are those through which the acquisition, use and balances of the Township's expendable cash resources and related liabilities of its governmental functions are financed and accounted for. The Township reports the following major governmental funds:

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

The General Road Fund is used to account for all revenues and expenditures applicable to the upkeep, repair, and administration of the Township's roads.

The Open Space Fund accounts for the receipt and disbursement of monies used in the operations and purchase of Township land that can be preserved for all residents, wildlife, and nature alike as prescribed by Illinois Compiled Statutes.

The Park Fund accounts for the receipt and disbursement of monies used in the operations of Township parks.

The Founders Crossing Operating Fund accounts for the receipt and disbursement of monies used in the operations of Founders Crossing Senior Housing Community.

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

Amounts reported as program revenues include: 1) charges for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

Cash and cash equivalents of the Township 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.

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation

The accounting and reporting treatment applied to capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations, if applicable, and whether they are reported in the government-wide or fund financial statements. The capitalization threshold of the Township for capital assets is \$5,000. The Township currently does not have any proprietary fund operations.

Government-wide Financial Statements:

In the Government-wide Financial Statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities arising from cash transactions, with accumulated depreciation reflected in the Statement of Net Position arising from cash transactions. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

| | <u>Years</u> |
|---|--------------|
| Buildings and Furnishings | 50 |
| Improvements (including infrastructure) | 20-50 |
| Equipment | 5-10 |
| Vehicles | 5-10 |

Fund Financial Statements:

In the Fund Financial Statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Obligations

In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities Statement of Net Position arising from cash transactions.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity Classifications

The Township's fund balances are required to be reported using five separate classifications as listed below. The Township may not necessarily utilize each classification in a given year.

Non-Spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or laws or regulations or other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Township (the highest level of decision-making authority for the Township). Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Township's adopted policy, only the Township may assign amounts for specific purposes.

Unassigned - all other spendable amounts; positive amounts that are reported only in the general fund.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township's Board of Trustees has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes are levied as of January 1 on property values assessed on the same date. The lien date for the levy is January 1. The Township and the Road and Bridge passed their most recent tax levy for the 2024 tax year on November 18, 2024. The tax levy is payable by Township property owners in two installments, on June 1 and September 1. The Township received significant distributions of tax receipts during June and September. The property tax revenue for the current year was received from the 2023 levy. In addition, the Village of Homer Glen remits a portion of their Road and Bridge tax levy to the Township Road District.

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 expenditures/expenses. Actual results could differ from those estimates.

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 2. DEPOSITS AND INVESTMENTS

State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Illinois Funds, which is regulated by the State of Illinois.

Deposits

Interest rate risk is the risk that a change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Township limits its exposure to interest rate risk to provide liquidity for operating funds and maximizes yields for funds not needed within a one-year period.

Credit Risk is the risk that the issuer of a debt security will not pay its par value upon maturity. To limit the Township's exposure to credit risk, the Township primarily invests in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. The Township's investment policy does not specifically limit the Township to these types of investments.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. The Township does not have a deposit policy for custodial credit risk. Securities have been put into safekeeping for the specific guarantee of Township monies, in excess of F.D.I.C. insurance.

Concentration of Credit Risk is the risk that the Township has too high a percentage of their investments in one type of investment. The Township's investment policy does not place a limit on the amount it may invest in any one issuer and does not require diversification of investments to avoid unreasonable risk.

Investments

Fair Value Measurement

The Township categorizes its fair value measurements with the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The levels are as follows:

Level 1: Inputs are quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs are quoted prices in inactive markets to similar assets or liabilities, or inputs that are observable or can be corroborated by observable market data.

Level 3: Inputs are significant unobservable inputs.

The Township's investment in certificates of deposit is considered to be level 2. The certificates of deposit were valued at \$261,254 as of March 31, 2025.

Township of Homer, Illinois

Notes to the Basic Financial Statements
March 31, 2025

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025 is as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|---|----------------------|---------------------|----------------|----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 13,462,264 | \$ - | \$ - | \$ 13,462,264 |
| Construction in Progress | <u>347,630</u> | <u>2,382,351</u> | <u>-</u> | <u>2,729,981</u> |
| Total capital assets not being depreciated | <u>13,809,894</u> | <u>2,382,351</u> | <u>-</u> | <u>16,192,245</u> |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 6,805,507 | 27,800 | - | 6,833,307 |
| Other Improvements | 548,513 | - | - | 548,513 |
| Vehicles | 801,349 | - | - | 801,349 |
| Equipment | 827,042 | 61,707 | - | 888,749 |
| Infrastructure | <u>4,486,987</u> | <u>519,018</u> | <u>(1,349)</u> | <u>5,004,656</u> |
| Total capital assets being depreciated | <u>13,469,398</u> | <u>608,525</u> | <u>(1,349)</u> | <u>14,076,574</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and Improvements | (3,078,765) | (185,043) | - | (3,263,808) |
| Other Improvements | (34,872) | (23,561) | - | (58,433) |
| Vehicles | (481,592) | (56,096) | - | (537,688) |
| Equipment | (254,927) | (79,383) | - | (334,310) |
| Infrastructure | <u>(2,932,146)</u> | <u>(93,954)</u> | <u>1,349</u> | <u>(3,024,751)</u> |
| Total accumulated depreciation | <u>(6,782,302)</u> | <u>(438,037)</u> | <u>1,349</u> | <u>(7,218,990)</u> |
| Total capital assets being depreciated, net | <u>6,687,096</u> | <u>170,488</u> | <u>-</u> | <u>6,857,584</u> |
| Governmental activities capital assets, net | <u>\$ 20,496,990</u> | <u>\$ 2,552,839</u> | <u>\$ -</u> | <u>\$ 23,049,829</u> |

Depreciated expense was charged to functions/programs as follows:

Governmental activities:

| | |
|----------------------------|-------------------|
| Assessor | \$ 10,516 |
| Recreation and Development | 64,349 |
| Road and Bridge | 234,814 |
| Senior Housing | 102,000 |
| Administration | <u>26,358</u> |
| Total | <u>\$ 438,037</u> |

Township of Homer, Illinois

Notes to the Basic Financial Statements
March 31, 2025

NOTE 4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 2025 was as follows:

| | Beginning | | | Ending | Due Within |
|---------------------------|-------------------|------------------|--------------------|-------------------|-------------------|
| | <u>Balance</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Balance</u> | <u>One Year</u> |
| Governmental activities: | | | | | |
| General Obligation Bonds: | | | | | |
| Alternative Revenue | <u>\$ 620,000</u> | <u>\$ -</u> | <u>\$ 150,000</u> | <u>\$ 470,000</u> | <u>\$ 150,000</u> |
| Total | <u>\$ 620,000</u> | <u>\$ -</u> | <u>\$ 150,000</u> | <u>\$ 470,000</u> | <u>\$ 150,000</u> |

General Obligation Alternative Revenue Bonds

In June 2012, general obligation alternate revenue bonds in the amount of \$3,105,000 were issued to advance refund the 2003 general obligation alternative revenue bonds. The bonds and the interest payable thereon, are payable from revenues received from the housing facility.

On December 16, 2021, the Township issued \$1,035,000 of General Obligation Refunding Bonds which saved the Township \$220,903 in interest payments. The bonds carry an interest rate of between .55% and 1.750%. The proceeds were used to currently refund the Series 2012, General Obligation Bonds along with a cost of issuance of \$32,250. The following table shows the annual payment obligations:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2026 | \$ 150,000 | \$ 6,293 | \$ 156,293 |
| 2027 | 160,000 | 4,040 | 164,040 |
| 2028 | <u>160,000</u> | <u>1,400</u> | <u>161,400</u> |
| Total | <u>\$ 470,000</u> | <u>\$ 11,733</u> | <u>\$ 481,733</u> |

The legal debt margin for the Township at March 31, 2025 is computed as follows:

| | |
|--|------------------------|
| Assessed valuation - 2024 tax year | <u>\$2,140,466,220</u> |
| Statutory Debt Limit (2.875% of assessed valuation) | \$ 61,538,404 |
| Less: Outstanding Debt | <u>470,000</u> |
| Legal Debt Margin | <u>\$ 61,068,404</u> |

NOTE 5. DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The Township'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 Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-district 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

Township of Homer, Illinois

Notes to the Basic Financial Statements

March 31, 2025

NOTE 5. DEFINED BENEFIT PENSION PLAN (continued)

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

The Township participates in the Regular Plan (RP).

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit terms:

| | <u>IMRF</u> |
|--|--------------------|
| Retirees and Beneficiaries currently receiving benefits | 27 |
| Inactive Plan Members entitled to but not yet receiving benefits | 24 |
| Active Plan Members | <u>12</u> |
| Total | <u><u>63</u></u> |

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires Townships to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2024 was 11.79%. For the calendar year 2024, the Township contributed \$82,341 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement

Township of Homer, Illinois

Notes to the Basic Financial Statements
March 31, 2025

NOTE 5. DEFINED BENEFIT PENSION PLAN (continued)

benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE 6. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Township joined together with other Townships in the state to form Township Officials of Illinois Risk Management Association (TOIRMA), a public entity risk pool currently operating as a common risk management and insurance program for member townships. The Township pays an annual premium to TOIRMA for its general insurance coverage. The agreement for formation of TOIRMA provides that TOIRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of deductible amounts. The Township, along with TOIRMA's other members, have a contractual obligation to fund any deficit of TOIRMA attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There were no supplemental contributions paid in the previous three years. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. The Township continues to carry commercial insurance for employee health and life coverage.

NOTE 7. INTERFUND TRANSFERS/INTERFUND RECEIVABLE-PAYABLE

The Township made a routine transfer in the amount of \$159,030 from the Founders Crossing Operating Fund to the Founders Crossing Bond Fund for the purpose of paying bonds.

NOTE 8. LESSOR AGREEMENT

The Township is the lessor of an agreement for a cell tower. The Township leases land in exchange for a monthly fee. The agreement started in September of 2012 and has a termination date of September of 2051. Rates are increased by 15% every five years and as of September 2021, the Township receives \$4,293 monthly. During the current fiscal year, the Township recognized \$3,340 in interest payments and \$48,173 in principal payments.

The following table shows the expected future payments to be received:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|------------------|-----------------|------------------|
| 2026 | \$ 49,851 | \$ 1,661 | \$ 51,512 |
| 2027 | <u>21,281</u> | <u>183</u> | <u>21,464</u> |
| | <u>\$ 71,132</u> | <u>\$ 1,844</u> | <u>\$ 72,976</u> |

NOTE 9. CONTINGENCIES

Federal and State Grant Programs

The Township currently participates in various grant programs. Grant programs are subject to program compliance audits by the grantor agencies. The Township has a record of compliance with all prior grants.

Supplementary Information

Township of Homer, Illinois

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund

Calendar Year Ended December 31,

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 61,075 | \$ 58,823 | \$ 53,645 | \$ 168,754 | \$ 173,799 | \$ 169,184 | \$ 158,650 | \$ 178,330 | \$ 173,543 | \$ 184,555 |
| Interest | 549,780 | 516,643 | 487,505 | 501,719 | 478,512 | 478,654 | 443,951 | 424,605 | 401,468 | 384,694 |
| Differences Between Expected and Actual Experience | 83,135 | 259,148 | 223,445 | (490,680) | (7,502) | (424,761) | 109,869 | 40,973 | (127,687) | (202,838) |
| Changes of Assumptions | - | (6,225) | - | - | (74,055) | - | 197,435 | (187,172) | (30,909) | 7,372 |
| Benefit Payments, Including Refunds | (378,256) | (366,643) | (363,932) | (272,649) | (223,630) | (231,045) | (233,753) | (144,148) | (133,889) | (139,139) |
| Net Change in Total Pension Liability | 315,734 | 461,746 | 400,663 | (92,856) | 347,124 | (7,968) | 676,152 | 312,588 | 282,526 | 234,644 |
| Total Pension Liability - Beginning | 7,741,760 | 7,280,014 | 6,879,351 | 6,972,207 | 6,625,083 | 6,633,051 | 5,956,899 | 5,644,311 | 5,361,785 | 5,127,141 |
| Total Pension Liability - Ending | <u>\$ 8,057,494</u> | <u>\$ 7,741,760</u> | <u>\$ 7,280,014</u> | <u>\$ 6,879,351</u> | <u>\$ 6,972,207</u> | <u>\$ 6,625,083</u> | <u>\$ 6,633,051</u> | <u>\$ 5,956,899</u> | <u>\$ 5,644,311</u> | <u>\$ 5,361,785</u> |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - Employer | \$ 82,341 | \$ 60,505 | \$ 67,468 | \$ 126,904 | \$ 207,550 | \$ 178,898 | \$ 191,206 | \$ 200,801 | \$ 196,426 | \$ 195,661 |
| Contributions - Employee | 31,428 | 30,119 | 27,915 | 49,019 | 77,380 | 74,818 | 72,856 | 72,813 | 69,490 | 68,787 |
| Net Investment Income | 673,921 | 673,318 | (902,274) | 1,039,348 | 782,404 | 924,877 | (241,164) | 724,785 | 281,531 | 19,998 |
| Benefit Payments, Including Refunds | (378,256) | (366,643) | (363,932) | (272,649) | (223,630) | (231,045) | (233,753) | (144,148) | (133,889) | (139,139) |
| Transfer | (171,539) | 226,998 | (147,233) | 41,005 | 32,303 | (364,247) | 113,108 | (60,084) | 7,322 | (65,425) |
| Net Change in Plan Fiduciary Net Position | 237,895 | 624,297 | (1,318,056) | 983,627 | 876,007 | 583,301 | (97,747) | 794,167 | 420,880 | 79,882 |
| Plan Fiduciary Net Position - Beginning | 6,883,385 | 6,259,088 | 7,577,144 | 6,593,517 | 5,717,510 | 5,134,209 | 5,231,956 | 4,437,789 | 4,016,909 | 3,937,027 |
| Plan Fiduciary Net Position - Ending | <u>\$ 7,121,280</u> | <u>\$ 6,883,385</u> | <u>\$ 6,259,088</u> | <u>\$ 7,577,144</u> | <u>\$ 6,593,517</u> | <u>\$ 5,717,510</u> | <u>\$ 5,134,209</u> | <u>\$ 5,231,956</u> | <u>\$ 4,437,789</u> | <u>\$ 4,016,909</u> |
| Employer's Net Pension Liability | <u>\$ 936,214</u> | <u>\$ 858,375</u> | <u>\$ 1,020,926</u> | <u>\$ (697,793)</u> | <u>\$ 378,690</u> | <u>\$ 907,573</u> | <u>\$ 1,498,842</u> | <u>\$ 724,943</u> | <u>\$ 1,206,522</u> | <u>\$ 1,344,876</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 88.38 % | 88.91 % | 85.98 % | 110.14 % | 94.57 % | 86.30 % | 77.40 % | 87.83 % | 78.62 % | 74.92 % |
| Covered - Valuation | \$ 698,390 | \$ 669,305 | \$ 620,329 | \$ 1,089,306 | \$ 1,719,551 | \$ 1,662,622 | \$ 1,619,028 | \$ 1,618,056 | \$ 1,544,231 | \$ 1,528,603 |
| Employer's Net Pension Liability as a Percentage of Covered -Valuation | 134.05 % | 128.25 % | 164.58 % | 64.06 % | 22.02 % | 54.59 % | 92.58 % | 44.80 % | 78.13 % | 87.98 % |

See Notes to the Supplementary Information

Township of Homer, Illinois

Schedule of Employer Contributions - Illinois Municipal Retirement Fund
Last Ten Calendar Years

| <u>Calendar Year Ending December 31,</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Valuation Payroll</u> | <u>Actual Contribution as a % of Covered Valuation Payroll</u> |
|--|--|--------------------------------|---|--|--|
| 2015 | \$ 195,661 | \$ 195,661 | \$ - | \$ 1,528,603 | 12.80 % |
| 2016 | 196,426 | 196,426 | - | 1,544,231 | 12.72 % |
| 2017 | 200,801 | 200,801 | - | 1,618,056 | 12.41 % |
| 2018 | 191,207 | 191,206 | 1 | 1,619,028 | 11.81 % |
| 2019 | 178,898 | 178,898 | - | 1,662,622 | 10.76 % |
| 2020 | 207,550 | 207,550 | - | 1,719,551 | 12.07 % |
| 2021 | 126,904 | 126,904 | - | 1,089,306 | 11.65 % |
| 2022 | 61,909 | 67,468 | (5,559) | 620,329 | 10.88 % |
| 2023 | 60,505 | 60,505 | - | 669,305 | 9.04 % |
| 2024 | 82,340* | 82,341 | (1) | 698,390 | 11.79 % |

*Estimated based on contribution rate of 11.79% and covered valuation payroll of \$698,390.

See Notes to the Supplementary Information

Township of Homer, Illinois

General (Town) Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes

in Fund Balance - Cash Basis - Budget and Actual

Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|------------------------------|--------------|---|
| Revenues Received | | | |
| Taxes: | | | |
| Property | \$ 1,087,937 | \$ 1,085,221 | \$ (2,716) |
| Personal Property Replacement | 39,628 | 26,484 | (13,144) |
| Grants | 1,658,545 | - | (1,658,545) |
| Rental Income | 53,512 | 52,967 | (545) |
| Interest | 5,000 | 52,349 | 47,349 |
| Other Income | 69,406 | 31,717 | (37,689) |
| Total Revenues Received | 2,914,028 | 1,248,738 | (1,665,290) |
| Expenditures Disbursed | | | |
| Current: | | | |
| Administrative: | | | |
| Personnel | 818,502 | 664,519 | (153,983) |
| Contractual | 364,501 | 203,237 | (161,264) |
| Commodities | 109,000 | 19,295 | (89,705) |
| Grant | 1,658,545 | 7,903 | (1,650,642) |
| Contingencies | 50,000 | - | (50,000) |
| Other | 353,501 | 62,568 | (290,933) |
| Assessor: | | | |
| Personnel | 426,100 | 399,098 | (27,002) |
| Contractual | 24,900 | 14,926 | (9,974) |
| Commodities | 12,000 | 3,049 | (8,951) |
| Other | 4,500 | 3,942 | (558) |
| Capital Outlay: | | | |
| Administrative | 760,211 | 606,478 | (153,733) |
| Assessor | 27,500 | 13,832 | (13,668) |
| Total Expenditures Disbursed | 4,609,260 | 1,998,847 | (2,610,413) |
| Net Change in Fund Balance | \$ (1,695,232) | (750,109) | \$ 945,123 |
| Fund Balance, Beginning of Year | | 1,695,233 | |
| Fund Balance, End of Year | | \$ 945,124 | |

See Notes to the Supplementary Information

Township of Homer, Illinois

General Road Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes
in Fund Balance - Cash Basis - Budget and Actual
Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|-----------------------------------|------------------------------|-------------------|---|
| Revenues Received | | | |
| Taxes: | | | |
| Property | \$ 652,442 | \$ 650,695 | \$ (1,747) |
| Personal Property Replacement | 89,414 | 59,758 | (29,656) |
| Licenses, Permits and Inspections | 1 | 3,950 | 3,949 |
| Fines, Forfeitures and Penalties | 100 | 1,151 | 1,051 |
| Interest | 10,000 | 11,746 | 1,746 |
| Other Income | 8,100 | 12,513 | 4,413 |
| Total Revenues Received | <u>760,057</u> | <u>739,813</u> | <u>(20,244)</u> |
| Expenditures Disbursed | | | |
| Current: | | | |
| Administrative: | | | |
| Personnel | 86,500 | 258,713 | 172,213 |
| Contractual | 71,500 | 59,494 | (12,006) |
| Commodities | 7,000 | 3,792 | (3,208) |
| Other | 12,000 | 751 | (11,249) |
| Maintenance: | | | |
| Personnel | 174,000 | - | (174,000) |
| Contractual | 24,001 | 21,272 | (2,729) |
| Commodities | 1,110,010 | 832,633 | (277,377) |
| Contingencies | 5,000 | - | (5,000) |
| Capital Outlay: | | | |
| Administrative | 320,400 | - | (320,400) |
| Total Expenditures Disbursed | <u>1,810,411</u> | <u>1,176,655</u> | <u>(633,756)</u> |
| Net Change in Fund Balance | <u>\$ (1,050,354)</u> | <u>(436,842)</u> | <u>\$ 613,512</u> |
| Fund Balance, Beginning of Year | | <u>1,050,316</u> | |
| Fund Balance, End of Year | | <u>\$ 613,474</u> | |

See Notes to the Supplementary Information

Township of Homer, Illinois

Open Space Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes
in Fund Balance - Cash Basis - Budget and Actual
Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|------------------------------|-------------------|---|
| Revenues Received | | | |
| Grants | \$ 1 | \$ 393,555 | \$ 393,554 |
| Rental Income | 50,600 | 52,459 | 1,859 |
| Interest | 2,000 | 14,514 | 12,514 |
| Other Income | 26,007 | 9,713 | (16,294) |
| Total Revenues Received | 78,608 | 470,241 | 391,633 |
| Expenditures Disbursed | | | |
| Current: | | | |
| Personnel | 5 | - | (5) |
| Contractual | 86,805 | 65,931 | (20,874) |
| Commodities | 59,202 | 9,472 | (49,730) |
| Grant | 15,000 | - | (15,000) |
| Other | 616,042 | 710,364 | 94,322 |
| Contingencies | 10,000 | - | (10,000) |
| Capital Outlay | 26,000 | 26,000 | - |
| Total Expenditures Disbursed | 813,054 | 811,767 | (1,287) |
| Net Change in Fund Balance | <u>\$ (734,446)</u> | (341,526) | <u>\$ 392,920</u> |
| Fund Balance, Beginning of Year | | <u>734,446</u> | |
| Fund Balance, End of Year | | <u>\$ 392,920</u> | |

See Notes to the Supplementary Information

Township of Homer, Illinois

Park Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes
in Fund Balance - Cash Basis - Budget and Actual
Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|------------------------------|-------------------|---|
| Revenues Received | | | |
| Property Taxes | \$ 100,508 | \$ 100,257 | \$ (251) |
| Grants | 1 | - | (1) |
| Interest | 1,000 | 16,324 | 15,324 |
| Other Income | 26,006 | 1,464 | (24,542) |
| Total Revenues Received | 127,515 | 118,045 | (9,470) |
| Expenditures Disbursed | | | |
| Personnel | 5 | - | (5) |
| Contractual | 116,000 | 18,002 | (97,998) |
| Grant | 30,000 | 10,000 | (20,000) |
| Other | 70,750 | 43,500 | (27,250) |
| Capital Outlay | 533,819 | 439,318 | (94,501) |
| Total Expenditures Disbursed | 750,574 | 510,820 | (239,754) |
| Net Change in Fund Balance | \$ <u>(623,059)</u> | (392,775) | \$ <u>230,284</u> |
| Fund Balance, Beginning of Year | | <u>623,060</u> | |
| Fund Balance, End of Year | | \$ <u>230,285</u> | |

See Notes to the Supplementary Information

Township of Homer, Illinois

Founders Crossing Operating Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes

in Fund Balance - Cash Basis - Budget and Actual

Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|--|------------------------------|-------------------|---|
| Revenues Received | | | |
| Grants | \$ 987,541 | \$ 449,338 | \$ (538,203) |
| Rental Income | 365,400 | 369,705 | 4,305 |
| Interest | 1,000 | 10,923 | 9,923 |
| Other Income | 28,203 | 4,423 | (23,780) |
| Total Revenues Received | <u>1,382,144</u> | <u>834,389</u> | <u>(547,755)</u> |
| Expenditures Disbursed | | | |
| Current: | | | |
| Personnel | 89,700 | 89,339 | (361) |
| Contractual | 305,000 | 59,894 | (245,106) |
| Commodities | 5,500 | 29 | (5,471) |
| Other | 67,000 | 228 | (66,772) |
| Contingencies | 30,000 | - | (30,000) |
| Capital Outlay | 1,159,882 | 496,773 | (663,109) |
| Total Expenditures Disbursed | <u>1,657,082</u> | <u>646,263</u> | <u>(1,010,819)</u> |
| Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed | <u>(274,938)</u> | <u>188,126</u> | <u>463,064</u> |
| Other Financing Sources (Uses) | | | |
| Transfers Out | <u>(159,030)</u> | <u>(159,030)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (433,968)</u> | 29,096 | <u>\$ 463,064</u> |
| Fund Balance, Beginning of Year | | <u>433,979</u> | |
| Fund Balance, End of Year | | <u>\$ 463,075</u> | |

See Notes to the Supplementary Information

Township of Homer, Illinois

Notes to the Supplementary Information
March 31, 2025

I. Stewardship, Compliance, and Accountability

Budgetary Information

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

1. All departments of the Township submit requests for appropriation. 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 March 31, 2025, was adopted on June 17, 2024.
4. The governing Board must approve a formal line item Transfer Appropriation Ordinance to make any changes within the fund if spending goes above the amount budgeted for each line item (generally, the change cannot exceed ten percent of the amount appropriated in the respective fund). Any other changes or amendments to the approved budget would require the Board to follow the original procedures for preparing and publishing a budget.
5. Budgets are adopted on the cash basis of accounting for 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.

Township of Homer, Illinois

Notes to the Supplementary Information
March 31, 2025

II. Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate

Methods and Assumptions used to Determine 2024 Contribution Rate

| | |
|--------------------------------|---|
| Actuarial Cost Method: | Aggregate entry age normal |
| Amortization Method: | Level percentage of payroll, Closed |
| Remaining Amortization Period: | Non-Taxing Bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 19-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one was financed over 25 years.) |
| Asset Valuation Method: | 5-year smoothed market, 20% corridor |
| Wage Growth: | 2.75% |
| Price Inflation: | 2.25% |
| Salary Increases: | 2.75% to 13.75%, including inflation |
| Investment Rate of Return: | 7.25% |
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study to the period 2017 to 2019. |
| Mortality: | <p>For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.</p> <p>For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.</p> <p>For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.</p> |

Other Information

There were no benefit changes during the year.

Other Supplementary Information

Township of Homer, Illinois

Combining Statement of Assets, Liabilities and Fund Balances - Cash Basis

Nonmajor Governmental Funds

March 31, 2025

| | <u>Special Revenue Funds</u> | | | <u>Debt Service</u> | |
|--|------------------------------|-----------------------|-----------------------------------|--------------------------------------|--|
| | Equipment and Building | General Assistance | Park Developer Contribution | Founders Crossing Bond Fund | Total Nonmajor Governmental Funds |
| Assets | | | | | |
| Cash and Investments | \$ 152,793 | \$ 88,608 | \$ - | \$ 43,897 | \$ 285,298 |
| Total Assets | <u>\$ 152,793</u> | <u>\$ 88,608</u> | <u>\$ -</u> | <u>\$ 43,897</u> | <u>\$ 285,298</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accrued Expenses | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | | |
| Fund Balances | | | | | |
| Restricted for: | | | | | |
| Equipment | 152,793 | - | - | - | 152,793 |
| General Assistance | - | 88,608 | - | - | 88,608 |
| Debt Service | - | - | - | 43,897 | 43,897 |
| Total Fund Balances | <u>152,793</u> | <u>88,608</u> | <u>-</u> | <u>43,897</u> | <u>285,298</u> |
| Total Liabilities and Fund Balances | <u>\$ 152,793</u> | <u>\$ 88,608</u> | <u>\$ -</u> | <u>\$ 43,897</u> | <u>\$ 285,298</u> |

Township of Homer, Illinois

Combining Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances

- Cash Basis

Nonmajor Governmental Funds

Year Ended March 31, 2025

| | <u>Special Revenue Funds</u> | | | <u>Debt Service</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|-------------------------------|---------------------------|------------------------------------|------------------------------------|--|
| | <u>Equipment and Building</u> | <u>General Assistance</u> | <u>Park Developer Contribution</u> | <u>Founders Crossing Bond Fund</u> | |
| Revenues Received | | | | | |
| Property | \$ 150,318 | \$ 3,806 | \$ - | \$ - | \$ 154,124 |
| Interest | - | 2,501 | 768 | 1,409 | 4,678 |
| Other Income | 1,346 | - | - | - | 1,346 |
| Total Revenues Received | <u>151,664</u> | <u>6,307</u> | <u>768</u> | <u>1,409</u> | <u>160,148</u> |
| Expenditures Disbursed | | | | | |
| Current: | | | | | |
| Contractual | - | 7,525 | - | - | 7,525 |
| Other | - | - | 136 | - | 136 |
| Capital Outlay | 87,537 | - | 33,838 | - | 121,375 |
| Debt Service: | | | | | |
| Principal | - | - | - | 150,000 | 150,000 |
| Interest and Other Charges | - | - | - | 9,030 | 9,030 |
| Total Expenditures Disbursed | <u>87,537</u> | <u>7,525</u> | <u>33,974</u> | <u>159,030</u> | <u>288,066</u> |
| Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed | <u>64,127</u> | <u>(1,218)</u> | <u>(33,206)</u> | <u>(157,621)</u> | <u>(127,918)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In (Out) | - | - | - | 159,030 | 159,030 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>159,030</u> | <u>159,030</u> |
| Net Change in Fund Balance | 64,127 | (1,218) | (33,206) | 1,409 | 31,112 |
| Fund Balance, Beginning of Year | <u>88,666</u> | <u>89,826</u> | <u>33,206</u> | <u>42,488</u> | <u>254,186</u> |
| Fund Balance, End of Year | <u>\$ 152,793</u> | <u>\$ 88,608</u> | <u>\$ -</u> | <u>\$ 43,897</u> | <u>\$ 285,298</u> |

Township of Homer, Illinois

Equipment and Building Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes

in Fund Balance - Cash Basis - Budget and Actual

Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|------------------------------|-------------------|---|
| Revenues Received | | | |
| Property Taxes | \$ 150,722 | \$ 150,318 | \$ (404) |
| Interest | 1,000 | - | (1,000) |
| Other Income | 100 | 1,346 | 1,246 |
| Total Revenues Received | <u>151,822</u> | <u>151,664</u> | <u>(158)</u> |
| Expenditures Disbursed | | | |
| Capital Outlay | <u>240,485</u> | <u>87,537</u> | <u>(152,948)</u> |
| Total Expenditures Disbursed | <u>240,485</u> | <u>87,537</u> | <u>(152,948)</u> |
| Net Change in Fund Balance | <u>\$ (88,663)</u> | 64,127 | <u>\$ 152,790</u> |
| Fund Balance, Beginning of Year | | <u>88,666</u> | |
| Fund Balance, End of Year | | <u>\$ 152,793</u> | |

Township of Homer, Illinois

General Assistance Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes

in Fund Balance - Cash Basis - Budget and Actual

Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------|------------------------------|-----------|---|
| Revenues Received | | | |
| Property | \$ 3,815 | \$ 3,806 | \$ (9) |
| Interest | 200 | 2,501 | 2,301 |
| Other Income | 1 | - | (1) |
| Total Revenues Received | 4,016 | 6,307 | 2,291 |
| Expenditures Disbursed | | | |
| Personnel | 3 | - | (3) |
| Contractual | 86,130 | 7,525 | (78,605) |
| Commodities | 1,300 | - | (1,300) |
| Other | 2,500 | - | (2,500) |
| Contingencies | 3,675 | - | (3,675) |
| Total Expenditures Disbursed | 93,608 | 7,525 | (86,083) |
| Net Change in Fund Balance | \$ (89,592) | (1,218) | \$ 88,374 |
| Fund Balance, Beginning of Year | | 89,826 | |
| Fund Balance, End of Year | | \$ 88,608 | |

Township of Homer, Illinois

Park Developer Contribution Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes

in Fund Balance - Cash Basis - Budget and Actual

Year Ended March 31, 2025

| | Original and Final Budget | Actual | Variance From Final Budget Over (Under) |
|---------------------------------------|------------------------------|---------------|---|
| Revenues Received | | | |
| Gifts, Donations and Contributions | \$ 1 | \$ - | \$ (1) |
| Other Income | 1 | - | (1) |
| Interest | 100 | 768 | 668 |
| Total Revenues Received | 102 | 768 | 666 |
| Expenditures Disbursed | | | |
| Other | 1,500 | 136 | (1,364) |
| Capital Outlay | 31,808 | 33,838 | 2,030 |
| Total Expenditures Disbursed | 33,308 | 33,974 | 666 |
| Net Change in Fund Balance | <u>\$ (33,206)</u> | (33,206) | <u>\$ -</u> |
| Fund Balance, Beginning of Year | | <u>33,206</u> | |
| Fund Balance, End of Year | | <u>\$ -</u> | |

Township of Homer, Illinois

Founders Crossing Bond Fund

Schedule of Revenues Received, Expenditures Disbursed and Changes
in Fund Balance - Cash Basis - Budget and Actual
Year Ended March 31, 2025

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance From Final Budget Over (Under)</u> |
|---|--|------------------|--|
| Revenues Received | | | |
| Interest | \$ 250 | \$ 1,409 | \$ 1,159 |
| Other Income | 1 | - | (1) |
| Total Revenues Received | <u>251</u> | <u>1,409</u> | <u>1,158</u> |
| Expenditures Disbursed | | | |
| Contractual | 3,100 | - | (3,100) |
| Other | 39,639 | - | (39,639) |
| Debt Service: | | | |
| Principal / Cost of Issuance | 150,000 | 150,000 | - |
| Interest | <u>9,030</u> | <u>9,030</u> | <u>-</u> |
| Total Expenditures Disbursed | <u>201,769</u> | <u>159,030</u> | <u>(42,739)</u> |
| Excess (Deficiency) of Revenues Received Over (Under) Expenditures Disbursed | <u>(201,518)</u> | <u>(157,621)</u> | <u>43,897</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>159,030</u> | <u>159,030</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (42,488)</u> | <u>1,409</u> | <u>\$ 43,897</u> |
| Fund Balance, Beginning of Year | | <u>42,488</u> | |
| Fund Balance, End of Year | | <u>\$ 43,897</u> | |

TOWNSHIP OF HOMER, ILLINOIS
Independent Auditor's Report
Pursuant to Uniform Guidance
For the Fiscal Year Ended
March 31, 2025

Prepared By:

Hearne & Associates, P.C.
Certified Public Accountants &
Business Consultants

TOWNSHIP OF HOMER, ILLINOIS
REPORT ON FEDERAL AWARDS
March 31, 2025

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HEARNE & ASSOCIATES, P.C.

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Certified Public Accountants & Business Consultants

David J. Hearne, Jr., CPA (1928-2014) Founder
Phillip M. Hearne, CPA
John C. Williams, CPA, MST

Matthew R. Truschka, Account Mgr.
Haley A. Shroba - Sr. Accountant
David A. Phelan - Sr. Auditor

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Township of Homer, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Homer (the Township), Illinois as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. We identified a deficiency in internal

controls, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs.


Township Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Township's response was not subject to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 5, 2025
Mokena, Illinois


Hearne & Associates, P.C.
Certified Public Accountants



HEARNE & ASSOCIATES, P.C.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Trustees
Township of Homer, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Township of Homer, Illinois' (the Township) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended March 31, 2025. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

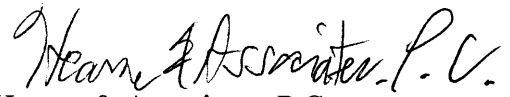
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have Audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. We issued our report thereon dated December 5, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 5, 2025
Mokena, Illinois


Hearne & Associates, P.C.
Certified Public Accountants

Township of Homer, Illinois
Schedule of Expenditures of Federal Awards
for the Year Ended March 31, 2025

| <u>Federal Grantor/ Pass-Through Grantor/ Program Title</u> | <u>Applicable Cluster</u> | <u>Assistance Listing Number</u> | <u>Grantor's Identifying Number</u> | <u>Total Provided to Subrecipients</u> | <u>Federal Expenditures</u> |
|---|----------------------------------|----------------------------------|-------------------------------------|--|-----------------------------|
| U.S. Department of Housing and Urban Development: <i>Pass-Through Programs From Will County:</i> | | | | | |
| 2022 CDBG Public Facilities and Improvements | CDBG-Entitlement/Special Purpose | 14.218 | Public Facilities and Improvements | - | \$ 360,939 |
| Total U.S. Department of Housing and Urban Development | | | | - | 360,939 |
| U.S. Department of Treasury: (M) <i>Pass-Through Program From Will County:</i> | | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | | 21.027 | America Rescue Plan Act | - | 472,551 |
| Total U.S. Department of Treasury | | | | - | 472,551 |
| Total Expenditures of Federal Funds | | | | | \$ 833,490 |

(M) - Program was audited as a major program as defined by Section 200.518.

See accompanying notes to the schedule of expenditures of federal awards.

TOWNSHIP OF HOMER, ILLINOIS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended March 31, 2025

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the Township of Homer under programs of the federal government for the year ending March 31, 2025.

The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Township of Homer, it is not intended to and does not present the financial position, changes in net position or cash flows of the Township of Homer.

B. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Indirect Cost Rate

The Township of Homer has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

D. Subrecipients

There were no subrecipients for the fiscal year ending March 31, 2025.

E. Non-cash Assistance

The Township of Homer did not provide Non-cash Assistance.

F. Other Information

The Township of Homer did not spend any federal award dollars on insurance.

There are no outstanding loans or guarantees at March 31, 2025.

The Township of Homer did have grants with matching expenditures. In accordance with the Uniform Guidance, those amounts were not included on the SEFA.

TOWNSHIP OF HOMER, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2025

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | | | |
|---|---------------|-----|--------------|----|
| • Material weakness(es) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant Deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Noncompliance material to the financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

Federal Awards

Internal control over major programs:

- | | | | | |
|---|---------------|-----|---------------|----|
| • Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • Significant Deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | No |

Type of auditor's report issued on compliance for major programs: Unmodified

| | | | | |
|--|--------------|-----|---------------|----|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516 (a) of the Uniform Guidance? | <u> X </u> | Yes | <u> </u> | No |
|--|--------------|-----|---------------|----|

Identification of major programs:

Assistance Listing

Number

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs

\$750,000

| | | | | |
|--|---------------|-----|--------------|----|
| Auditee qualified as a low-risk auditee? | <u> </u> | Yes | <u> X </u> | No |
|--|---------------|-----|--------------|----|

TOWNSHIP OF HOMER, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended March 31, 2025

II. Financial Statement Findings

There were no findings.

III. Findings and Questioned Costs for Federal Awards

Condition : In performing the audit, it was noted that the Township's system of grant management requires significant improvement.

Cause: The Township's internal controls over the review and approval of allowable costs were not operated effectively for the grant - assistance listing number 21.027.

Effect or Potential Effect: Procurements may not be following Uniform Guidance procurement standards.

Questioned Costs: A total of \$112,321 was requested by the township to be reimbursed by the grantor but was denied due to lack of supporting documentation.

Context: When requested, the Township could not provide detailed support for expenditures to the Grantor, related to the project funded by the grant, assistance listing number 21.027.

Identification as a Repeat Finding, if Applicable: This finding is not a repeat finding from the prior year.

Recommendation: The Township should update its established internal control over the review and approval of grant expenditures.

Views of Responsible Officials: Management concurs with the finding and has developed a plan to correct the finding.

IV. Prior Year Audit Findings

There were no findings or questioned costs for federal awards in the prior year.