

# City of Highwood, Illinois

**Downtown Highwood Tax Increment Financing District Fund**

**Report on Compliance With Public Act 85-1142**

**April 30, 2016**

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## **Independent Auditor's Report**

## Independent Auditor's Report on Compliance With Public Act 85-1142

The Honorable Mayor  
Members of the City Council  
City of Highwood, Illinois

We have audited the basic financial statements of the City of Highwood, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated December 20, 2016.

We have also audited the City's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142). The management of the City of Highwood, Illinois is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the City complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the City of Highwood, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Highwood, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).

*BKD, LLP*

Oakbrook Terrace, Illinois  
December 21, 2016

## **Supplementary Information**

## Independent Auditor's Report on Supplementary Information

The Honorable Mayor  
Members of the City Council  
City of Highwood, Illinois

We have audited the basic financial statements of the City of Highwood, Illinois for the year ended April 30, 2016, and have issued our report thereon, dated December 20, 2016, which expressed an unmodified opinion on those financial statements. The financial statements are the responsibility of the City of Highwood, Illinois' management. Our responsibility is to express opinions on the basic financial statements based on our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Highwood, Illinois. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances for the Downtown TIF District Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Highwood, Illinois. This information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic financial statements of the City of Highwood, Illinois. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements of the City of Highwood, Illinois as a whole.

*BKD, LLP*

Oakbrook Terrace, Illinois  
December 21, 2016

**CITY OF HIGHWOOD, ILLINOIS**

Downtown TIF District Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended April 30, 2016

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	<u>Capital Project Fund Downtown TIF</u>
Revenues	
Property Taxes	\$ 465,355
Investment Income	1,492
Total Revenues	<u>466,847</u>
Expenditures	
Contractual - Current	29,100
Capital Outlay	3,265
Debt Service	
Principal	296,331
Interest	66,526
Fiscal Agent Fees	875
Total Expenditures	<u>396,097</u>
Net Change in Fund Balance	70,750
Fund Balance	
May 1, 2015	<u>674,449</u>
April 30, 2016	<u>\$ 745,199</u>

**CITY OF HIGHWOOD, ILLINOIS**

Downtown TIF District Fund

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances

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*Summary of Significant Accounting Policies*

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balances for the Downtown TIF District Fund is intended to present the change in fund balance of only that fund of the City. It does not purport to, and does not, present fairly the net position of the City as of April 30, 2016, or the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds.