

City of Highwood, Illinois
Downtown Redevelopment Tax Increment
Financing District Fund
Report on Compliance With Public Act 85-1142
April 30, 2021



Independent Auditor's Reports

Independent Auditor's Report on Compliance

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Highwood (City) Downtown Tax Increment Financing Fund, which comprise the statement of revenues, expenditures and changes in fund balance for the year ended April 30, 2021, and have issued our report thereon, dated December 1, 2021.

We have also audited the City's compliance with the provisions of subsection (q) of Section 11-74.4-5 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for the Downtown Tax Increment Financing District. 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 11-74.4-5 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for the Downtown Tax Increment Financing District.

BKD, LLP

Oakbrook Terrace, Illinois
December 1, 2021

Supplementary Information

Independent Auditor's Report on Supplementary Information

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

We have audited the basic financial statements of the City of Highwood, Illinois for the year ended April 30, 2021, and have issued our report thereon, dated December 1, 2021, which expressed unmodified opinions 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 Balance for the Downtown Redevelopment TIF District Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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. 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 as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
December 1, 2021

City of Highwood, Illinois
Downtown Redevelopment TIF District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2021

| | Capital Project Fund Downtown Redevelopment TIF |
|---------------------------------------|--|
| | |
| Revenues | |
| Property taxes | \$ 995,605 |
| Investment income | 479 |
| | |
| Total revenues | 996,084 |
| Expenditures | |
| Contractual - current | 5,000 |
| Economic development | 245,606 |
| Capital outlay | 219,880 |
| Bank charges | 10 |
| Debt service | |
| Principal | 455,000 |
| Interest | 28,200 |
| Fiscal agent fees | 875 |
| | |
| Total expenditures | 954,571 |
| Net Change in Fund Balance | 41,513 |
| Fund Balance | |
| May 1, 2020 | 979,911 |
| April 30, 2021 | \$ 1,021,424 |

City of Highwood, Illinois
Downtown Redevelopment TIF District Fund
Notes to the Schedule of Revenues, Expenditures
and Changes in Fund Balance
Year Ended April 30, 2021

Summary of Significant Accounting Policies

The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance for the Downtown Redevelopment TIF District Fund is intended to present the change in fund balance of only that fund of the City of Highwood, Illinois (City). It does not purport to, and does not, present fairly the net position of the City as of April 30, 2021, 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.