

**Village of Channahon, Illinois
Tax Increment Financing
Route 6 & I-55 Fund**

**Independent Auditors' Report on
Supplementary Information and
Independent Accountants' Report**

For the Year Ended April 30, 2018

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Village President and Board of Trustees
Village of Channahon, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Channahon, Illinois (the Village), as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon, dated October 10, 2018, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 10, 2018

SUPPLEMENTARY INFORMATION

Village of Channahon, Illinois
Tax Increment Financing Route 6 & I-55 Fund
BALANCE SHEET
April 30, 2018

ASSETS

Property taxes receivable - net allowance for uncollectible amounts	\$ <u>97,675</u>
Total assets	\$ <u><u>97,675</u></u>

LIABILITIES, DEFERRED INFLOWS, AND FUND DEFICIT

Liabilities	
Due to other funds	\$ 271,092
Accounts payable	<u>206</u>
Total liabilities	<u>271,298</u>
Deferred inflows	
Property taxes levied for a future period	<u>97,675</u>
Fund deficit	
Unassigned	<u>(271,298)</u>
Total liabilities, deferred inflows, and fund deficit	\$ <u><u>97,675</u></u>

The accompanying notes are an integral part of this supplementary information.

Village of Channahon, Illinois
Tax Increment Financing Route 6 & I-55 Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND DEFICIT
For the Year Ended April 30, 2018

Revenues	
Interest income	\$ <u>101</u>
Total revenues	<u>101</u>
Expenditures	
Legal and other professional fees	<u>762</u>
Total expenditures	<u>762</u>
Net change in fund balance	(661)
Fund deficit, beginning of year	<u>(270,637)</u>
Fund deficit, end of year	\$ <u><u>(271,298)</u></u>

The accompanying notes are an integral part of this supplementary information.

Village of Channahon, Illinois
Tax Increment Financing Route 6 & I-55 Fund
NOTES TO SUPPLEMENTARY INFORMATION
April 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Channahon, Illinois, Tax Increment Financing (TIF) Route 6 & I-55 Fund follows fund accounting principles appropriate for local governments and the requirements of the Tax Increment Allocation Redevelopment Act (P.A. 86-142). This supplementary information does not present the financial position or results of operations of the Village of Channahon, Illinois (the Village).

1. Basis of Accounting

This supplementary information is prepared on the modified accrual basis of accounting; accordingly, revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred. Debt service expenditures are recognized when due.

2. Receivables

The recognition of receivables and revenue associated with exchange and nonexchange transactions is as follows:

- * Derived tax receivables (such as: sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- * Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- * Government mandates or voluntary nonexchange transaction receivables (such as: mandates or grants) are recognized when all eligibility requirements have been met.

3. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds within the Village for goods provided, services rendered, and for lending/borrowing purposes. These receivables and payables are classified as "due from/to other funds" (the current portion of interfund balances) or "advances from/to other funds" (the noncurrent portion of interfund balances) on the balance sheet. At April 30, 2018, all interfund balances are classified as due from/to other funds because they are intended to be repaid within one year.

Village of Channahon, Illinois
Tax Increment Financing Route 6 & I-55 Fund
NOTES TO SUPPLEMENTARY INFORMATION
April 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Deferred Inflows

In addition to liabilities, the TIF District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future reporting periods. At April 30, 2018, the TIF District's property taxes levied for a future period are reported as deferred inflows of resources.

5. Fund Deficit

The Fund reports as an unassigned fund balance, the deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

6. Use of Estimates

In preparing supplementary information, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the supplementary information, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B - DEPOSITS

As of April 30, 2018, the TIF Route 6 & I-55 Fund did not have any deposits with banks; however, it held varying deposit balances throughout the fiscal year which were fully insured by the Federal Deposit Insurance Corporation.

NOTE C - PROPERTY TAXES

Property tax levies are recognized as revenues in the fiscal period they are intended to finance. The amounts recorded as revenue for fiscal year 2018 represent the taxes from the 2016 and prior year levies that have been collected by Will and Grundy Counties and have been distributed to the Village within sixty days of fiscal year-end.

Village of Channahon, Illinois
Tax Increment Financing Route 6 & I-55 Fund
NOTES TO SUPPLEMENTARY INFORMATION
April 30, 2018

NOTE C - PROPERTY TAXES (Continued)

The budget ordinance anticipates that the 2017 property tax levy will be used to finance fiscal year 2019 expenditures. The 2017 levy has been recognized as a receivable, less an allowance for uncollectible property taxes amounting to 1 percent, as of April 30, 2018, but recognition as revenue has been deferred to fiscal year 2019.

The calendar of the 2017 property tax levy is as follows:

Levy Date - December 18, 2017

Lien Date - January 1, 2017

Due Date(s) - on or about June 1 and September 1, 2018

Estimated Collection Dates - May 16, 2018 through December 15, 2018

NOTE D - INTERFUND LOAN

At April 30, 2018, the TIF Route 6 & I-55 Fund has a loan in the amount of \$271,092 from the General Fund.

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT ACCOUNTANTS' REPORT

To the Village President and Board of Trustees
Village of Channahon

We have examined management's assertion that the Village of Channahon, Illinois (the Village), complied 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), during the year ended April 30, 2018, for the Tax Increment Financing Route 6 & I-55 Fund. The management of the Village is responsible for the Village's compliance with those related requirements and for its related assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance, referred to above, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertion that the Village of Channahon, Illinois, complied, in all material respects, with the aforementioned requirements, which are publicly available, is fairly stated for the year ended April 30, 2018.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
October 10, 2018