

CITY OF ROCHELLE, ILLINOIS
TAX INCREMENT FINANCING FUND
FINANCIAL REPORT AND REPORT ON
COMPLIANCE WITH PUBLIC ACT 85-1142

For the Eight Months Ended
December 31, 2016



CITY OF ROCHELLE, ILLINOIS
TAX INCREMENT FINANCING FUND
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1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management of the City of Rochelle, Illinois' (the City) assertion that the City 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 eight months ended December 31, 2016. The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specified requirements 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 about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. 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.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

Our examination disclosed a deviation from the criteria set forth by Illinois Public Act 85-1142. Illinois Compiled Statutes states that "If payments in lieu of taxes or a portion thereof are made to taxing districts, those payments shall be made to all districts within a project redevelopment area on a basis which is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment project area." The City distributed 24% of the increment to two local taxing bodies but did not make payments to all taxing bodies within the redevelopment project area.

In our opinion, except for the deviation described in the preceding paragraph, management's assertion that the City of Rochelle, Illinois complied with the aforementioned requirements for the eight months ended December 31, 2016 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, the Illinois State Comptroller's Office and the joint review Councils and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois

July 14, 2017



630.566.8400 // www.sikich.com

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rochelle, Illinois (the City) as of and for the eight months ended December 31, 2016, and the notes to financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated July 14, 2017, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information (balance sheet and schedule of revenues, expenditures, and changes in fund balance) 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
July 14, 2017

CITY OF ROCHELLE, ILLINOIS

**TIF FUND
BALANCE SHEET**

December 31, 2016

ASSETS	
Cash and Investments	<u>\$ 140,428</u>
TOTAL ASSETS	<u><u>\$ 140,428</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
None	<u>\$ -</u>
Total Liabilities	<u>-</u>
FUND BALANCE	
Restricted for Economic Development	<u>140,428</u>
Total Fund Balance	<u>140,428</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 140,428</u></u>

(See independent auditor's report on supplementary information.)

CITY OF ROCHELLE, ILLINOIS

**TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the Eight Months Ended December 31, 2016

	<u>TIF Fund</u>
REVENUES	
Property Taxes	\$ 615,159
Investment Income	191
	<hr/>
Total Revenues	615,350
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EXPENDITURES	
General Government	
Contractual Services	150,367
Debt Service	
Principal	125,000
Interest	85,380
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Total Expenditures	360,747
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	254,603
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OTHER FINANCING SOURCES (USES)	
Transfers (Out)	(475,863)
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Total Other Financing Sources (Uses)	(475,863)
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NET CHANGE IN FUND BALANCE	(221,260)
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FUND BALANCE, MAY 1	361,688
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FUND BALANCE, DECEMBER 31	<u><u>\$ 140,428</u></u>

(See independent auditor's report on supplementary information.)

CITY OF ROCHELLE, ILLINOIS

**TAX INCREMENT FINANCING FUND
SCHEDULE OF FUND BALANCE
BY SOURCE**

For the Eight Months Ended December 31, 2016

	<u>TIF Fund</u>
BEGINNING BALANCE, MAY 1, 2016	\$ 361,688
DEPOSITS	
Property Taxes	615,159
Investment Income	<u>191</u>
Total Deposits	<u>615,350</u>
Balance Plus Deposits	<u>977,038</u>
EXPENDITURES	
General Government	
Contractual Services	150,367
Debt Service	
Principal	125,000
Interest	<u>85,380</u>
Total Expenditures	<u>360,747</u>
EXCESS (DEFICIENCY) OF DEPOSITS OVER EXPENDITURES	616,291
OTHER FINANCING SOURCES (USES)	
Transfers (Out)	<u>(475,863)</u>
ENDING BALANCE, DECEMBER 31, 2016	<u><u>\$ 140,428</u></u>
ENDING BALANCE BY SOURCE	
Property Tax	<u>\$ 140,428</u>
Subtotal	140,428
Less Surplus Funds	<u>-</u>
FUND BALANCE, DECEMBER 31, 2016	<u><u>\$ 140,428</u></u>

(See independent auditor's report on supplementary information.)