

**CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
INDEPENDENT AUDITOR'S REPORT**

April 30, 2017

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND

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INDEPENDENT AUDITOR'S REPORT

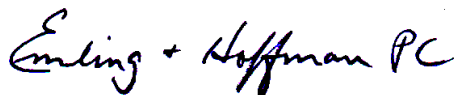
Mayor and Board of Commissioners
City of Sesser, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United State 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, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sesser, Illinois, which collectively comprise the City of Sesser's basic financial statements, and have issued our report thereon dated **September XX, 2017**.

We have also audited the City's compliance with provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended April 30, 2017. The management of the City of Sesser, 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 Sesser, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Sesser, 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) for the year ended April 30, 2017.



Emling & Hoffman, P.C.
September XX, 2017

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND

Balance Sheet

April 30, 2017

Assets	<u>TIF Fund</u>
Cash, Restricted	\$ 158,760
Due From General Fund	217,210
Due From IMRF	13,000
Due From Park Fund	500
Due From Cemetery Fund	13,575
Property Tax Receivable	304,363
Total Assets	<u>707,408</u>
 Deferred Outflows of Resources	
None	<u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 707,408</u>
 Liabilities, Deferred Inflows of Resources and Fund Balance	
 Liabilities	
None	<u>-</u>
 Deferred Inflows of Resources	
Property Taxes	<u>295,995</u>
Total Deferred Inflows of Resources	<u>295,995</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>295,995</u>
 Fund Balance	
Assigned	<u>411,413</u>
Total Fund Balance	<u>411,413</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 707,408</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2017

Revenues

Real Estate Taxes:			
2015 Taxes Paid in 2016	\$	260,727	
Other Income		5,612	

Total Revenues		266,339	
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Expenditures

Cost of Studies, Surveys, Development of Plans, Specifications, Implementation, Administration of Redevelopment Plans		54,147	
Public Works and Improvements		173,447	

Total Expenditures		227,594	
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Excess (Deficiency) of Revenues over Expenditures		38,745	
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Other Financing Sources/Uses

Operating Transfers In		0	
Operating Transfers Out		(20,404)	

Total Other Financing Sources/Uses		(20,404)	
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Net Change in Fund Balance		18,341	
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Fund Balance, Beginning of Year		393,072	
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Fund Balance, End of Year	\$	411,413	
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The accompanying notes to the financial statements are an integral part of this statement.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND

Statement of Cash Flows
Year Ended April 30, 2017

Reconciliation of Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 18,341
Changes in Assets and Liabilities:	
Deferred Revenue	55,084
Property Tax Receivable	(63,452)
Net Cash Provided (Used) by Operating Activities	<u>9,973</u>
Increase (Decrease) in Cash	9,973
Cash, Beginning of Year	<u>148,787</u>
Cash, End of Year	<u><u>\$ 158,760</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND

Notes to Financial Statements
Year Ended April 30, 2017

Note A - Summary of Accounting Principles

The accounting policies of the City of Sesser, Illinois Tax Increment Financing Fund conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Sesser. The financial statements presented herein do not include the funds other than the Tax Increment Financing activity.

B. Basis of Presentation - Fund Accounting

The financial statements presented herein present only the operations of the Tax Increment Financing Fund so as to be able to report on the compliance with subsection (q) of Section 11-74.43 of Public Act 85-1142.

All operations are reported in the General Fund as the general operating fund of the Tax Increment Financing activity.

The financial statements presented herein focus on the measurement of spending or financial flow and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of available spending resources. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City of Sesser's government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Notes to Financial Statements - Continued
Year Ended April 30, 2017

Note A - Summary of Accounting Principles-Concluded

Governmental fund financial statements 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. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The TIF Fund is reported using the modified accrual basis.

Note B - Cash and Investments

At April 30, 2017, the carrying amount of the Tax Increment Financing Fund was \$158,760. The bank balance was \$159,602.

Note C - Property Taxes

The Tax Increment Financing Fund property taxes are based upon the property tax levy of the Franklin County governmental units which has property located within the boundaries of the Tax Increment Financing District.

The amount of taxes due to the Tax Increment Financing Fund is determined by the Franklin County Clerk. A base assessed value was established for each individual parcel at the time the Tax Increment Financing District was implemented. The Franklin County Clerk determines the assessed value for each parcel annually. The difference between the base year and the tax year is computed and the total of each parcel that has higher value in the base year determine the tax increment.

The tax increment of each parcel is multiplied by the respective tax rate to determine the amount of taxes to be distributed to the City of Sesser TIF Fund.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Notes to Financial Statements - Concluded
Year Ended April 30, 2017

Note D - Surplus Funds

Section 11-74.4-5 of the Illinois Municipal Code provides for designation as surplus any monies not required for anticipated redevelopment costs or to pay debt service on bonds issued to finance redevelopment project costs.

The City of Sesser anticipates using the current cash of \$158,760 for improvements to public works with an estimated budget of \$10,443,984 over the life of the fund.

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Schedule of Redevelopment Costs
Costs of Studies, Surveys, Plans, Specifications,
Implementation, and Administration of Redevelopment Plan
Year Ended April 30, 2017

Subsection (q) (1) of Section 11-74.4.3 of Public Act 85-1142:

<u>Year</u>	<u>Payee</u>	<u>Amount</u>
2016	Bigler Law Office	\$ 15,726
2016	Emling & Hoffman	1,000
2016	General Fund	4,125
2016	Greater Egypt	125
2016	Moran Economic Development, LLC	12,860
2016	Rend Lake Resort	133
2016	Ressler and Associates	2,884
2016	State Bank of Whittington	17
2016	Stuard and Associates, Inc.	215
2016	The CAID Group	1,813
2017	Bigler Law Office	13,400
2017	Moran Economic Development, LLC	1,829
2017	State Bank of Whittington	20
	Total	<u>\$ 54,147</u>

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Schedule of Redevelopment Costs - Costs of Construction of
Public Works and Improvements
Year Ended April 30, 2017

Subsection (q) (4) of Section 11-74.4.3 of Public Act 85-1142:

<u>Year</u>	<u>Payee</u>	<u>Amount</u>
2016	Ace Hardware	\$ 228
2016	Alfonso Acosta Sr.	13,600
2016	All In One Services, Inc.	6,433
2016	American Waterworks Association	330
2016	Campbell's Fire and Safety	262
2016	Christopher Concrete	1,429
2016	Coe Equipment, Inc.	1,570
2016	Dorris Trucking, Inc.	410
2016	Energy Culvert Co., Inc.	1,461
2016	Extra Help	12,486
2016	Fast Truck and Trailer	2,455
2016	Franklin County Highway	213
2016	Freestyle Graphics	1,500
2016	General Fund	229
2016	Grainger	450
2016	HD Waterworks	463
2016	IMCO Utility	1,766
2016	Jerome Kopec	201
2016	Jody Shaw	2,059
2016	Keith Polkow	1,874
2016	Kelly Swift	1,966
2016	Kone, Inc.	897
2016	Lange-Stegmann Co.	1,532
2016	Leonard Waldron	16,423
2016	Loyd Electric	1,540
2016	Melton Tree Service	525
2016	Midwest Municipal Supply	1,845
2016	Mike Flemming	30,000
2016	Office of the State Fire Marshall	75
2016	Quad County Ready Mix	801
2016	Rudy Frisch	5,000
2016	Sandner Electric	2,707
2016	Schulte Supply	6,846
2016	Security Alarm Service	625
2016	Sesser Concrete Products, Co.	124
2016	Southern Illinois Local Media Group	41

CITY OF SESSER, ILLINOIS
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Schedule of Redevelopment Costs - Costs of Construction of
Public Works and Improvements-Concluded
Year Ended April 30, 2017

Subsection (q) (4) of Section 11-74.4.3 of Public Act 85-1142:

<u>Year</u>	<u>Payee</u>	<u>Amount</u>
2016	Springfield Electric	119
2016	The Ground Guys	820
2016	The Pin Up Salon	12,500
2016	Trudy Irvin	5,000
2017	Ace Hardware	220
2017	Alfonso Acosta Sr.	5,050
2017	BNSF Railroad Co.	800
2017	Dorris Trucking, Inc.	350
2017	Energy Culvert Co., Inc.	1,683
2017	Extra Help	2,270
2017	Frontier	464
2017	IMCO Utility	448
2017	Kelly Architecture and Consulting	1,827
2017	Kone, Inc.	933
2017	Lappin Trucking, Inc.	1,329
2017	Loyd Electric	460
2017	Odum Concrete	147
2017	Paula Styve	1,502
2017	Richard Isaacs	4,671
2017	Robert Melton	9,750
2017	Sesser Pave and Seal, Inc.	1,888
2017	Sullins Construction	850
	Total	<u>\$ 173,447</u>

CITY OF SESSER, ILLINOIS
TAX INCREMENT FINANCING FUND
Schedule of Findings and Recommendations
April 30, 2017

None