

VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC  
DEVELOPMENT PROJECT AREA TAX INCREMENTAL  
FINANCING DISTRICT

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FINANCIAL AND COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2022

**VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

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**INDEPENDENT AUDITORS' REPORT**



**INDEPENDENT AUDITORS' REPORT**

October 19, 2022

The Honorable Village President  
Members of the Board of Trustees  
Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District  
Village of Elwood, Illinois

We have audited the accompanying basic financial statements of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District of Village of Elwood, Illinois as of and for the year ended April 30, 2022, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the financial statements present only the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District of the Village of Elwood, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Elwood, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District of the Village of Elwood, Illinois as of April 30, 2022 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated October 19, 2022 on our consideration of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **FINANCIAL STATEMENTS**

**VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

**Balance Sheet  
April 30, 2022**

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<b>ASSETS</b>	
Cash and Investments	\$ 5,127,818
Receivables - Net of Allowances	
Property Taxes	<u>10,596,559</u>
Total Assets	<u><u>15,724,377</u></u>
<b>LIABILITIES</b>	
Accounts Payable	163,666,073
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>10,596,559</u>
Total Liabilities and Deferred Inflows of Resources	<u>174,262,632</u>
<b>FUND BALANCE</b>	
Unassigned	<u>(158,538,255)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>15,724,377</u></u>

**VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended April 30, 2022**

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Revenues	
Taxes	
Property Taxes	\$ 10,287,921
Interest Income	868
Total Revenues	<u>10,288,789</u>
Expenditures	
General Government	
Management Fees	151,565
Debt Service	
Principal Retirement	22,467,360
Interest and Fiscal Charges	<u>5,653,677</u>
Total Expenditures	<u>28,272,602</u>
Net Change in Fund Balance	(17,983,813)
Fund Balance - Beginning	<u>(140,554,442)</u>
Fund Balance - Ending	<u><u>(158,538,255)</u></u>

**VILLAGE OF ELWOOD, ILLINOIS**

**DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Elwood, Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. In August of 2000 the Village established the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District, pursuant to the Economic Development Project Area Tax Increment Allocation Act of 1995. Private construction and development within the District is the responsibility of the developer(s). The tax increment allocation financing is intended to entice development of the District by financing a portion of the cost of certain improvements to be made within the District.

**REPORTING ENTITY**

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No.34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

The operations of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District are accounted for as a debt service fund of the Village.

**BASIS OF PRESENTATION**

The financial transactions of the Village are reported in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures.

**Governmental Funds**

The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District Fund of the Village:

*Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Village maintains the Deer Run TIF Fund, which accounts for revenues received from incremental property and sales taxes and expenditures for debt service payments related to tax increment financing bonds.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.



**VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

**Notes to the Financial Statements**

**April 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued**

**Measurement Focus - Continued**

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the basic financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes and interest revenue. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

**Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Receivables Property Taxes**

In the financial statements, receivables consist of all property tax revenues accrued at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends.

**VILLAGE OF ELWOOD, ILLINOIS  
DEER RUN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT AREA TAX  
INCREMENTAL FINANCING DISTRICT**

**Notes to the Financial Statements**

**April 30, 2022**

**NOTE 2 - DETAIL NOTES ON THE FINANCIAL STATEMENTS**

**DEPOSITS AND INVESTMENTS**

The Village is authorized to make deposits in commercial banks and savings and loan institutions, and to make investments in obligations of the U.S. Treasury and other U.S agencies, obligations of state and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Cash and investments represent the fund’s share of pooled cash and investments of the Village.

**TAXES**

The incremental taxes consist of the property taxes on real property within the District arising from tax levies by any and all taxing districts or municipal corporations having the power to tax real property in the District. Taxes are attributable to the increase in the then current equalized assessed valuation of each parcel of real property within the District over and above the certified initial equalized assessed value of each such piece of property.

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Will County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

**LONG-TERM DEBT**

**TIF Notes Payable**

The Village has issued tax increment financing notes to finance the costs of certain improvements within the District. These notes are limited obligations of the Village payable solely from the pledged revenue of the tax incremental financing district and are reported in the Village’s financial statements. The notes do not constitute an indebtedness of the Village for the purpose of any limitation imposed by law.

Tax increment financing notes currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Tax Increment Financing Note of 2003.	\$ 64,489,573	4,717,538	28,121,037	41,086,074

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**

October 19, 2022

The Honorable Village President  
Members of the Board of Trustees  
Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District  
Village of Elwood, Illinois

We have audited the basic financial statements of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District of the Village of Elwood, Illinois, as of and for the year ended April 30, 2022, and have issued our report thereon dated October 19, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

Compliance with laws, regulations, contracts, and grants applicable to the District is the responsibility of the Village of Elwood's management. As part of obtaining reasonable assurance about whether financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements of the Deer Run Industrial Park Economic Development Project Area Tax Incremental Financing District of the Village of Elwood, Illinois, we considered the Village of Elwood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP