



## Legislation Text

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### **JOINT REVIEW BOARD AGENDA ITEM**

#### **ACTION REQUESTED:**

Receive the 2020 Annual Tax Increment Finance (TIF) Report for the Water Street TIF District

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Raymond Munch, Budget Manager

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

The Illinois Tax Increment Allocation Redevelopment Act requires that the Annual TIF Report be submitted to the state upon completion of the annual independent audit of the fund. That report shall then be submitted to the Joint Review Board. The City received the annual independent audit of the Water Street TIF on August 9, 2021, and subsequently transmitted the annual TIF report to the Illinois Comptroller's Office on August 23, 2021.

#### **DISCUSSION:**

As required by Illinois state statute, the City's independent auditor, Sikich LLP, conducted the annual audit of the Water Street TIF Fund and submitted their audit report to the City on August 9, 2021. Per the audited financial statements for 2020, the fund had total revenue of \$390,590 and a transfer in of \$1,089,519. That transfer in reversed a portion of a 2019 transfer from the Water Street TIF to the Bond Fund. An internal audit determined that the 2019 transfer of bond proceeds was inadvertently calculated to include principal and interest. Thus, the calculated interest amount was transferred back to the Water Street TIF Fund.

Fund expenditures totaled \$3,187 and transfers out totaled \$2,432,302. Transfers out included existing fund balance totaling \$1,927,420 to the Debt Service Fund for current and future TIF debt service payments, \$167,835 to the Downtown Parking Fund to correct the accounting of a 2017 parking garage lease payment that remained in the TIF fund, and current-year tax increment of \$337,047 transferred to the Debt Service Fund. The fund balance on December 31, 2020 totaled \$50,356.

Further detail can be found in the attached 2020 Annual TIF Report, which includes the independent audit report from Sikich.

#### **FISCAL IMPACT:**

N/A