

VILLAGE OF SAUK VILLAGE, ILLINOIS
SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
INFORMATION AND
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

AS OF AND FOR THE YEAR ENDED APRIL 30, 2021

**VILLAGE OF SAUK VILLAGE
SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND**
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2021

	<u>PAGE</u>
Independent Auditors' Report on Supplementary Information	1
Independent Auditors' Report on Compliance	2
<u>SUPPLEMENTARY INFORMATION</u>	
Balance Sheet.....	3
Statement of Revenues, Expenditures and Changes in Fund Balance.....	4
Notes to Supplementary Information	5

Independent Auditors' Report on Supplementary Information

To the Honorable Mayor and Members of the Board of Trustees of
Village of Sauk Village

We were engaged to audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village (the Village) as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 13, 2026. Our report disclaims an opinion because, due to substantial turnover and failure to provide complete and balanced financial records in a timely fashion, management was unable to provide sufficient appropriate audit evidence to support amounts reported in the financial statements, including bank reconciliations, utility billing records, actuarial valuations for other postemployment benefits, and source documents for other accrued amounts. Consequently, we were unable to determine whether any adjustments to the financial statements were necessary. Our audit was performed for the purpose of forming opinions on the financial statements as a whole.

The 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 referenced in the preceding paragraph. 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. Due to our inability to obtain sufficient and appropriate audit evidence to support amounts reported in the financial statements, we do not express an opinion on the accompanying financial statements.

This report is intended solely for the information and use of the Board of Trustees, management of the Village, the State of Illinois, and others within the Village of Sauk Village and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly US, LLP

Oak Brook, Illinois
February 13, 2026

Independent Auditors' Report on Compliance

To the Honorable Mayor and Members of the Board of Trustees of
Village of Sauk Village

We were engaged to audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Sauk Village (the Village) as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated February 13, 2026. Our report disclaims an opinion because, due to substantial turnover and failure to provide complete and balanced financial records in a timely fashion, management was unable to provide sufficient appropriate audit evidence to support amounts reported in the financial statements, including bank reconciliations, utility billing records, actuarial valuations for other postemployment benefits, and source documents for other accrued amounts. Consequently, we were unable to determine whether any adjustments to the financial statements were necessary. Our audit was performed for the purpose of forming opinions on the financial statements as a whole.

In connection with our audit, we performed limited procedures to test compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters, but due to significant limitations in the Village's internal controls over compliance, we were unable to obtain sufficient evidence to form an opinion. Accordingly, had we performed additional procedures or received additional information, other matters may have come to our attention regarding the Village of Sauk Village's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Board of Trustees, management of the Village, the State of Illinois, and others within the Village of Sauk Village and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly US, LLP

Oak Brook, Illinois
February 13, 2026

Village of Sauk Village

SurreyBrook Plaza Tax Increment Financing Fund

Balance Sheet

April 30, 2021

Assets

Receivables (net):

Property taxes \$ 129,150

Total assets \$ 129,150

Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)

Liabilities

Accounts payable \$ 75,505

Advances from other funds 356,833

Total liabilities 432,338

Deferred Inflows of Resources

Property taxes levied for future period 123,167

Total deferred inflows of resources 123,167

Fund Balance (Deficit)

Unassigned (426,355)

Total fund balance (deficit) (426,355)

Total liabilities, deferred inflows of resources and fund balance (deficit) \$ 129,150

Village of Sauk Village

SurreyBrook Plaza Tax Increment Financing Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2021

Revenues

Taxes	\$	49,595
Investment income		<u>236</u>
Total revenues		<u>49,831</u>

Expenditures

Current:

General government		<u>936,378</u>
Total expenditures		<u>936,378</u>

Net change in fund balance (886,547)

Fund Balance, Beginning of Year 460,192

Fund Balance (Deficit), End of Year \$ (426,355)

VILLAGE OF SAUK VILLAGE
SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND
NOTES TO SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED APRIL 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of SurreyBrook Plaza Tax Increment Financing Fund of the Village of Sauk Village, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The financial statements present only the SurreyBrook Tax Increment Financing Fund and do not purport to, and do not, present fairly, the financial position of the Village of Sauk Village.

Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred outflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Village recognizes property taxes when they become both measurable and available and for the period intended to finance. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes and investment income.

Long-Term Obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**VILLAGE OF SAUK VILLAGE
SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND
NOTES TO SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED APRIL 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the Village board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Village board. The SurreyBrook Plaza Tax Increment Financing Fund does not report any assigned fund balances. A negative unassigned fund balance represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – CASH AND INVESTMENTS

Permitted Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

At April 30, 2021, the fund held no cash and investments.

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy does not specifically address custodial credit risk. As of April 30, 2021 the Fund had no uninsured and uncollateralized deposits.

NOTE 3 – TAXES RECEIVABLE

Property taxes are levied in December of each year on all taxable real property in the Village and attach as an enforceable lien on the property as of the preceding January 1st. Property taxes receivable represent the balance due on the 2020 levy. Tax bills are prepared by the County and issued on or about February 1, 2021, and are payable in two installments, on or about March 1, 2021 and August 1, 2021. Tax Increment Financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF district. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary.

**VILLAGE OF SAUK VILLAGE
SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND**
NOTES TO SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED APRIL 30, 2021

NOTE 4 – INTERFUND ADVANCES

Advances

As of April 30, 2021, the Fund had received advances of \$356,833 from the General Fund. The advance was for the purpose of covering long-term cash deficits in the Fund which will be reimbursed by future incremental tax revenue.

NOTE 5 – LONG-TERM DEBT

General Obligation Alternate Revenue Source Bonds

The Village issues bonds and obligations where the Village pledges incremental tax income derived from a separately created tax increment financing district (TIF). The Village TIF obligations include General Obligation Alternative Revenue Source Bonds. In accordance with the respective bond ordinances, bonded debt issuances of the LogistiCenter at Sauk Village Tax Increment Financing District may be repaid with incremental tax revenues from any of the contiguous TIF districts, including the Fund, when insufficient funds are available from the LogistiCenter at Sauk Village Tax Increment Financing District Fund to meet debt service or reserve redemption requirements.

The changes in the general long-term debt relating to the TIF during the year ended April 30, 2021, were as follows:

	Balance April 30, 2020	Increases	Decreases	Balance April 30, 2021
\$4,999,356 General Obligation Capital Appreciation Bonds (Tax Increment Alternate Revenue Source) Series 2002B, dated June 14, 2002 with interest ranging from 5.85% to 5.95% due June 1, 2022	\$ 3,753,152	\$ 224,648	\$ 1,315,000	\$ 2,662,800
\$2,500,000 General Obligation Bonds (Alternate Revenue Source) Series 2019A, dated July 9, 2019 with interest of 4.00% due December 1, 2030	2,500,000	-	145,000	2,355,000
\$3,170,000 General Obligation Refunding Bonds (Alternate Revenue Source) Series 2019B, dated July 9, 2019 with interest of 4.00% due June 1, 2022	3,170,000	-	1,000,000	2,170,000
\$13,500,000 General Obligation Refunding Bonds (Alternative Revenue Source) Series 2019C, dated September 5, 2019 with interest of 4.00% due April 1, 2029	<u>13,495,000</u>	<u>-</u>	<u>215,000</u>	<u>13,280,000</u>
Total	\$ <u>22,918,152</u>	\$ <u>224,648</u>	\$ <u>2,675,000</u>	\$ <u>20,467,800</u>

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SURREYBROOK PLAZA
TAX INCREMENT FINANCING FUND
NOTES TO SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED APRIL 30, 2021**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

General Obligation Alternate Revenue Source Bonds (Continued)

Annual debt service requirements to maturity for general obligation alternate revenue source bonds relating to the TIF are as follows:

	Principal	Interest	Total
2022	\$ 2,665,680	\$ 712,200	\$ 3,377,880
2023	2,707,120	636,200	3,343,320
2024	2,450,000	603,800	3,053,800
2025	2,565,000	505,800	3,070,800
2026	2,000,000	403,200	2,403,200
2027 – 2030	<u>8,080,000</u>	<u>785,067</u>	<u>8,865,067</u>
Total	<u>\$ 20,467,800</u>	<u>\$ 3,646,267</u>	<u>\$ 24,114,067</u>