

Village of South Holland, Illinois

Gateway East Tax Incremental Financing Fund

Financial and Compliance Report
April 30, 2023

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RSM US LLP

Independent Auditor's Report on Supplementary Information

Honorable President and Board of Trustees
Village of South Holland, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of South Holland, Illinois (the Village) as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 22, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 22, 2023.

The accompanying Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance for the Gateway East Tax Incremental Financing Fund are presented for the purpose of additional analysis and are 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 Village's basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
November 22, 2023

Village of South Holland, Illinois
Gateway East Tax Incremental Financing Fund

Balance Sheet
April 30, 2023

Assets

Cash and cash equivalents	\$ 46,528
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Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities:

Accounts payable	\$ 105,344
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Deferred inflows of resources:

Deferred property taxes	40,897
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Fund balance (deficit):

Unassigned	(99,713)
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**Total liabilities, deferred inflows
of resources and fund balance**

\$ 46,528

Village of South Holland, Illinois
Gateway East Tax Incremental Financing Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2023

Revenues:	
Property taxes	\$ 74,117
Investment income	175
Total revenues	<u>74,292</u>
Expenditures:	
General government	59,942
Capital outlay	825,491
Total expenditures	<u>885,433</u>
Excess revenues overexpenditures	(811,141)
Other financing sources:	
Operating transfers in	<u>610,000</u>
Net change in fund balance	(201,141)
Fund balance (deficit):	
May 1, 2022	<u>101,428</u>
April 30, 2023	<u><u>\$ (99,713)</u></u>

Report on Compliance and Report on Internal Control Over Compliance

RSM US LLP

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Village of South Holland, Illinois

Report on Compliance***Opinion***

We have audited the Village of South Holland, Illinois' (the Village) compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act (Illinois Public Act 85-1142) ("TIF Act") applicable to the Village's Gateway East Tax Incremental Financing (TIF) Fund for the year ended April 30, 2023.

In our opinion, the Village complied, in all material respects, with the provisions of the TIF Act that are applicable to the Village's Gateway East TIF Fund for the year ended April 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Village's Gateway East Tax Incremental Financing (TIF) Fund. Our audit does not provide a legal determination of the Village's compliance with the provisions of the TIF Act.

Responsibilities of Management for Compliance

Management is responsible for compliance with the provisions of the TIF Act referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's Gateway East TIF Fund.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the provisions of the TIF Act referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the provisions of the TIF Act as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the provisions of the TIF Act referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the provisions of the TIF Act, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the provisions of the TIF Act. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Village President and Board of Trustees, each governmental entity within the Redevelopment Area, the State Comptroller's Office and others within the State of Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Chicago, Illinois
November 22, 2023