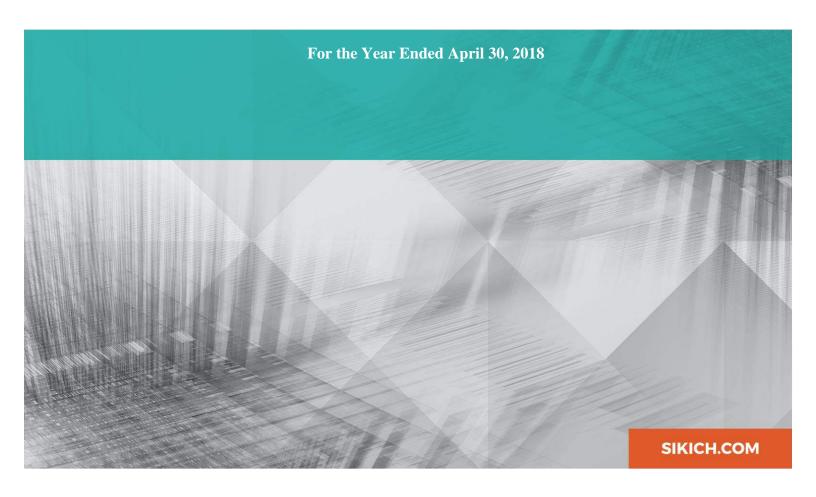


REPORT ON COMPLIANCE WITH PUBLIC ACT 85-1142



RIVERFRONT REDEVELOPMENT TAX INCREMENT FINANCING (TIF) FUND TABLE OF CONTENTS

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INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE



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INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor Members of the City Council City of Rock Falls, Illinois

We have examined management's assertion, included in its representation letter dated October 11, 2018 that the City of Rock Falls, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2018. Management is responsible for the City's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the City of Rock Falls, Illinois complied with the aforementioned requirements for the year ended April 30, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Rockford, Illinois October 11, 2018

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor Members of the City Council City of Rock Falls, Illinois

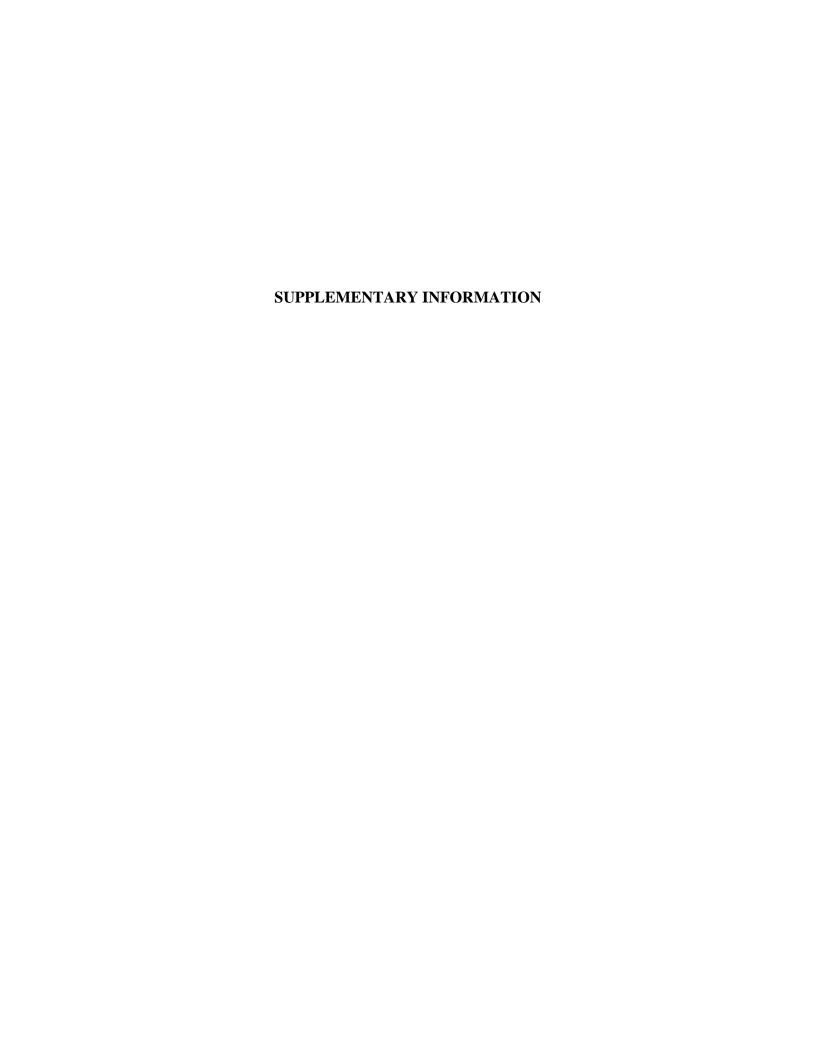
We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) as of and for the year ended April 30, 2018, which collectively comprise the basic financial statements of the City and have issued our report thereon dated October 11, 2018, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information (schedules of revenues, expenditures and changes in fund balance; schedule of fund balance by source) is presented for purposes of additional analysis and is 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 basic financial statements as a whole.

Sikich LLP

Rockford, Illinois October 11, 2018



TAX INCREMENT FINANCING (TIF) FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended April 30, 2018

		Oowntown FIF Fund	Riverfront TIF Fund		Total		
REVENUES							
Property taxes	\$	170,376	\$ 22,047	\$	192,423		
Investment Income		1,470	27		1,497		
Miscellaneous		19,157	-		19,157		
Total revenues		191,003	22,074		213,077		
EXPENDITURES							
General government							
Contractual services		41,788	851		42,639		
Commodities		18,642	-		18,642		
Miscellaneous		2,780	18,079		20,859		
Capital outlay		99,649	-		99,649		
Debt service							
Interest		96,701	-		96,701		
Total expenditures		259,560	18,930		278,490		
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES	-	(68,557)	3,144		(65,413)		
OTHER FINANCING SOURCES (USES)							
Transfers in		80,000	-		80,000		
Transfers (out)		(28,599)	(80,000)		(108,599)		
Total other financing sources (uses)		51,401	(80,000)		(28,599)		
NET CHANGE IN FUND BALANCE		(17,156)	(76,856)		(94,012)		
FUND BALANCE (DEFICIT), MAY 1		(67,854)	103,465		35,611		
FUND BALANCE (DEFICIT), APRIL 30	\$	(85,010)	\$ 26,609	\$	(58,401)		

TAX INCREMENT FINANCING (TIF) FUNDS SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended April 30, 2018

BEGINNING BALANCE (DEFICIT), MAY 1, 2017		owntown IF Fund	Riverfront TIF Fund		Total	
		(67,854)	\$ 103,465	\$	35,611	
DEPOSITS						
Property taxes		170,376	22,047		192,423	
Investment Income		1,470	27		1,497	
Miscellaneous		19,157	-		19,157	
Total deposits		191,003	22,074		213,077	
Balance plus deposits		123,149	125,539		248,688	
EXPENDITURES						
General government						
Contractual services		41,788	851		42,639	
Commodities		18,642	-		18,642	
Miscellaneous		2,780	18,079		20,859	
Capital outlay		99,649	-		99,649	
Debt service					-	
Interest		96,701	-		96,701	
Total expenditures		259,560	18,930		278,490	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(68,557)	3,144		(65,413	
OTHER FINANCING SOURCES (USES)						
Transfers in		80,000	-		80,000	
Transfers (out)		(28,599)	(80,000)		(108,599)	
Total other financing sources (uses)		51,401	(80,000)		(28,599)	
ENDING BALANCE (DEFICIT), APRIL 30, 2018	\$	(85,010)	\$ 26,609	\$	(58,401	
ENDING BALANCE BY SOURCE						
Property tax	\$	_	\$ 26,582	\$	26,582	
Investment income		_	27		27	
Deficit		(85,010)	-		(85,010	
Subtotal		(85,010)	26,609		(58,401	
Less surplus funds		-	-			
FUND BALANCE (DEFICIT), APRIL 30, 2018	\$	(85,010)	\$ 26,609	\$	(58,401	