

FY 2019
ANNUAL TAX INCREMENT FINANCE
REPORT



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: Village Of Lemont Reporting Fiscal Year: 2019
 County: Cook Fiscal Year End: 4/30/2019
 Unit Code: _____

FY 2019 TIF Administrator Contact Information

First Name: George Last Name: Schafer
 Address: 418 Main Street Title: Village Administrator
 Telephone: 630-257-1550 City: Lemont Zip: 60439
 E-mail-
 required gschafer@lemont.il.us

I attest to the best of my knowledge, that this FY 2019 report of the redevelopment project area(s)
 in the **City/Village** of: Lemont
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or
 Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

[Signature] 11/1/19
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT			
Name of Redevelopment Project Area	Date Designated	MM/DD/20YY	Date Terminated MM/DD/20YY
Downtown TIF District		5/28/1991	31-Dec-15
Downtown Canal District 1		4/18/2005	
Gateway TIF District		1/19/2009	
Main/Archer TIF District		1/23/2017	
Transportation Oriented TIF (TOD) District		8/27/2018	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY 2019

Name of Redevelopment Project Area (below):	Downtown Canal 1
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Primary Use of Redevelopment Project Area*:	Central Business District
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* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types:

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	X
Tax Increment Allocation Redevelopment Act	
Industrial Jobs Recovery Law	

Please utilize the information below to properly label the Attachments.

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A).	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	x	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	x	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		x
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	X	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

FY 2019

Downtown Canal 1

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 304,222

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 153,792	\$ -	0%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest	\$ -	\$ -	0%
Land/Building Sale Proceeds	\$ -	\$ -	0%
Bond Proceeds	\$ -	\$ -	0%
Transfers from Municipal Sources	\$ -	\$ -	0%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 153,792

Cumulative Total Revenues/Cash Receipts \$ - 0%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 311,506

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 311,506

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ (157,714)

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 146,508

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

SECTION 3.2 A

PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
		\$ -
8. Cost of job training and retraining projects.		
		\$ -
9. Financing costs.		
Amalgamated Bank of Chicago		
Debt service payment (principal)	210,000	
Debt service payment (interest)	99,242	
		\$ 309,242
10. Capital costs.		
		\$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		\$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		\$ -

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
	-	
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 311,506

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2019

TIF NAME:

Downtown Canal 1

FUND BALANCE BY SOURCE

\$ 146,508

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

G.O. (Alternate Revenue Source) Bonds Series 2010	\$ 1,755,000	\$ 56,980
G.O. (Alternate Revenue Source) Bonds Series 2015C	\$ 1,180,000	\$ 1,374,265
G.O. (Alternate Revenue Source) Bonds Service 2017B	\$ 1,940,000	\$ 2,229,425

Total Amount Designated for Obligations

\$ 4,875,000	\$ 3,660,670
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2. Description of Project Costs to be Paid

I & M Canal Dredging and Enhancements		\$ 395,000

Total Amount Designated for Project Costs

\$ 395,000

TOTAL AMOUNT DESIGNATED

\$ 4,055,670

SURPLUS/(DEFICIT)

\$ (3,909,162)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2019

TIF NAME:

Downtown Canal 1

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

x

Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

Property Acquired by the Municipality Within the Redevelopment Project Area.

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2019

TIF Name: **Downtown Canal 1**Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	
--	--

2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	x
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	6

LIST **ALL** projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 1,682,170	\$ -	\$ -
Public Investment Undertaken	\$ 5,156,205	\$ 379,613	\$ 1,123,500
Ratio of Private/Public Investment	31/95		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: River Street and Front Street Projects - Completed

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 871,330		
Ratio of Private/Public Investment	0		0

Project 2*: Parking Structure- Completed

Private Investment Undertaken (See Instructions)	\$ 1,682,170		
Public Investment Undertaken	\$ 3,873,330		
Ratio of Private/Public Investment	43/99		0

Project 3*: I&M Canal Landscaping North Side- Completed

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 254,873		
Ratio of Private/Public Investment	0		0

Project 4*: Phase II Streetscape

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 141,285		\$ 300,000
Ratio of Private/Public Investment	0		0

Project 5*: I&M Canal Landscaping

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			\$ 428,500
Ratio of Private/Public Investment	0		0

Project 6*: I&M Canal Dredging-Enhancements

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 15,387	\$ 379,613	\$ 395,000
Ratio of Private/Public Investment	0		0

Project 7*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25*:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of the complete TIF report

**SECTION 6
FY 2019**

TIF NAME: Downtown Canal 1

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area
Year redevelopment project area was designated

	Base EAV	Reporting Fiscal Year EAV
2005 updated 2018	TY2003- \$3,308,391- TY	\$ 5,323,384

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention:

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8


Provide a general description of the redevelopment project area using only major boundaries:

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Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	

ATTACHMENT B Certificate of the Chief Executive

I, John Egofske, the duly elected Chief Executive Officer of the Village of Lemont, Counties of Cook, Will, and DuPage, State of Illinois, do hereby certify that to the best of my knowledge, the Village has complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning May 1, 2018 and ending April 30, 2019.



Village President

10/22/19

Date

LAW OFFICE
KATHLEEN FIELD ORR
2024 Hickory Road
Suite 205
Homewood, Illinois 60430
312.382.2113

KATHLEEN FIELD ORR
kfo@kfoassoc.com

October 23, 2019

Susana A. Mendoza, State Comptroller
Office of the State Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252

Dear State Comptroller:

I have acted as Special Counsel for the Village of Lemont, Cook, DuPage and Will Counties, Illinois, in connection with the administration of the Village of Lemont Downtown Canal Redevelopment Project Area.

I have reviewed all information provided to me by the Village Treasurer and the Village Clerk and, to the best of my knowledge and belief, find that the Village has conformed with all of the applicable provisions of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.* for the fiscal year ending April 30, 2019.

Very truly yours,


KATHLEEN FIELD ORR

KFO/kms

ATTACHMENT C

ATTACHMENT D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan
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- A. Any project implemented during the reporting Fiscal Year; and**
- B. A description of the redevelopment activities undertaken.**

The Village continued the implementation activities of the following redevelopment activities during the reporting Fiscal Year:

- Dredging regarding the I & M Canal

ATTACHMENT F Additional Information on Uses of Funds Related to Objectives of the Redevelopment Plan

The Village has outstanding debt obligation relating to this TIF District. The Village continued to apply TIF funds to the outstanding debt obligations and to redevelopment project costs pursuant to the Redevelopment Plan. Such obligations are current.

ATTACHMENT H

Minutes

**JOINT REVIEW BOARD FOR THE VILLAGE OF LEMONT
DOWNTOWN CANAL TIF**

December 13, 2018 *Village of Lemont, Village Hall* *3:16 p.m.*
418 Main Street
Lemont, Illinois 60439

1. Call Meeting to Order
The annual meeting of the Joint Review Board for the Village of Lemont Downtown Canal TIF District was called to order at 3:16 p.m. in the Village Board Room of the Lemont Village Hall, 418 Main Street, by Village Administrator George Schafer.

2. Roll Call

Village of Lemont	George Schafer
Village of Lemont-Mayor	John Egofske
County of Cook	Not present
Lemont Township	Steve Rosendahl
Joliet Community College District 525	Not present
Lemont-Bromberek Combined School District 113A	Barbara Germany
Lemont Township High School District 210	Ken Parchem
Lemont Park District	Louise Egofske
Lemont Public Library District	Sandra Pointon
Lemont Township Fire Protection District	George Rimbo
Public Member	Richelle Loburgio

Also present:Christina Smith, Village of Lemont

George opened the meeting and discussed the agenda.

3. Motion to elect of re-elect Public Member- Richelle Loburgio
Chief Rimbo made a motion to elect Richelle Loburgio as the public member. The motion was seconded by Mr. Ken Parchem. The motion carried unanimously.

4. **Motion to elect or re-elect Chairperson- George Schafer**
Chief Rimbo made a motion to elect George Schafer as the Chairperson. The motion was seconded by Ms. Sandra Pointon. The motion carried unanimously.
5. **Minutes for Approval from March 8, 2017**
Ms. Louise Egofske made a motion to approve minutes of the March 8, 2017 meeting. The motion was seconded by Chief Rimbo. The motion carried unanimously.
6. **Discussion and review of the 2018 annual report for the Downtown TIF redevelopment project area submitted to the Office of the Illinois Comptroller and distributed to all affected taxing districts pursuant to 65 ILCS 5/11-74.5-5(d) as to the effectiveness and status of the redevelopment project area**
George Schafer discussed the final report for this Downtown TIF.
7. **Public Comment**
None
8. **Adjournment**
With no further discussion, Mr. Steve Rosendahl made a motion to adjourn. The motion was seconded by Ken Parchem. The motion carried by a voice vote of the JRB members present. Mr. Schafer adjourned the meeting at 3:26 p.m

VILLAGE OF LEMONT
DOWNTOWN CANAL DISTRICT
TAX INCREMENT FINANCING FUND

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT AND
COMPLIANCE REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

VILLAGE OF LEMONT
DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND
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AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Lemont Downtown Canal District Tax Increment Financing Fund as of and for the year ended April 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the Village of Lemont Downtown Canal District Tax Increment Financing Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Lemont Downtown Canal District Tax Increment Financing Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Honorable Mayor and Board of Trustees
Village of Lemont

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lemont Downtown Canal District Tax Increment Financing Fund as of April 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Village of Lemont Downtown Canal District Tax Increment Financing Fund and do not purport to, and do not, present fairly the financial position of the Village of Lemont, as of April 30, 2019, and the changes in financial position, or cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2019 on our consideration of the Village of Lemont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Lemont's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued a report dated October 4, 2019, on our consideration of the Village of Lemont Downtown Canal District Tax Increment Financing Fund's compliance with laws, regulations, contracts and grants.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 4, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

The Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

We have audited the financial statements of the Village of Lemont Downtown Canal District Tax Increment Financing Fund, as of and for the year ended April 30, 2019 and have issued our report thereon dated October 4, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Lemont failed to comply 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. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village of Lemont'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, the State of Illinois, and others within the Village of Lemont and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 4, 2019

VILLAGE OF LEMONT
DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND
BALANCE SHEET
AS OF APRIL 30, 2019

Assets:

Cash and investments	\$ 146,508
Property taxes receivable	<u>74,589</u>
 Total assets	 <u>\$ 221,097</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities:

Total liabilities	<u>\$ -</u>
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Deferred Inflows of Resources:

Property taxes levied for future periods	<u>74,589</u>
 Total deferred inflows of resources	 <u>74,589</u>
 Total liabilities and deferred inflows of resources	 <u>74,589</u>

Fund Balance:

Restricted for economic development	<u>146,508</u>
 Total fund balance	 <u>146,508</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 221,097</u>

VILLAGE OF LEMONT
DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2019

Revenues:

Property taxes	\$ 153,792
Total revenues	<u>153,792</u>

Expenditures:

Current:	
General government	2,264
Debt service:	
Principal retirement	210,000
Interest and fees	<u>99,242</u>
Total expenditures	<u>311,506</u>
Net change in fund balance	(157,714)
Fund balance, beginning of year	<u>304,222</u>
Fund balance, end of year	<u>\$ 146,508</u>

VILLAGE OF LEMONT
DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Downtown Canal District Tax Increment Financing Fund of the Village of Lemont, 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 Downtown Canal District Tax Increment Financing Fund and do not purport to, and do not, present fairly, the financial position of the Village of Lemont.

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.

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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 Downtown Canal District 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. These include 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 agreements 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 Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity, and yield.

At April 30, 2019, the total cash and investments of the Funds was \$146,508. The cash and investments were comprised solely of deposits with financial institutions.

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 requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank. As of April 30, 2019 the Fund had no uninsured and uncollateralized deposits.

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NOTE 3 – RECEIVABLES - TAXES

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 2018 levy. Tax bills are prepared by the County and issued on or about February 1, 2019, and are payable in two installments, on or about March 1, 2019 and August 1, 2019. 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.

NOTE 4 – 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.

The changes in the general long-term debt relating to the TIF during the year ended April 30, 2019, were as follows:

	Balance April 30, 2018	Increases	Decreases	Balance April 30, 2019
\$1,755,000 General Obligation Alternate Revenue Source Bonds, Series 2010, dated March 10, 2010 plus interest ranging from 1.35% to 4.40% due December 1, 2029	\$ 110,000	\$ -	\$ 55,000	\$ 55,000
\$1,180,000 General Obligation Alternate Revenue Source Bonds Series 2015C, dated July 23, 2015 plus interest ranging from 2.0% to 4.00% due December 1, 2027	1,150,000	-	10,000	1,140,000
\$1,940,000 General Obligation Alternative Revenue Source Bonds Series 2017B, dated December 1, 2017 plus interest ranging from 1.25% to 2.80% due December 1, 2029	<u>1,940,000</u>	<u>-</u>	<u>145,000</u>	<u>1,795,000</u>
Total	<u>\$ 3,200,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 2,990,000</u>

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NOTE 4 – 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:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 215,000	\$ 90,735	\$ 305,735
2021	220,000	87,525	307,525
2022	230,000	83,110	313,110
2023	230,000	78,495	308,495
2024	240,000	72,745	312,745
2025 – 2029	1,540,000	243,480	1,783,480
2030	315,000	12,600	327,600
Total	<u>\$ 2,990,000</u>	<u>\$ 668,690</u>	<u>\$ 3,658,690</u>

Pledged Revenue

The amount of pledges remaining as of April 30, 2019 is as follows:

<i>Debt Issue</i>	<i>Fund</i>	<i>Pledge Remaining</i>	<i>Commitment End Date</i>
TIF 2010	TIF levy, sales/use and income taxes	\$ 56,980	12/01/2019
TIF 2015C	TIF levy and sales/use taxes	1,374,265	12/01/2027
TIF 2017B	TIF levy, sales/use and income taxes	2,229,425	12/01/2029

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2018 is as follows:

<i>Debt Issue</i>	<i>Pledged Revenue Source</i>	<i>Pledged Revenue</i>	<i>Principal and Interest Paid</i>	<i>Estimated % of Revenue Pledged</i>
TIF 2010	TIF levy, sales/use and income taxes	\$ 4,457,584	\$ 58,960	1.32
TIF 2015C	TIF levy and sales/use taxes	2,802,300	45,420	1.62
TIF 2017B	TIF levy, sales/use and income taxes	4,457,584	203,912	4.57



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

The Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

We have audited the financial statements of the Village of Lemont Downtown Canal District Tax Increment Financing Fund, as of and for the year ended April 30, 2019 and have issued our report thereon dated October 4, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Lemont failed to comply 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. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village of Lemont'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, the State of Illinois, and others within the Village of Lemont and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 4, 2019