

**NOTICE OF ANNUAL MEETING OF JOINT REVIEW BOARD**

Village of Lemont  
Mayor John Egofske  
418 Main Street  
Lemont, Illinois 60439

Lemont Public Library District  
Sandra D. Pointon, Director  
50 E. Wend Street  
Lemont, Illinois 60439

Lemont Township  
Steven F. Rosendahl, Supervisor  
1115 Warner Avenue  
Lemont, Illinois 60439

Lemont Fire Protection District  
George Rimbo, Fire Chief  
15900 New Avenue  
Lemont, Illinois 60439

Joliet Community College District 525  
Dr. Judy Mitchell  
1215 Houbolt Road  
Joliet, Illinois 60431

Lemont-Bromberek Combined  
School District 113A  
Dr. Courtney Orzel, Superintendent  
16100 127<sup>th</sup> Street  
Lemont, Illinois 60439

Cook County - Government Center  
Maria Pappas, Treasurer  
118 N. Clark Street #112  
Chicago, Illinois 60602

Lemont Park District  
Louise Egofske, Director  
16028 127<sup>th</sup> Street  
Lemont, Illinois 60439

Lemont Township High School District 210  
Dr. Mary Ticknor, Superintendent  
800 Porter Street  
Lemont, Illinois 60439

**YOU ARE HEREBY NOTIFIED** that a meeting of the Joint Review Board to review the 2017 annual report for the Downtown Canal District 1 Tax Increment Financing Redevelopment Project Area will be convened on March 29, 2018 at 3:00 p.m. at the Village of Lemont, Village Hall, 418 Main Street, Lemont, Illinois 60439.

**PLEASE BE ADVISED** that the Joint Review Board shall elect or re-elect a public member as well as a chairperson. In accordance with the provisions of the Tax Increment Allocation Redevelopment Act (the "Act") (65 ILCS 5/11-74.1-1, *et seq.*), the Joint Review Board shall review the 2017 annual report for the Downtown Canal District 1 Redevelopment Project Area.

  
VILLAGE CLERK

## A G E N D A

### JOINT REVIEW BOARD FOR THE VILLAGE OF LEMONT DOWNTOWN CANAL DISTRICT 1

*March 29, 2018*                      *Village of Lemont, Village Hall*                      *3:00 p.m.*  
*418 Main Street*  
*Lemont, Illinois 60439*

1. Call Meeting to Order
2. Roll Call                      Village of Lemont  
Lemont Township  
Joliet Community College District 525  
Cook County  
Lemont Township High School District 210  
Lemont Public Library District  
Lemont Fire Protection District  
Lemont-Bromberek Combined School District 113A  
Lemont Park District
3. Motion to elect or re-elect Public Member
4. Motion to elect or re-elect Chairperson
5. Minutes for Approval
6. Discussion and review of the 2017 annual report for the Downtown Canal District 1 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
7. Public Comment
8. Adjournment



SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
 FY 2017

Name of Redevelopment Project Area (below): **Downtown Canal District 1**

Primary Use of Redevelopment Project Area\*:

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

If "Combination/Mixed" List Component Types: **Central Business**

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

	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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		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)] <b>If yes, please enclose any Official Statement labeled Attachment I and Attachment J MUST be Yes</b>	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)] <b>If attachment I is yes, Analysis MUST be attached and labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)] <b>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</b>		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)] <b>If yes, please enclose list only, not actual agreements labeled Attachment M</b>	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 2017**

**TIF NAME:**

Downtown Canal District 1

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 387,304

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	\$ 285,086	\$ 2,200,184	24%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 729	\$ 95,562	1%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 5,615,000	61%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 1,343,882	15%

**All Amount Deposited in Special Tax Allocation by source**

\$ 285,815

**Cumulative Total Revenues/Cash Receipts**

\$ 9,254,628 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)**

\$ 328,750

**Distribution of Surplus**

**Total Expenditures/Disbursements**

\$ 328,750

**Net/Income/Cash Receipts Over/(Under) Cash Disbursements**

\$ (42,935)

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 344,369

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

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

FY 2017

TIF NAME: Downtown Canal District 1

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment project costs )

PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
		\$ -
2. Annual administrative cost.		
TIF Administration (Orr & Associates)	475	
		\$ 475
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of construction.		
		\$ -



## 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		\$ 328,750





**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 2017

TIF NAME:

Downtown Canal District 1

FUND BALANCE BY SOURCE

\$ 344,369

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
G.O. (Alternate Revenue Source) Bonds Series 2007	\$ 2,680,000	\$ 789,825
G.O. (Alternate Revenue Source) Bonds Series 2010	\$ 1,755,000	\$ 2,145,239
G.O. (Alternate Revenue Source) Refunding Bonds Series 2015C	\$ 1,180,000	\$ 1,465,316

<b>Total Amount Designated for Obligations</b>	\$ 5,615,000	\$ 4,400,380
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**2. Description of Project Costs to be Paid**

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

<b>Total Amount Designated for Project Costs</b>	\$ 395,000
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<b>TOTAL AMOUNT DESIGNATED</b>	\$ 4,795,380
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<b>SURPLUS/(DEFICIT)</b>	\$ (4,451,011)
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SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2017

TIF NAME: Downtown Canal District 1

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

Check here if no property was acquired by the Municipality within the  
 X 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 2017

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

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	6

LIST the 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	\$ 5,140,818	\$ 395,000	\$ 1,123,500
Ratio of Private/Public Investment	18/55		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

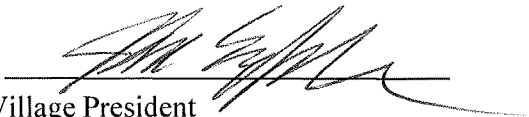
**Project 6\*: I&M Canal Dredging- Enhancements**

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



**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, 2016 and ending April 30, 2017.

  
Village President

11/2/2017  
Date

ATTACHMENT C- Legal Counsel Opinion

LAW OFFICE  
**KATHLEEN FIELD ORR & ASSOCIATES**  
53 WEST JACKSON BLVD.  
SUITE 964  
CHICAGO, ILLINOIS 60604  
(312)382-2113  
(312)382-2127 facsimile

KATHLEEN FIELD ORR  
[kfo@kfoassoc.com](mailto:kfo@kfoassoc.com)

October 26, 2017

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, 2017.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES



KATHLEEN FIELD ORR

KFO/kms

**ATTACHMENT D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan**

- 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:

- Repayment of debt service associated with outstanding debt; and
- Marketing of opportunities available within the TIF District



**ATTACHMENT H Reports or Meeting Minutes Submitted by Joint Review Board**

No reports were submitted by the Joint Review Board to the Village during this reporting Fiscal Year.

The Joint Review Board met on **March 8, 2017** and the minutes of the meeting are included in the Attachment.

**Minutes**  
**TIF Annual Joint Review Board Meeting**  
**Village of Lemont**  
**Downtown Canal TIF District**  
**March 8, 2017**

1. Call to Order

The annual meeting of the Joint Review Board for the Village of Lemont Canal TIF District was called to order at 3:00 p.m. in the Village Board Room of the Lemont Village Hall, 418 Main Street, by Village Administrator George Schafer.

2. Roll Call of Joint Review Board Members

<u>Member</u>	<u>Representative</u>
Village of Lemont	George Schafer
County of Cook	Not present
Lemont Township	Not present
Joliet Community College District 525	Not present
Lemont-Bromberek Combined School District 113A	Barbara Germany
Lemont Township High School District 210	Jeff Egan
Lemont Park District	Louise Egofske
Lemont Public Library District	Sandra Pointon
Lemont Township Fire Protection District	George Rimbo
Public Member	Randy Earnest

Also present: Christina Smith, Village of Lemont; and Kathleen Orr, Orr and Associates.

Kathleen Orr opened the meeting and discussed the agenda.

3. Motion to re-elect Public Member- Randy Earnest.

Chief Rimbo made a motion to elect Randy Earnest as the public member. The motion was seconded by Mr. George Schafer. The motion carried unanimously.

4. Motion to re-elect Chairperson- George Schafer

Chief Rimbo made a motion to elect Randy Earnest as the public member. The motion was seconded by Mr. George Schafer. The motion carried unanimously.

ATTACHMENT K- Audited Financial Statements of the Special Tax Allocation Fund

**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, 2017

5. Approval of Minutes of February 23, 2016

Mr. Jeff Egan made a motion to approve minutes of the February 23, 2016 meeting. The motion was seconded by Chief Rimbo. The motion carried unanimously.

6. Overview of Annual Financial Report for Fiscal Year Ending 2016

Ms. Smith provided an overview of the Fiscal Year 2016 TIF Annual Report for the Downtown Canal TIF. The fund balance at the beginning of the fiscal year was \$9,176 and at year end was \$387,304. The Village expended \$343,143 for TIF eligible costs in FYE 2016. Fund balance increased due to the transfer of funds from the Downtown TIF fund for canal improvements.

7. Overview of Project Activity

Mr. Schafer noted that the increment generated is only enough to pay the existing debt service. Starting in FYE 2017, TIF reporting will all be in house, thus saving a portion of the administrative fees.

The Village is continues to wait for permits from the Army Corps of Engineers for the canal improvements from Stephen Street to Ed Bossert Bridge, to raise the water level and improve the sea wall. The Village is hopeful that the improvements will spur redevelopment interest in the next few years.

8. Joint Review Board Question and Answer Period

None

9. Adjournment

With no further discussion, Mr. Randy Earnest made a motion to adjourn. The motion was seconded by Ms. Louise Egofske. The motion carried by a voice vote of the JRB members present. Mr. Schafer adjourned the meeting at 3:13 p.m

\*\*\*Draft- For Joint Review Board Approval\*\*

**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
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AS OF AND FOR THE YEAR ENDED APRIL 30, 2017

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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, 2017, 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. 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 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, 2017, 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, 2017, 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 Matter***

*Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

**Report on Other Legal and Regulatory Requirements**

We have also issued a report dated October 10, 2017, 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 10, 2017



## 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, 2017 and have issued our report thereon dated October 10, 2017. 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 Voichau Krause, LLP*

Oak Brook, Illinois  
October 10, 2017



**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
**BALANCE SHEET**  
**AS OF APRIL 30, 2017**

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**Assets:**

Cash and investments	\$ 404,369
Property taxes receivable	<u>138,267</u>
 Total assets	 <u>\$ 542,636</u>

**Liabilities, Deferred Inflows of Resources and Fund Balance**

**Liabilities:**

Due to other funds	\$ <u>60,000</u>
 Total liabilities	 <u>60,000</u>

**Deferred Inflows of Resources:**

Property taxes levied for future periods	<u>138,267</u>
 Total deferred inflows of resources	 <u>138,267</u>
 Total liabilities and deferred inflows of resources	 <u>198,267</u>

**Fund Balance:**

Restricted for economic development	<u>344,369</u>
 Total fund balance	 <u>344,369</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 542,636</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, 2017

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**Revenues:**

Property taxes	\$ 285,086
Interest income	<u>729</u>
Total revenues	<u>285,815</u>

**Expenditures:**

Current:	
General government	475
Capital outlay	6,445
Debt service:	
Principal retirement	185,000
Interest and fees	<u>136,830</u>
Total expenditures	<u>328,750</u>
Net change in fund balance	(42,935)
Fund balance, beginning of year	<u>387,304</u>
Fund balance, end of year	<u>\$ 344,369</u>

**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2017

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**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.

**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2017

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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, 2017, the total cash and investments of the Funds was \$404,369. The cash and investments were comprised solely of investments in Illinois Funds.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities. As of April 30, 2017, the Fund's investments in Illinois Funds were due on demand.

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Illinois Funds are rated AAA.

**VILLAGE OF LEMONT**  
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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 2016 levy. Tax bills are prepared by the County and issued on or about February 1, 2017, and are payable in two installments, on or about March 1, 2017 and August 1, 2017. 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 – DUE TO OTHER FUNDS**

Due to other funds represents a short term loan from the Downtown TIF Fund to be repaid upon receipt of tax revenue.

**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
NOTES TO FINANCIAL STATEMENTS  
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**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.

The changes in the general long-term debt relating to the TIF during the year ended April 30, 2017, were as follows:

	<b>Balance April 30, 2016</b>	<i>Increases</i>	<i>Decreases</i>	<b>Balance April 30, 2017</b>
\$2,680,000 General Obligation Alternate Revenue Source Bonds, Series 2007, dated August 6, 2007 plus interest at 3.90% to 5.00% maturing December 1, 2027.	\$ 825,000	\$ -	\$ 125,000	\$ 700,000
\$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.	1,570,000	-	50,000	1,520,000
\$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.	<u>1,170,000</u>	<u>-</u>	<u>10,000</u>	<u>1,160,000</u>
Total	<u>\$ 3,565,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ 3,380,000</u>

**VILLAGE OF LEMONT**  
**DOWNTOWN CANAL DISTRICT TAX INCREMENT FINANCING FUND**  
 NOTES TO FINANCIAL STATEMENTS  
 AS OF AND FOR THE YEAR ENDED APRIL 30, 2017

**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:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2018	\$ 190,000	\$ 128,471	\$ 318,471
2019	200,000	121,331	321,331
2020	205,000	113,538	318,538
2021	215,000	105,538	320,538
2022	225,000	97,153	322,153
2023 – 2027	1,230,000	365,810	1,595,810
2028 – 2030	<u>1,115,000</u>	<u>88,540</u>	<u>1,203,540</u>
Total	<u>\$ 3,380,000</u>	<u>\$ 1,020,380</u>	<u>\$ 4,400,380</u>

**Pledged Revenue**

The amount of pledges remaining as of April 30, 2017 is as follows:

<i>Debt Issue</i>	<i>Fund</i>	<i>Pledge Remaining</i>	<i>Commitment End Date</i>
TIF 2007	TIF levy and sales/use taxes	\$ 789,825	12/01/2027
TIF 2010	TIF levy, sales/use and income taxes	3,305,240	12/01/2029

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2017 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 2007	TIF levy and sales/use taxes	\$ 2,443,060	\$ 159,258	6.52
TIF 2010	TIF levy, sales and income taxes	3,955,458	161,148	4.07



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, 2017 and have issued our report thereon dated October 10, 2017. 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 10, 2017