

October 28, 2009



State of Illinois
Local Government Division
Office of the Comptroller
100 West Randolph
Suite 15-500
Chicago, Illinois 60601

Re: Village of Mundelein
Downtown TIF (TIF #2) Annual Report FY ending April 30, 2009

Attached please find the captioned TIF Annual Reports for the Village of Mundelein Downtown TIF for Fiscal Year ending April 30, 2009.

If you have any questions, the Village contact person is identified in Section 1. of the Report.

Sincerely,


Robert Rychlicki
Executive Vice President

Encls.

cc: Mary Hatton
Village of Mundelein

VILLAGE OF MUNDELEIN
TAX INCREMENT FINANCING DISTRICT #2
Downtown TIF
ANNUAL REPORT FOR FISCAL YEAR
BEGINNING MAY 1, 2008 AND ENDING APRIL 30, 2009

Village of Mundelein
Tax Increment Financing District
Downtown TIF
Table of Contents

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.0	Name of Redevelopment Project Area and Contact Information	1
2.0	Project Redevelopment Information	3
Attachment A	Amendments to the Redevelopment Plan, the Redevelopment Project and/or Area Boundary	4
Attachment B	Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the TIF Statute (the “Act”) during the reporting fiscal year	5
Attachment C	Opinion of legal counsel that the municipality is in compliance with the Act	7
Attachment D	Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan	9
Attachment E	Description of Agreements Regarding Property Disposition Or Redevelopment	10
Attachment F	Additional Information on Uses of Funds Related to Achieving Objectives of the Redevelopment Plan	11
Attachment G	Information Regarding Contracts with TIF Consultants	12
Attachment H	Reports Submitted by Joint Review Board	13
Attachment I	Summary of any obligations issued by the municipality and official statements	14
Attachment J	Financial Analysis: TIF Obligations	15
Attachment K & L	For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with the Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois	16

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
3.1	Analysis of Special Tax Allocation Fund	17
3.2	Itemized List of Expenditures from Special Tax Allocation Fund	19
3.3	Special Tax Allocation Fund Balance (end of reporting period)	24
4.0	Property purchased by the municipality within the Redevelopment Project Area	26
5.0	Review of Public and Private Investment	28
6.0	Optional Sections	30
Exhibit A	Joint Review Board minutes	
Exhibit B	TIF Audit	

Section 1. Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

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

Name of Redevelopment Project Area:	Downtown TIF (TIF #2)	
Primary Use of Redevelopment Project Area*:	CBD	
If "Combination/Mixed" List Component Types:		
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):		
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>	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)] 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
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [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 TIF advisors or consultants have enter into contracts with entities or persons 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 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)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I		X
Was 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 yes, please enclose the Analysis labeled Attachment J	X	
Has the cumulative total of \$100,000 or more been deposited in the fund as set forth in 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
Has cumulative deposits of incremental tax revenues in the fund \$100,000 or more as set forth in 65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)? If yes, please enclose a Certified audit report reviewing compliance with the Act labeled Attachment L		X

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

Attachment A Amendments to the Redevelopment Plan, the Redevelopment Project Area Boundary

There were no amendments to the RPA plan or boundaries during the reporting Fiscal Year.

Attachment B Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the reporting fiscal year.

I, Kenneth H. Kessler, the duly elected Chief Executive Officer of the Village of Mundelein, County of Lake, State of Illinois, do hereby certify that to the best of my knowledge, the Village of Mundelein complied with the requirements pertaining to the Illinois Tax Incremental Redevelopment Allocation Act during the fiscal year beginning May 1, 2008 and ending April 30, 2009.



Village President

10-9-09

Date

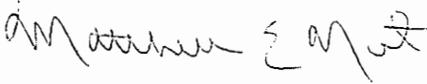
Attachment C Opinion of legal counsel that the municipality has complied with the Act.

RE: Attorney Review of Village of Mundelein Downtown TIF

Whom it May Concern:

This will confirm that Holland & Knight LLP is special counsel for the Village of Mundelein, Illinois. I have reviewed all information provided to me by the Village staff and consultants, and I find that the Village has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year beginning May 1, 2008 and ending April 30, 2009, to the best of my knowledge and belief.

Sincerely,



Matthew E. Norton
Partner
Holland & Knight LLP

4885462_v1

Attachment D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting fiscal year; and
 - B. A description of the redevelopment activities undertaken.
- A. The Village monitored redevelopment activities that included the Cardinal Square residential development and the Park Station residential development.

The Cardinal redevelopment provides for construction of up to 541 condominium and townhome residential units in up to nine buildings as part of the project. Village TIF assistance may be utilized for TIF eligible costs up to a total of \$7,000,000. The actual amount is based upon performance criteria related to the build out of the project as set forth in the redevelopment agreement. The Park Station redevelopment agreement provides for the construction of up to 27 townhome units in up to three buildings. TIF assistance is limited to up to \$331,000 for TIF eligible improvements.

Village TIF obligations are “pay as you go”, based upon a certain portion of TIF increment allocated to the projects, and are performance based – the developers only receive payment if certain redevelopment agreement provisions are satisfied and if the incremental property taxes from each development are received by the Village.

- B. The Village continued the following activities: a) review of additional redevelopment proposals located within the Downtown TIF District, b) monitoring of current agreements, and c) review of public improvements as part of the Downtown area redevelopment activities.

Attachment E
Redevelopment

Description of Agreements Regarding Property Disposition or

No property was disposed of by the Village in the reporting Fiscal Year, nor were any new redevelopment agreements approved.

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

Funds were applied to redevelopment project costs described in Section 3.2.

Attachment G Information Regarding Contracts with TIF Consultants.

A contract was entered into with Kane, McKenna and Associates, Inc. by the Village in the reporting Fiscal Year. Kane, McKenna and Associates did not enter into any contracts with entities receiving payments financed by TIF revenues of the Village of Mundelein Downtown TIF.

Attachment H Reports Submitted by Joint Review Board.

No reports were submitted by the Joint Review Board to the Village in the reporting Fiscal Year. The Board met during the reporting Fiscal Year and received an update from Village staff regarding redevelopment activities. The minutes are attached hereto as part of Exhibit A.

Attachment I Summary of any obligations issued by the municipality and official statements

The Cardinal Square redevelopment agreement provides for the issuance of developer notes for an amount up to \$7,000,000 based upon conformance to certain provisions as set forth in the redevelopment agreement.

The Park Station redevelopment agreement provides for the issuance of a developer note for an amount up to \$331,000 subject to conformance with provisions as set forth in the redevelopment agreement.

Attachment J Financial Analysis: TIF Obligations

No new TIF bond obligations were issued by the Village in the reporting Fiscal Year. As part of the Park Station redevelopment agreement a developer note of up to \$331,000 was authorized subject to certain conditions. The Village continues to monitor existing agreements and will apply incremental revenues to the repayment of such debt (assuming that all provisions of the redevelopment agreements are satisfied) upon completion of the project components and generation of tax increment revenues from each respective project. The Village has undertaken analysis of estimated property tax amounts to be generated by each project as part of the review process for each agreement.

All notes are “pay as you go” notes payable to the developers. The Village’s obligations are limited to the tax increment actually produced and received. Therefore, an analysis regarding projected debt service, required reserves, and debt coverage is not necessary at this time.

Attachment K and L TIF Audit

For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with the Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. 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.

The TIF audit and the compliance letter are attached as Exhibit B.

Section 3.1 Analysis of Special Tax Allocation Fund

Refer to table attached.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
 Provide an analysis of the special tax allocation fund.

NOTE: FUND BALANCE RESTATED FROM PREVIOUS YEAR REPORT
 Fund Balance at Beginning of Reporting Period

Reporting Year	Cumulative
\$	3,154

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 129,545	\$ 463,200	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 457	\$ 2,666	1%
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%

Total Amount Deposited in Special Tax Allocation
 Fund During Reporting Period

\$	130,002
----	---------

Cumulative Total Revenues/Cash Receipts

\$	465,866	100%
----	---------	------

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

\$	133,156
----	---------

Distribution of Surplus

\$	-
----	---

Total Expenditures/Disbursements

\$	133,156
----	---------

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$	(3,154)
----	---------

FUND BALANCE, END OF REPORTING PERIOD

\$	-
----	---

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

Section 3.2 Itemized List of Expenditures from Special Tax Allocation Fund

Refer to tables attached.

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
 ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
General fund reimbursements	132,980	
		\$ 132,980
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs.		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Stormwater fund reimbursements		
Sewer fund reimbursements		
Capital development fund reimbursements		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs		
		\$ -
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
		\$ -

Section 3.3 Special Tax Allocation Fund Balance (end of reporting period).

Refer to table attached.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
 Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

FUND BALANCE, END OF REPORTING PERIOD \$ -

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

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

Redevelopment Incentives/Redevelopment Agreements (Cardinal Square and Park Station redevelopment agrmnts.)*		\$ 7,331,000
Accrued Interest as of 04/30/09 - Cardinal Square Notes		\$ 564,676
TIF eligible project costs - Resolution 09 02 18 less past reimbursements		\$ 718,746

Total Amount Designated for Project Costs \$ 8,614,422

*maximum principal amounts specified, not including interest
 actual payouts are subject to the annual project
 revenues generated and conformance with redevelopment agreements

TOTAL AMOUNT DESIGNATED \$ 8,614,422

SURPLUS/(DEFICIT)** \$ (8,614,422)

** NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts

Section 4.0 A description of all property purchased by the municipality within the Redevelopment Project Area including:

- A. Street Address
- B. Approximate size or description of property
- C. Purchase Price
- D. Seller of property

Refer to table attached.

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

Provide a description of all property purchased by the municipality during the reporting fiscal year within the

 X 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 5.0 Review of Public and Private Investment.

Refer to table attached.

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

Please include a brief description of each project.

_____ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 129,230,000
Public Investment Undertaken	\$ -	\$ -	\$ 7,331,000
Ratio of Private/Public Investment	0		17 27/43
Project 1: Cardinal Square provided by developer to be provided			
Private Investment Undertaken (See Instructions)			\$ 122,000,000
Public Investment Undertaken			\$ 7,000,000
Ratio of Private/Public Investment			17 3/7
Project 2: Park Station provided by developer to be provided			
Private Investment Undertaken (See Instructions)			\$ 7,230,000
Public Investment Undertaken			\$ 331,000
Ratio of Private/Public Investment			21 59/70
Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

EXHIBIT A

**Joint Review Board
Tax Increment Finance (TIF) District**

January 26, 2009

A Joint Review Board meeting was held Monday January 26, 2009 at 1000 North Midlothian Road, Mundelein. Mayor Kessler called the meeting to order at 6:41 pm.

Joint Review Board
Meeting Called to Order

Clerk Dahlstrom took the roll. It indicated these members present: Doug Egan, District 75; Collette Ford, District 76; Scott Davis, Fremont Library District; Diana O’Kelly, Lake County; Betty Anne Moore, Libertyville Township; Bill Morgan, Libertyville Township Road & Bridge; Margaret Resnick, Mundelein Park District; and Ken Kessler, Village of Mundelein. Absent: College of Lake County, District 120, and Public member. Village attendance: Administrator Lobaito and Assistant Administrator Flynn.

Attendance

Motion by Betty Anne Moore, Libertyville Township, seconded by Collette Ford, District 76 to approve the minutes of January 28, 2008. Upon roll call vote, the vote was as follows: Ayes: Betty Anne Moore, Libertyville Township; Collette Ford, District 76; Doug Egan, District 75; Scott Davis, Fremont Library District; Diana O’Kelly, Lake County; Bill Morgan, Libertyville Township Road & Bridge; Margaret Resnick, Mundelein Park District; and Ken Kessler, Village of Mundelein nays: none; absent and not voting: College of Lake County, District 120, and Public member. Motion carried.

Motion to Approve the
Minutes of January 22,
2007

Chairman Kessler introduced Mr. Phil McKenna, Kane McKenna and Associates to explain the purpose for the annual required joint Review Board and give an overview of the annual report. Mr. McKenna stated a quorum is two or more Board members, which is present. Mr. McKenna explained the State’s statute of the required annual meeting of the Joint Review Board regarding the Tax Increment Finance (TIF) District. The Illinois TIF Act requires the preparation of an Annual TIF Report (ATR) when \$100,000 is accumulated. Mr. McKenna stated the ATR revolves around the Village’s fiscal year, April 30, 2008 (FYE08). Mr. McKenna stated this was an informational meeting, not action oriented. The meeting has two parts, the financial information and the activities part. Mr. McKenna introduced Administrator Lobaito to present the highlights of activities.

Purpose of Meeting

Administrator Lobaito highlighted the following activities:

Activities Highlights

- No amendments to the Redevelopment Project Area or the boundaries of the TIF during the FYE08
- The Village complied with all of the requirements of the Act during the FYE08. The Mayor’s and the attorney’s certification was provided
- Review of the activities undertaken in FYE08 to further the plans objectives

Joint Review Board Meeting (Continued)

Activities Highlights (Continued)

- o Continued discussions with developers
- o Amendment to the Village's Zoning Ordinance
- o Creating design standards
- o Looking at vacant buildings throughout the Village
- Agreements adopted in FYE08
 - o Cardinal Square – one amendment to the Redevelopment Agreement
- Contracts with TIF Consultants
 - o Kane McKenna & Associates
- Summary of obligations issued by the municipality
 - o Cardinal Square - \$7M, based upon the conformance to certain provisions as set forth in the Redevelopment Agreement
 - o Park Station - \$331,000 subject to conformance with provisions as set forth in the Redevelopment Agreement
- Audit letter from McGladrey & Pullen
- 276 North Seymour acquired September 14, 2007

Ms. O'Kelly, Lake County asked regarding the issues Lake Zurich has with their TIF District and how the Village can avoid those same issues. Administrator Lobaito explained the issues and the differences between the Village and Lake Zurich and why the Village will avoid those same issues. Mr. McKenna explained the new State requirements.

TIF Budget Review

Administrator Lobaito reintroduced Mr. McKenna to present the financial information. Mr. McKenna stated in the Schedule of Revenues, Expenditures and Changes in Fund Balance Sheet, the Mundelein TIF District the ending balance is \$12,663; \$1,966 was received in interest, \$140,495 was received in tax revenues and \$151,971 in expenditures. The ending fund balance in FYE April 30, 2007 was \$3,153.

Reimbursement Requests

Administrator Lobaito stated two requests were received; School District 75 requested \$7,038 and Fremont Library District requested approximately \$171.00, however the negative EAV growth leaves the funds unavailable, and would be paid year by year. Chairman Kessler asked if the requests stay in holding and are paid as the funds become available. Administrator Lobaito stated the requests are paid year by year.

Mr. Egan, District 75 asked what needed to be done to have the requested approved if it needed to be carried over to next year or when funds become available. Administrator Lobaito stated the Village Board would make that decision.

Mr. Egan, District 75 stated in 2005, EAV was approximately \$8.3M and in 2006 it was approximately \$10M and asked what the projection was for 2009, and is it expected to go below the base. Administrator Lobaito stated the EAV would decrease due to the razing of the industrial building, however it is difficult to determine the projection.

Mr. Egan, District 75 asked when the TIF began. Administrator Lobaito stated the first meeting was in 2005.

Joint Review Board Meeting (Continued)

Ms. O’Kelly, Lake County asked if there were discussion regarding requests when the TIF began. Administrator Lobaito stated there were discussions, however since this is the first year for requests, the process is still being worked out; schools are clear cut, however libraries are not as clear.

Reimbursement Requests (Continued)

Mr. Davis, Fremont Library District stated this was an ambiguous process and Fremont Library District would be the first Library District in the State and feels they are a test case and looks forward to continuing the discussions.

_____ TIF Project Review _____

Administrator Lobaito explained there are no new projects under review, however Park Center, located at Park Street and Seymour Street has been under staff review. Park Center is a condominium with retail on the first level.

_____ Questions from Joint Review Board _____

Chairman Kessler opened the floor for questions from the Joint Review Board. There were no other questions from the Joint Review Board. The floor was closed to the Joint Review Board.

_____ Floor Opened and Closed to the Public _____

Chairman Kessler opened the floor to the public. No questions or comments were made. The floor was closed to the public.

_____ Motion to Adjourn _____

Motion by Doug Egan, District 75, seconded by Diana O’Kelly, Lake County to adjourn the Joint Review Board/TIF meeting. Upon unanimous voice vote, the meeting was adjourned.

_____ Adjournment _____

The Joint Review Board TIF District meeting was adjourned at 7:10 pm.

Minutes taken by Esmie M. Dahlstrom, Village Clerk.

Minutes approved by Chairman signature: _____

Minutes filed with Village Clerk on: _____

Initials: _____

EXHIBIT B

Village of Mundelein, Illinois

Tax Increment Finance Area #2 Fund Report
April 30, 2009

Contents

	Page
Independent Auditor's Report	1
Schedule of Revenues, Expenditures and Changes in Fund Balance	2
Independent Auditor's Report on Compliance	3

Independent Auditor's Report

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Honorable Village President
Members of the Board of Trustees
Village of Mundelein, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mundelein, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 19 2009. These financial statements are the responsibility of the Village of Mundelein, Illinois' management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplementary schedule of revenues, expenditures and changes in fund balance is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole, and should be read in conjunction with those financial statements and related notes.

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 19, 2009

Village of Mundelein, Illinois

Tax Increment Finance Area #2 Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended April 30, 2009

Revenues		
Property taxes	\$	129,545
Interest		457
Total revenues		<u>130,002</u>
Expenditures		
General government		<u>133,156</u>
Net change in fund balance		(3,154)
Fund Balance		
Beginning of year		<u>3,154</u>
End of year	\$	<u><u>-</u></u>

Independent Auditor's Report on Compliance

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance

To the Honorable Village President
Members of the Board of Trustees
Village of Mundelein, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mundelein, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 19, 2009.

We have also audited the Village's compliance 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). The management of the Village of Mundelein, Illinois is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

We conducted our audit of compliance 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village of Mundelein, Illinois' compliance with those requirements and performing such procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Mundelein's compliance with those requirements.

In our opinion, the Village of Mundelein, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142).

McGladrey & Pullen, LLP

Schaumburg, Illinois
October 19, 2009