FY 2012
ANNUAL TAX INCREMENT FINANCE REPORT

Name of Municipality:	Village of Mundelein	Reporting Fiscal Year:	**2012**
County:	Lake	Fiscal Year End:	04/30/2012
Unit Code:			

TIF Administrator Contact Information

First Name:	Michael	Last Name:	Flynn		
Address:	440 East Hawley	Title:	Assistant Village Administrator		
Telephone:	847-949-3200	City:	Mundelein	Zip:	60060
Mobile		E-mail	mflynn@mundelein.org		
Mobile Provider		Best way to contact	__x__ Email _____Mobile	___x___Phone ___x___Mail	

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of

is complete and accurate at the end of this reporting Fiscal year under 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.]

_____ _____
Written signature of TIF Administator 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 DISTICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
Village of Mundelein Downtown TIF District (TIF #2)	01/10/2005	

*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.]

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 __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)] **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 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 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)] **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	
Cumulatively, have deposits equal or greater than $100,000 been made 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 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, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L**		x
A list of all intergovernmental agreements in effect in FY 2010, 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 list only of the intergovernmental agreements labeled Attachment M**	x	

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

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.

Fund Balance at Beginning of Reporting Period	$ 486,496

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	$ 696,049	$ 2,515,752	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 524	$ 4,300	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%

***must be completed where 'Reporting Year' is populated**

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	$ 696,573		
Cumulative Total Revenues/Cash Receipts		$ 2,520,052	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 933,380		
Distribution of Surplus			
Total Expenditures/Disbursements	$ 933,380		
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	$ (236,807)		
FUND BALANCE, END OF REPORTING PERIOD*	$ 249,689		

* 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) and 65 ILCS 5/11-74.6-22 (d) (5))
PAGE 1

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)]	**Amounts**	**Reporting Fiscal Year**
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Financial advisor	9,738	
Legal fees	173,680	
		$ 183,418
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		$ -

SECTION 3.2 A		
PAGE 2		
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
Interest	514,569	
		$ 514,569
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
Utilities relocations	104,491	
		$ 104,491
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
	29,031	
		$ 29,031
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		$ -

SECTION 3.2 A		
PAGE 3		
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Cardinal Square development	101,871	
		$ 101,871
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		$ -

TOTAL ITEMIZED EXPENDITURES		$ 933,380

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of $10,000 during the current reporting year.

_____ **There were no vendors, including other municipal funds, paid in excess of $10,000 during the current reporting period.**

Name	Service	Amount
Holland & Knight	legal	$ 173,680.00
Amalagated Bank	debt payments	$ 514,568.77
Mundelein Downtown Properties	reimbursement interest - developer	$ 101,871.13
Commonwealth Edison	electrical	$ 95,000.00
Mundelein School District #75	reimbursement	$ 15,414.92

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

FUND BALANCE, END OF REPORTING PERIOD	$ 249,689

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
2010A General Obligation Bonds	$ 7,100,000	$ 11,901,349
Total Amount Designated for Obligations	$ 7,100,000	$ 11,901,349

2. Description of Project Costs to be Paid		
Redevelopment agreements		$ 7,331,000
Total Amount Designated for Project Costs		$ 7,331,000

TOTAL AMOUNT DESIGNATED	$ 19,232,349
SURPLUS*/(DEFICIT)	$ (18,982,660)

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

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 redevelopment project area.

__x__ No property was acquired by the Municipality Within the Redevelopment Project Area during the fiscal yea

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 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
PAGE 1

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided:	_____
If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below.	2

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

TOTAL:	**11/1/99 to Date**	**Estimated Investment for Subsequent Fiscal Year**	**Total Estimated to Complete Project**
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:			
Private Investment Undertaken (See Instructions)			$ 122,000,000
Public Investment Undertaken			$ 7,000,000
Ratio of Private/Public Investment	0		17 3/7

Project 2:			
Private Investment Undertaken (See Instructions)			$ 7,230,000
Public Investment Undertaken			$ 331,000
Ratio of Private/Public Investment	0		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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

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	$ 8,313,815	$ 16,652,625

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

__x__ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Mundelein School District #75	$ -
Diamond Lake School District #76	$ -
Mundelein High School District #120	$ -
Mundelein Park District	$ -
Fremont Library District	$ -
Libertyville Township	$ -
Lake County	$ -
Libertyville Township Road & Bridge	$ -
College of Lake County	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -

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:

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

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 Increment Redevelopment Allocation Act during the fiscal year beginning May 1, 2011 and ending April 30, 2012.

_____ _____

Village President Date

Attachment C

RE: Attorney Review of Village of Mundelein Downtown TIF

Whom it May Concern:

This will confirm that I am legal counsel for the Village of Mundelein, Illinois. I have reviewed all information provided to me by the Village staff, and I feel 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, 2011 and ending April 30, 2012, to the best of my knowledge and belief.

Sincerely,

Charles Marino

Charles Marino

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.

During fiscal 2012, the Village removed the Sigma Building at 225 East Hawley.

Also, the Village worked on a new Downtown Redevelopment Master Plan and new Zoning Ordinance that were both adopted in early fy2013 with the TIF District in mind.

Attachment E Description of Agreements Regarding Property Disposition or Redevelopment:

No property was disposed of by the Village in the reporting Fiscal Year.

The Village entered into agreements for infrastructure improvements and a new Village Hall at the old Sigma site to be completed in future fiscal years.

Attachment F Additional Information on Use 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.

Attachments 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.

VILLAGE OF MUNDELEIN, ILLINOIS
Mundelein, Illinois

Tax Increment Finance Area #2 Fund Report
For the Year Ended April 30, 2012

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CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Independent Auditor's Report
on Compliance With Illinois Municipal Code
Subsection (q) of Section 11-74.4-3 of Public Act 85-1142

Board of Trustees
Village of Mundelein, Illinois
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, 2012 which collectively comprise the Village of Mundelein, Illinois' basic financial statements and have issued our report thereon dated October 30, 2012. Those financial statements are the responsibility of the Village of Mundelein, Illinois' management. Our responsibility is to express opinions on those 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.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Mundelein, Illinois, is the responsibility of the Village of Mundelein, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests on the Village of Mundelein, Illinois' compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, an act in relation to tax increment financing. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. However, the results of our tests disclosed no instances of noncompliance with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

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 and is not intended to be and should not be used by anyone other than those specified parties.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 18, 2012

Village of Mundelein, Illinois
Tax Increment Finance Area #2 Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Property taxes	$ 750,000	$ 750,000	$ 696,049
Interest	-	-	524
Total revenues	750,000	750,000	696,573
Expenditures			
General government	210,000	310,000	316,940
Debt Service	1,030,000	930,000	616,440
Total expenditures	1,240,000	1,240,000	933,380
Net change in fund balance	$ (490,000)	$ (490,000)	(236,807)
Fund balance - beginning			486,496
Fund balance - ending			$ 249,689