

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

FY 2015

Name of Redevelopment Project Area: Downtown TIF District #2
Primary Use of Redevelopment Project Area*: Central Business District
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 <input type="checkbox"/>

	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 from any source 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 taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, 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.

FY 2015

TIF NAME: Downtown TIF District #2

Fund Balance at Beginning of Reporting Period \$ 215,469

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 465,880	\$ 4,183,846	100%
State Sales Tax Increment	\$ -		0%
Local Sales Tax Increment	\$ -		0%
State Utility Tax Increment	\$ -		0%
Local Utility Tax Increment	\$ -		0%
Interest	\$ 5	\$ 4,997	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 current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 465,885

Cumulative Total Revenues/Cash Receipts \$ 4,188,843 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 622,143

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 622,143

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (156,258)

FUND BALANCE, END OF REPORTING PERIOD* \$ 59,211

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (15,642,799)

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

FY 2015

TIF NAME: Downtown TIF District #2

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)		
Legal Services	31,755	
Consulting Services		
		\$ 31,755
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private 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 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)		
Mundelein Downtown Properties LLC	172,755	
		\$ 172,755
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		\$ 622,143

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

FY 2015

TIF NAME: Downtown TIF District #2

FUND BALANCE, END OF REPORTING PERIOD \$ 59,211

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

2010A General Obligation Bonds	\$ 7,100,000	\$ 10,811,682

Total Amount Designated for Obligations \$ 7,100,000 \$ 10,811,682

2. Description of Project Costs to be Paid

Redevelopment agreements		\$ 4,890,328

Total Amount Designated for Project Costs \$ 4,890,328

TOTAL AMOUNT DESIGNATED \$ 15,702,010

SURPLUS*/(DEFICIT) \$ (15,642,799)

* 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)]

FY 2015

TIF NAME: Downtown TIF District #2

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**

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)

FY 2015

TIF NAME: Downtown TIF District #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 ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
_____2_____			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 15,000,000	\$ 1,000,000	\$ 113,230,000
Public Investment Undertaken	\$ -	\$ -	\$ 7,331,000
Ratio of Private/Public Investment	0		15 4/9

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Cardinal Square			
Private Investment Undertaken (See Instructions)	\$ 15,000,000	\$ 1,000,000	\$ 106,000,000
Public Investment Undertaken			\$ 7,000,000
Ratio of Private/Public Investment	0		15 1/7

Project 2:

Park Station Residential			
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



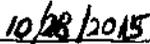
Attachment B

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, Steve Lentz, 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, 2014 and ending April 30, 2015.



Village President



Date



Attachment C

RE: Attorney Review of Village of Mundelein Downtown TIF

Date: October 19, 2015

To 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, 2014 and ending April 30, 2015, to the best of my knowledge and belief.

Sincerely,

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 2015, the Village completed construction of a new Village Hall. The Village Hall includes a tenant on the second floor.

During fiscal 2015, construction continued on a new residential 70 unit apartment building completed in the summer of 2015.

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

January 12, 2015

The Joint Review Board of the TIF District held a meeting Monday, January 12, 2015 at 300 Plaza Circle, Mundelein. Chairman Lentz called the meeting to order at 6:32PM.

Call to Order

Clerk Timmerman took the roll. It indicated these members present: Andrew Searle, District 120; Maria Treto-French, District 75; Scott Davis, Fremont Library District; Kathleen O'Connor, Libertyville Township; Margaret Resnick, Mundelein Park District; John Schockmel, Public Member; and Steve Lentz, Village of Mundelein. Absent: District 76; Libertyville Township Road & Bridge; County of Lake; College of Lake County. Village attendance: Village Administrator Lobaito and Finance Director Haywood.

Attendance

Motion by O'Connor, Libertyville Township, seconded by Searle, District 120, to approve the minutes of January 13, 2014. Upon roll call vote, the vote was as follows: Ayes: O'Connor, Libertyville Township; Searle, District 120; Lentz, Village of Mundelein; Treto-French, District 75; Davis, Fremont Library District; Resnick, Mundelein Park District; Schockmel, Public Member; Nays: none; Absent and not voting: District 76; Libertyville Township Road & Bridge; County of Lake; College of Lake County. Motion carried.

Approval of Minutes
01-13-2014

Finance Director Haywood reported that the TIF Annual Report covers the fiscal year ending April 30, 2014. Director Haywood further noted that the 10th anniversary of the TIF District recently occurred.

Introduction

Finance Director Haywood then drew the Joint Review Board's attention to Section 3.1 of the Annual Report, which shows a fund balance of \$215,469. There is \$3,717,966 in property tax increment and \$4,992 in interest for a total of \$3,722,958 cumulative total revenues/cash receipts and \$625,180 total expenditures/cash disbursements.

Annual Report and
Budget Summary

Finance Director Haywood then touched on Section 3.2, which displays an itemized list of all expenditures from the special tax allocation fund.

Finance Director Haywood next covered Section 6, which shows a Reporting Fiscal Year EAV of \$12,833,143.

Village Administrator Lobaito then reported on the major points of the review. He stated that there have been no amendments to the Redevelopment Project Area Plan or the TIF district boundaries, no new agreements with regards to redevelopment, no contracts for TIF funds executed, no obligations issued and no properties acquired by the Village

TIF Project Review

TIF Project Review
(continued)

(Sections 2 and 4). However, an offer has been made on the vacant parking lot at 498 North Seymour Avenue but no closing has occurred. An attorney's certification is included in the annual report.

Village Administrator Lobaito then outlined projects undertaken in calendar year 2014 to further the plan's objectives: 1) new Village Hall completed with Weston Solutions on the second floor as a tax-paying entity; 2) Mundelein Community Bank completing another building with a January 29, 2015 grand opening scheduled; 3) second Cardinal Square building to be completed Summer 2015 (65 rental units); 4) VeriGreen Development closing this month (40 rental units).

Village Administrator Lobaito also provided information about the Anatol Building, including the upcoming relocation of Kovitz Shifrin Nesbit. This is not within the TIF District boundaries but is important as it will bring jobs, development and investment to downtown Mundelein. Mr. Lobaito also noted the relocation of Zac Packaging (from Arlington Heights) and Luke's of Mundelein (from a different location in Mundelein), as well as the loss of Bank of America. Mr. Lobaito announced increased interest in the Village Hall subdivision, stating that there are ongoing discussions with developers.

Mr. Lobaito concluded by mentioning the problem with the method of TIF disbursement calculation used by the Lake County Clerk and encouraged members to follow the situation closely.

Comments and Questions

Mundelein Park District Representative Resnick asked if the value of the new Village Hall is included in the EAV and Village Administrator Lobaito explained that the Village Hall portion of the building is tax exempt but the space leased by Weston Solutions is taxable.

Fremont Library District Representative Davis requested a clarification on whether it is possible for the EAV of the TIF to go below the base EAV that was established at the inception of the TIF. Village Administrator Lobaito stated that it is possible but unlikely.

Adjournment

Motion by Resnick, Mundelein Park District, seconded by Schockmel, Public Member, to adjourn the Joint Review Board of the TIF District Meeting. Upon roll call vote, the vote was as follows: Ayes: Resnick, Mundelein Park District; Schockmel, Public Member; Lentz, Village of Mundelein; Treto-French, District 75; Searle, District 120; O'Connor, Libertyville Township; Davis, Fremont Library District; Nays: none; Absent and not voting: District 76; Libertyville Township Road & Bridge; County of Lake; College of Lake County. Motion carried.

The Joint Review Board of the TIF District meeting was adjourned at 6:49PM.

Minutes taken by Katy Timmerman, Mundelein Village Clerk.

Minutes approved by Chairman - Signature: _____

Minutes filed with Village Clerk on: _____

Initials: _____

Village of Mundelein, Illinois

Tax Increment Financing Area #2 District

Report on Compliance with Public Act 85-1142

April 30, 2015

INDEPENDENT AUDITOR'S REPORTS

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplemental Information

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

We have audited the basic financial statements of the Village of Mundelein, Illinois, for the year ended April 30, 2015, and have issued our report thereon, dated November 5, 2015, which expressed an unmodified opinion on those financial statements. The financial statements are the responsibility of the Village of Mundelein, Illinois' management. Our responsibility is to express opinions on the basic financial statements based on our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Mundelein, Illinois. The accompanying Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance for the Tax Increment Financing Area #2 District Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and derives from and relates directly to the underlying and other records used to prepare the basic financial statements. That information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
November 5, 2015

VILLAGE OF MUNDELEIN, ILLINOIS

Tax Increment Financing Area #2 District Fund

Balance Sheet

April 30, 2015

Assets		
Cash and Investments	\$	75,035
Receivables		
Taxes		<u>693,915</u>
Total Assets	\$	<u><u>768,950</u></u>
Liabilities		
Accounts Payable	\$	15,824
Deferred Inflows of Resources		693,915
Fund Balances		
Restricted for TIF Activity		<u>59,211</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	<u><u>768,950</u></u>

VILLAGE OF MUNDELEIN, ILLINOIS

Tax Increment Financing Area #2 District Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2015

Revenues	
Property Taxes	\$ 465,880
Investment Income	5
Total Revenues	<u>465,885</u>
Expenditures	
General Government	258,919
Debt Service - Interest and Fiscal Charges	<u>363,225</u>
Total Expenditures	<u>622,144</u>
Net Change in Fund Balance	(156,259)
Fund Balance	
May 1, 2014	<u>215,470</u>
April 30, 2015	<u>\$ 59,211</u>

**Independent Auditor's Report
on Compliance with Public Act 85-1142**

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

We have audited the basic financial statements of the Village of Mundelein, Illinois, for the year ended April 30, 2015, and have issued our report thereon, dated November 5, 2015.

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) for its Tax Increment Financing Area #2 District. 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 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 Village complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the Village of Mundelein, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

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) for its Tax Increment Financing Area #2 District.

BKD, LLP

Oakbrook Terrace, Illinois
November 5, 2015