

Waukegan Road TIF Redevelopment District

- Fiscal Year 2010 -



For the Fiscal Year Ended December 31, 2010

**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Morton Grove
County: Cook
Unit Code: 016/365/32

Reporting Fiscal Year: **2010**
Fiscal Year End: 12 / 31 /2010

TIF Administrator Contact Information

First Name: Joseph
Address: 6101 Capulina Ave
Telephone: 847-965-4100
E-Mail: jwade@mortongroveil.org

Last Name: Wade
Title: Village Administrator
City: Morton Grove Zip: 60053

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

Joseph O. Wade _____ Date: 6-22-2011
Written signature of TIF Administrator

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 <u>EACH</u> TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Lehigh Ferris RPA	1/24/2000	
Waukegan Road	5/09/1995	

*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: Waukegan Road Redevelopment Area
Primary Use of Redevelopment Project Area*: Retail / Commercial
If "Combination/Mixed" List Component Types: Retail / Commercial
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 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.

Attachment A

**Amendments to the Redevelopment Plan, the
Redevelopment Project and/ or Area Boundary**

**There were no amendments to the Redevelopment Plan or the
Redevelopment Project Area within the reporting Fiscal Year.**

Attachment B

Certification of the Mayor of the municipality that the municipality has complied with all of the requirements of the Act during the reporting Fiscal Year.



Village of Morton Grove

Office of the Mayor
and Board of Trustees

Waukegan Road Tax Increment Financing Redevelopment District

Certificate of Compliance

REPORT PERIOD: January 1, 2010 to December 31, 2010

DATE OF REPORT: June 24, 2011

In accordance with the Tax Increment Allocation Redevelopment Act of the State of Illinois (65 ILCS 5/11-74.4), I am submitting this certified statement as to the following:

I have reviewed the audit performed by Sikich Gardner & Co. LLP on behalf of the Village of Morton Grove as well as public records, proceedings, and documents regarding the Waukegan Road Tax Increment Financing District. Based upon this review I certify the Village of Morton Grove is in full compliance with the Act.

Sincerely,

Daniel J. Staackmann
Village President

Cc: Village Board of Trustees

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Richard T. Flickinger Municipal Center
6101 Capulina Avenue • Morton Grove, Illinois 60053-2985
Tel: (847) 965-4100 Fax: (847) 965-4162



Attachment C

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



Village of Morton Grove

Office of the Corporation Counsel

Telephone 847/663-3003

Fax 847/965-4162

June 24, 2011

The Honorable Daniel J. Staackmann, Mayor
Village of Morton Grove
6101 Capulina Avenue
Morton Grove, IL 60053

RE: Audit of the Financial Statements
Fiscal Year ending December 31, 2010
Waukegan Road Tax Increment Financing Redevelopment District

Dear Mayor Staackmann:

OPINION OF CORPORATION COUNSEL

I, Teresa Hoffman Liston, Corporation Counsel for the Village of Morton Grove, Cook County, Illinois, was the Corporation Counsel for the fiscal year beginning January 1, 2010, and ending December 31, 2010, and have reviewed information provided to me by the Village's administration and staff pertaining to the Waukegan Road Tax Increment Financing Redevelopment Project Area.

Based solely upon the information with which I have been provided and without making any independent review or investigation of that information, and relying on the accuracy, authenticity, and genuineness of all of the said information provided, it is my opinion that, as to the matters of which I am aware and have been specifically brought to my attention, the Village of Morton Grove, Cook County, Illinois has complied with the requirements of the Illinois Tax Increment Redevelopment Allocation Act (65 ILCS 5/11-74.4-1 et. seq.).

This opinion relates only to the time period of this report and is based upon the information with which I have been provided by the Village's administration and staff.

Sincerely,

Teresa Hoffman Liston
Corporation Counsel

Cc: Village Board of Trustees

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Recycled Paper

Attachment D

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

- Any Project implemented during the reporting Fiscal Year; and
- A description of the redevelopment activities undertaken.

No project implemented or redevelopment activities were entered into by the Village in the reporting Year.

Attachment E

**Description of Agreements Regarding Property
Disposition or Redevelopment**

No agreements regarding property disposition or redevelopment were entered into by the Village in the reporting Year.

Attachment F

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

The Village continue to apply incremental taxes to eligible TIF costs and infrastructure.

Attachment G**Information Regarding Contracts with TIF Consultants.**

While no long term contracts or agreements regarding TIF Consultants were entered into by the Village in the reporting Year. The professional services were required to obtain a plat of survey and an appraisal for a potential redevelopment opportunity. These expenses are categorized as permissible redevelopment costs and are included in Section 3.2! as cost of professional services.

Attachment H

Report Submitted by Joint Review Board.

No reports were submitted by the Joint Review Board. The Board met on July 15, 2010. Minutes of the meeting are attached as Exhibit A.

Attachment I

Summary of any obligations issued by the municipality and official statements.

No new obligations were issued by the Village in the reporting Year.

Attachment J**Financial Analysis: TIF Obligations.**

The Village undertook an ongoing review of existing and proposed TIF obligations throughout the reporting Year. The Village continued to monitor the payment of existing obligations. Outstanding Principal amounts, as well as future interest payments, associated with existing debt are summarized in Section 3.3 below.

Attachment K and L For special tax allocation funds that have experienced cumulated 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.

Relevant portions of the Village's audit and compliance letter are attached as Exhibit B.

Attachment M

Intergovernmental Agreements

No intergovernmental agreements were entered into by the Village in the reporting Year

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.

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period \$ (1,045,506)

Revenue/Cash Receipts Deposited in Fund During Reporting FY: 2010

			% of Total
Property Tax Increment	\$ 690,787	\$ 4,285,611	18%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 627	\$ 368,978	2%
Land/Building Sale Proceeds	\$ -	\$ 4,173,600	18%
Bond Proceeds		\$ 9,572,487	41%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source <u>Loan refinancing</u> ; if multiple other sources, attach schedule)		\$ 4,921,306	21%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 691,414

Cumulative Total Revenues/Cash Receipts \$ 23,321,982 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 725,096

Distribution of Surplus

Total Expenditures/Disbursements \$ 725,096

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (33,682)

FUND BALANCE, END OF REPORTING PERIOD \$ (1,079,188)

- 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)		
Plat Survey service	3,110	
Appraisal service fee	1,500	
		\$ 4,610
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		
		\$ -
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)		
Debt payments on Notes to improve Development Sites A&B	790,058	
Paying agent fees	428	
Reimburse Village for debt payments made on behalf of Waukegan Rd TIF from 1997 to 2006	(70,000)	
		\$ 720,486
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
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		
		\$ -
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)		
		\$ -
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
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		\$ 725,096

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 \$ (1,079,188)

	Amount of Original Issuance	Amount Designated
--	--------------------------------	-------------------

1. Description of Debt Obligations

TIF G.O. Notes (Area A - drug store & bank)	\$ 2,986,791	\$ 2,000,769
TIF 2009A G.O. Refunding Bond	\$ 4,920,000	\$ 5,390,994

Total Amount Designated for Obligations \$ 7,906,791 \$ 7,391,763

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 7,391,763

SURPLUS*/(DEFICIT) \$ (8,470,951)

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

Section 4.0

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

1. Street Address
2. Approximate size or description of property
3. Purchase price
4. 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 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 5.0

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

	Estimated Investment for Subsequent Fiscal Year		Total Estimated to Complete Project
11/1/99 to Date			

TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 15,325,000	\$ -	\$ 15,325,000
Public Investment Undertaken	\$ 6,752,637	\$ -	\$ 6,752,637
Ratio of Private/Public Investment	2.3		2.3

Project 1:			
Walgreens / Bank Construction - assembly of three properties including an outdated motel and redevelopment of a neighborhood pharmacy (Walgreens) and the community bank (st. Paul Federal / Charter One) in Redevelopment Area "A" .			
Private Investment Undertaken (See Instructions)	\$ 3,325,000		\$ 3,325,000
Public Investment Undertaken	\$ 2,645,899		\$ 2,645,899
Ratio of Private/Public Investment	1.3		1.3

Project 2:			
Auto dealership - assembly of three properties in the north portion of Redevelopment Area "B" including three outdated motels and redevelopment as a regional auto dealership (McGrath Acura of Morton Grove) that provides sale and service to customers throughout the north-suburban region of Chicago.			
Private Investment Undertaken (See Instructions)	\$ 12,000,000		\$ 12,000,000
Public Investment Undertaken	\$ 4,106,738		\$ 4,106,738
Ratio of Private/Public Investment	2.9		2.9

* The private investment for Project #2 was clarified in FY 2005 to include costs of development and construction

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	Reporting Fiscal Year	
	Base EAV	EAV
1995	\$ 12,221,759	\$ 21,835,292

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

The overlapping taxing districts did not receive a surplus.

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

SECTION 7

Provide information about job creation and retention

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

SECTION 8

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

Project area includes most commercial properties that front Waukegan Rd from Dempster to Emerson

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

EXHIBIT A

**MINUTES OF THE WAUKEGAN ROAD JOINT REVIEW BOARD MEETING
RICHARD T. FLICKINGER MUNICIPAL CENTER
6101 CAPULINA AVENUE
MORTON GROVE, ILLINOIS 60053
JULY 15, 2010**

1. Call to Order. Pursuant to proper notice in accordance with the Open Meetings Act, the Waukegan Road Joint Review Board meeting was called to order at 10:00 am by Village Clerk Tony S. Kalogerakos. In attendance were:

Village Trustee Shel Marcus	Village Trustee Larry Gomberg
Village Trustee John Thill	Village Administrator Joseph F. Wade
Resident Chris Arns	Finance Director/Treasurer Ryan Horne
Comm and Econ Develop Dir John D. Said	Jamie Reilly, Golf School District 67
Resident Eric Poders	Martin McConahay, Golf School District 67
Donald J. Gelfund, Niles Township	John Benstead Community Representative
Nick Katz, Pioneer Press	

2. Confirmation of public member. Mr. Wade confirmed the public member was Mr. Nick Marino who was not present for this proceeding. He also stated this meeting's primary purpose was to provide information to other taxing districts concerning the TIF's financial position, as well as the activities over the past year as stated in the annual report presented to the members. Mr. Wade noted at the end of today's report, the Village will entertain any questions members may have and answer them to the best of the Village's ability.
3. Election of the day's chairperson. Mr. Wade then asked for the election of a chairperson for this meeting. After a brief discussion, Ms. Jamie Reilly was appointed chairperson by a unanimous general voice vote.
4. Approval of minutes. Mr. Wade then asked for the approval of the minutes from June 25, 2009. A motion was made and seconded and unanimously approved by general voice vote.
5. Financial report of activities for calendar year ending December 31, 2009.
 - a. Mr. John D. Said, Director of Community and Economic Director presented his report on financial activities for the calendar year ending December 31, 2009. He provided a brief summary of the Waukegan Road TIF which began in 1995. He stated the typical life of a TIF District is 23 years in Illinois which will bring this TIF to a conclusion in 2018. The EAV grew approximately 3% between 2007 and 2008 and the debt obligation continues to be paid down based on the revenues received. There have been limited expenditures during the past fiscal year; however, \$100,000 was spent for a water main.
 - b. Mr. Horne reviewed and guided the attendees through the financial report. He reported an existing note (\$4,920,000) was recently refinanced which afforded a substantial savings. Other than was previously reported, there was virtually no activity to the TIF through this program year. There is a deficit of \$1.1 million which is owed the Village which is anticipated to be paid down before the TIF ends in 2018. There is also \$975,000 in debt balance. The audit of the financial statements was then reviewed. Mr.

Horne pointed out a budget line item has been added to cover any possible expenditures which may occur out of a potential development. This item is intended to be a safety feature for any unforeseen expenditures any potential development might bring.

6. Summary of redevelopment activities for 2009. Mr. Said stated current redevelopment projects in this area include the rebranding and remodeling of the old Rivals restaurant. It will now be known as Crazy Jaws. Produce World, whose parking lot is in the TIF, will be relocating to the Village Plaza leaving a very important corner ripe for redevelopment. He noted he will be marketing that location and there is already definite interest.
7. Mayor's certification and legal counsel's opinion. It was noted those documents have been prepared and will be appropriately filed.
8. Other Business. There was no additional business to discuss at this meeting. Mr. Wade then asked for questions.
 - Trustee Thill asked why the debt was refinanced? Mr. Horne believed the TIF realized a \$400,000 savings from the refinancing.
 - Mr. Poders inquired about the Black Forest Restaurant property. He was concerned about incentives for redevelopment. Mr. Said stated the Village Board might be able to do something if the proper revenue generator could be located. He stated there is an opportunity to be creative in this area and he is hopeful something will come to fruition. Mr. Wade stated assembling sites is always a challenge.
 - Martin McConahay from School District 67 noted there was \$40,000 transferred out of the general fund. Mr. Horne stated that was a repayment to the Village for when the TIF was not generating revenue. Mr. Horne noted there was a revenue sharing agreement established with District 67 which will pay the District a definitive sum over the life of the TIF. He stated \$309,000 has already been paid.
9. Adjournment. There being no further business to come before this Board, a motion was made to adjourn the meeting at 10:31 am by Village Clerk Kalogerakos. The motion was seconded by Martin McConahay and was unanimously approved by general voice vote.

Respectfully submitted,

Minutes prepared by Executive Secretary Susan Lattanzi

The minutes were approved by the Board at a meeting held on _____, 2011.

EXHIBIT B



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANT'S ON COMPLIANCE

The Honorable President
Members of the Board of Trustees
Village of Morton Grove, Illinois

We have examined management's assertion that the Village of Morton Grove, Illinois, complied 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) during the year ended December 31, 2010 for the Waukegan Road and the Lehigh/Ferris Tax Increment Financing Funds. As discussed in that representation letter, management is responsible for the Village of Morton Grove, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Morton Grove, Illinois' compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village of Morton Grove, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village of Morton Grove, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the Village of Morton Grove, Illinois, complied with the aforementioned requirements for the year ended December 31, 2010, is fairly stated in all material respects.

This report is intended solely for the information and use of the Village Board, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Schul LP'.

Aurora, Illinois
June 15, 2011

VILLAGE OF MORTON GROVE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2010

	General	Lehigh/Ferris TIF	Waukegan Road TIF	Debt Service	Capital Projects	Nonmajor	Total
ASSETS							
Cash and cash equivalents	\$ 2,406,592	\$ 2,538,195	\$ 395,732	\$ -	\$ 588,061	\$ 519,963	\$ 6,448,543
Investments	-	72,747	-	167,082	5,028,059	93,774	5,361,662
Receivables							
Property taxes	9,457,603	409,490	74,011	1,368,127	112,775	-	11,422,006
Sales tax	1,312,768	-	-	110,000	31,250	78,000	1,532,018
State income tax	640,778	-	-	-	-	-	640,778
Accrued interest	-	-	-	-	23,234	-	23,234
Accounts and allotments	837,903	-	-	-	1,055,876	104,259	1,998,038
Intergovernmental	-	-	-	-	219,137	-	219,137
Due from other governments	175,777	-	-	-	-	-	175,777
Due from other funds	347,655	-	-	-	-	-	347,655
Loan to developer	-	1,700,000	-	-	-	-	1,700,000
Advances to other funds	1,548,930	-	-	-	-	-	1,548,930
IRMA excess surplus reserve	440,066	-	-	-	-	-	440,066
IPBC terminal reserve	20,820	-	-	-	-	-	20,820
Prepaid items	77	-	-	-	-	-	77
Land held for resale	-	7,988,315	-	-	-	-	7,988,315
TOTAL ASSETS	\$ 17,188,969	\$ 12,708,747	\$ 469,743	\$ 1,645,209	\$ 7,058,392	\$ 795,996	\$ 39,867,056
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and retainage payable	\$ 247,644	\$ 208,166	\$ -	\$ -	\$ 147,027	\$ 60,996	\$ 663,833
Accrued salaries and wages	407,501	-	-	-	-	-	407,501
Other payables	15,491	-	-	-	-	-	15,491
Unearned property tax revenue	8,590,297	-	-	1,244,260	102,485	-	9,937,042
Deferred revenue	-	-	-	-	325,362	-	325,362
Deposits - refundable	332,010	-	-	-	-	-	332,010
Other unearned revenue	84,837	-	-	-	-	-	84,837
Due to other funds	-	-	-	167,971	-	-	167,971
Due to fiduciary funds	30,422	-	-	-	-	-	30,422
Advances from other funds	-	-	1,548,930	-	-	-	1,548,930
Total liabilities	9,708,202	208,166	1,548,930	1,412,231	574,874	60,996	13,513,399
FUND BALANCES							
Reserved for public safety	-	-	-	-	-	191,843	191,843
Reserved for loan to developer	-	1,700,000	-	-	-	-	1,700,000
Reserved for land held for resale	-	7,988,315	-	-	-	-	7,988,315
Reserved for community development	-	2,812,266	-	-	-	170,910	2,983,176
Reserved for capital projects	-	-	-	-	6,483,518	-	6,483,518
Reserved for highways and streets	-	-	-	-	-	204,343	204,343
Reserved for debt service	-	-	-	232,978	-	-	232,978
Reserved for prepaid items	77	-	-	-	-	-	77
Reserved for advances	1,548,930	-	-	-	-	-	1,548,930
Unreserved - undesignated							
Undesignated - General Fund	5,931,760	-	-	-	-	-	5,931,760
Undesignated - Special Revenue Funds	-	-	(1,079,187)	-	-	167,904	(911,283)
Total fund balances	7,480,767	12,500,581	(1,079,187)	232,978	6,483,518	735,000	26,353,657
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,188,969	\$ 12,708,747	\$ 469,743	\$ 1,645,209	\$ 7,058,392	\$ 795,996	\$ 39,867,056

See accompanying notes to financial statements.

VILLAGE OF MORTON GROVE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	General	Lehigh/Ferris TIF	Waukegan Road TIF	Debt Service	Capital Projects	Nonmajor	Total
REVENUES							
Taxes	\$ 18,375,441	\$ 2,968,579	\$ 690,787	\$ 1,459,139	\$ 436,069	\$ 312,000	\$ 24,242,015
Licenses and permits	1,569,517	-	-	-	-	-	1,569,517
Intergovernmental	350,592	-	-	57,807	216,450	570,069	1,194,918
Surcharges	-	-	-	-	-	246,812	246,812
Charges for services	883,934	-	-	-	-	130,598	1,014,532
Fines	561,349	-	-	-	-	-	561,349
Investment income	6,902	81,423	627	4,267	18,777	2,994	114,990
Cable TV franchise fees	260,205	-	-	-	-	-	260,205
Miscellaneous	327,606	2,000	-	-	871,702	111,855	1,313,163
Total revenues	22,335,546	3,052,002	691,414	1,521,213	1,542,998	1,374,328	30,517,501
EXPENDITURES							
Current							
General government	2,891,777	-	-	50,000	-	-	2,941,777
Public safety	15,647,756	-	-	-	-	251,898	15,899,654
Streets and sidewalks	2,103,237	-	-	-	-	651,042	2,754,279
Sanitation	74,942	-	-	-	-	-	74,942
Vehicle maintenance	720,434	-	-	-	-	-	720,434
Health and human services	395,984	-	-	-	-	-	395,984
Community development	118,872	86,247	5,038	-	-	347,035	557,192
Building and inspectional services	514,832	-	-	-	-	-	514,832
Debt service							
Principal retirement	-	425,000	548,756	1,461,143	-	-	2,434,899
Interest and fiscal charges	3,280	445,463	241,302	331,992	59,735	-	1,081,772
Capital outlay							
Capital projects	-	3,843,078	-	-	837,341	-	4,680,419
Total expenditures	22,471,114	4,799,788	795,096	1,843,135	897,076	1,249,975	32,056,184
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(135,568)	(1,747,786)	(103,682)	(321,922)	645,922	124,353	(1,538,683)
OTHER FINANCING SOURCES (USES)							
General obligation bonds issued, at par	250,000	-	-	-	5,336,000	-	5,586,000
Premium (discount) on bonds issued	5,482	-	-	-	(8,853)	-	(3,371)
Proceeds from sale of capital assets	33,867	-	-	-	-	-	33,867
Transfers in	-	-	-	62,630	-	-	62,630
Transfers (out)	(62,630)	-	-	-	-	-	(62,630)
Total other financing sources (uses)	226,719	-	-	62,630	5,327,147	-	5,616,496
NET CHANGE IN FUND BALANCES	91,151	(1,747,786)	(103,682)	(259,292)	5,973,069	124,353	4,077,813
FUND BALANCES (DEFICIT), JANUARY 1	7,389,616	14,248,367	(975,505)	492,270	510,449	610,647	22,275,844
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 7,480,767	\$ 12,500,581	\$ (1,079,187)	\$ 232,978	\$ 6,483,518	\$ 735,000	\$ 26,353,657

See accompanying notes to financial statements.

VILLAGE OF MORTON GROVE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WAUKEGAN ROAD TAX INCREMENT FINANCING FUND

For the Year Ended December 31, 2010
(with prior year actual for 2009)

	2010		2009 Actual
	Original and Final Budget	Actual	
REVENUES			
Property taxes	\$ 725,000	\$ 690,787	\$ 830,568
Investment income	2,500	627	1,645
Total revenues	727,500	691,414	832,213
EXPENDITURES			
Current			
Community development			
Professional services	25,000	5,038	-
Commodities	900,000	-	-
Debt service			
Principal	413,717	548,756	5,165,048
Interest and fiscal charges	292,149	241,302	301,822
Bond issuance costs	-	-	37,320
Capital outlay	350,000	-	108,134
Total expenditures	1,980,866	795,096	5,612,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,253,366)	(103,682)	(4,780,111)
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds	-	-	4,920,000
Discount on debt issuance	-	-	(11,975)
Transfer (out)	(40,000)	-	-
Total other financing sources (uses)	(40,000)	-	4,908,025
NET CHANGE IN FUND BALANCE	\$ (1,293,366)	(103,682)	127,914
FUND BALANCE (DEFICIT), JANUARY 1		(975,505)	(1,103,419)
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (1,079,187)	\$ (975,505)

(See independent auditor's report.)