

Waukegan Road TIF Redevelopment District

- Fiscal Year 2011 -



For the Fiscal Year Ended December 31, 2011

STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Name of Municipality:	<u>MORTON GROVE</u>	Reporting Fiscal Year:	2011
County:	<u>COOK</u>	Fiscal Year End:	12/31/2011
Unit Code:	016/365/32		

TIF Administrator Contact Information

First Name: <u>RYAN</u>	Last Name: <u>HORNE</u>	
Address: <u>6101 CAPULINA AVENUE</u>	Title: <u>VILLAGE ADMINISTRATOR</u>	
Telephone: <u>847-965-4100</u>	City: <u>MORTON GROVE</u>	Zip: <u>60053</u>
E-Mail: <u>rhorne@mortongroveil.org</u>		

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.]

Written signature of TIF Administrator

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 DISTRICT

[illegible]

*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:
Primary Use of Redevelopment Project Area*:
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 <u> X </u> Industrial Jobs Recovery Law <u> </u>

	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, 2011 to December 31, 2011

DATE OF REPORT: July 23, 2012

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



Recycled Paper

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

July 23, 2012

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, 2011
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, 2011, and ending December 31, 2011, 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 June 28, 2011. 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

\$ (1,079,188)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 735,100	\$ 4,976,398	21%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 186	\$ 369,605	2%
Land/Building Sale Proceeds		\$ 4,173,600	17%
Bond Proceeds		\$ 9,572,487	40%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 4,921,306	20%

**Total Amount Deposited in Special Tax Allocation
Fund During Reporting Period**

\$ 735,286

Cumulative Total Revenues/Cash Receipts

\$ 24,013,396 100%

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

\$ 815,513

Distribution of Surplus

Total Expenditures/Disbursements

\$ 815,513

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

\$ (80,227)

FUND BALANCE, END OF REPORTING PERIOD

\$ (1,159,415)

- 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)		
Professional service	1,520	
		\$ 1,520
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)		
Street Improvement	14,457	
		\$ 14,457
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	799,108	
Paying agent fees	428	
		\$ 799,536
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		\$ 815,513

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.

[illegible]

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****\$ (1,159,415)**

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
TIF G.O. Notes (Area A - drug store & bank)	\$ 2,986,791	\$ 1,730,874
TIF 2009A G.O. Refunding Bond	\$ 4,920,000	\$ 4,861,781

Total Amount Designated for Obligations**\$ 7,906,791 \$ 6,592,655****2. Description of Project Costs to be Paid**

Total Amount Designated for Project Costs**\$ -****TOTAL AMOUNT DESIGNATED****\$ 6,592,655****SURPLUS*/(DEFICIT)****\$ (7,752,070)**

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

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

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
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: Walgreen / 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	Base EAV	Reporting Fiscal Year EAV
1995	\$ 12,221,759	\$ 22,550,742

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:

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

EXHIBIT A

**MINUTES OF THE JOINT REVIEW BOARD MEETING
WAUKEGAN ROAD TIF REDEVELOPMENT DISTRICT
RICHARD T. FLICKINGER MUNICIPAL CENTER
6101 CAPULINA
MORTON GROVE, ILLINOIS 60053
JUNE 28, 2011**

1. Call to Order. Pursuant to proper notice in accordance with the Open Meetings Act, the Waukegan Road TIF Redevelopment District meeting was called to order at 10:01 a.m. by Village Administrator Joseph F. Wade. In attendance were:

Village Administrator Joseph F. Wade
Nick Marino, Century 21
Paul O'Malley, Niles District 219
Finance Director Ryan Horne
Community & Economic Development Director John D. Said
Resident John Benstead
Resident and Media Practitioner Eric Poders
Ade Emmanel, Reporter, Patch.com
Resident Chris Arns
Morton Grove Park District Executive Director Brian Sullivan
Trustee Bill Grear
Gary Zabilka, District 70

2. Confirmation of Public Member. Mr. Said stated the Mr. Nick Marino is the public member for the Waukegan Road TIF District.
3. Election of Today's Chairperson. Village staff stated the group was gathered to walk through the Waukegan Road/Lehigh Ferris TIF Districts. The fund balance and other items were to be discussed. Mr. Horne stated a chairperson needed to be elected for today's meeting. A motion was made and seconded to have Mr. O'Malley serve as chairperson. The motion passed unanimously via a voice vote.
4. Approval of Minutes. A motion was made and seconded to approve the minutes of the July 15, 2010, Waukegan Road TIF Redevelopment District meeting; and passed unanimously via a voice vote.
5. Financial Report of Activities for calendar year ending December 31, 2010.
 - a. Mr. Horne reviewed and guided the attendees through the financial reports. He detailed the adopted budget for 2010 and the adopted budget for 2011, along with the legal notice and the charts and graphs showing the EAV. It was designated in 1995 - \$12,221,000. The various charts showed incremental revenues. Currently, the Waukegan Road TIF has a negative balance of \$1,079,000 (deficit). Total obligations remaining are \$7,391,000. There is a deficit of \$8,000,000. This would take the EAV through 2018. In 2010 we have an EAV of \$21,835,292.

6. Summary of Redevelopment Activities for 2010.

- a. Mr. Said reviewed redevelopment activities in the Waukegan Road TIF District area. All maps are on the Village website on www.mortongroveil.org. In summarization of the last year there have been several restaurants, a kitchen and bath business, and various retail and various service providers that have located in the District. This corridor has a perpetual good economic health.

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. The floor was opened to questions.

- a. Mr. Eric Poders, 7040 Foster, stated that the corridor needed to be promoted more. He felt letters were needed to be sent to agencies to help promote the area. He also felt that an entranceway needed to be made at Dempster and Waukegan and that currently the area was an eyesore.

Mr. Said stated that the corner site of Waukegan and Dempster has had some inquiry for their site. The Village is in negotiations with them. The old rental place also has several businesses interested in the site. There are negotiations ongoing for these sites.

- b. Mr. Chris Arns, 6212 Lincoln, asked how the moneys tied into property acquisitions. Mr. Horne stated the money is placed in holding until a project is entered into. Mr. Arns stated that if we had any economic incentives, agreements, or costs given we would have almost \$2 million in debt. Mr. Horne stated this was correct. Mr. Arns stated to be free of debt we need to pay down \$1 million a year. Mr. Horne stated this is correct if there are no other redevelopment occurring.

9. Adjournment. There being no further business to come before this Board, a motion was made and seconded to adjourn the meeting at 10:41 a.m., and was unanimously approved via a voice vote.

Minutes prepared by Executive Secretary Marlene Kramaric

Q:\TIF - Waukegan Road info - pics - etc\Waukegan Road TIF\URB 2011 mtg\6-28-11 Waukegan Road TIF redevelopment mt minutes.doc

EXHIBIT B



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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, 2011 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, 2011, 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 dark ink, appearing to read 'Sikich' followed by a stylized flourish.

Aurora, Illinois
June 13, 2012

VILLAGE OF MORTON GROVE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2011

	General	Lehigh/Ferris TIF	Waukegan Road TIF	Debt Service
ASSETS				
Cash and cash equivalents	\$ 2,829,167	\$ 1,053,028	\$ 303,937	\$ -
Investments	-	-	-	167,905
Receivables				
Property taxes	8,847,365	34,684	31,716	1,127,419
Sales tax	1,301,138	-	-	110,000
State income tax	542,444	-	-	-
Accrued interest	-	-	-	-
Accounts and allotments	826,387	-	-	-
Due from other governments	8,715	-	-	-
Due from other funds	643,245	-	13,862	-
Loan to developer	-	1,700,000	-	-
Advances to other funds	1,508,930	-	-	-
IRMA excess surplus reserve	633,889	-	-	-
IPBC terminal reserve	466,296	-	-	-
Land held for resale	-	8,140,381	-	-
TOTAL ASSETS	\$ 17,607,576	\$ 10,928,093	\$ 349,515	\$ 1,405,324
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and retainage payable	\$ 339,179	\$ 142,999	\$ -	\$ -
Accrued salaries and wages	758,124	-	-	-
Other payables	18,726	-	-	-
Unearned property tax revenue	8,769,162	-	-	1,116,638
Deferred revenue	-	-	-	-
Deposits - refundable	318,629	-	-	-
Other unearned revenue	79,437	-	-	-
Due to other funds	11,275	13,862	-	623,326
Due to fiduciary funds	2,646	-	-	-
Advances from other funds	-	-	1,508,930	-
Total liabilities	10,297,178	156,861	1,508,930	1,739,964
FUND BALANCES				
Nonspendable				
Advance to other funds	1,508,930	-	-	-
Restricted for				
Public safety	116,805	-	-	-
Capital improvements - unspent bond proceeds	-	-	-	-
Community development	-	10,771,232	-	-
Highways and streets	-	-	-	-
Unrestricted				
Committed for community development	-	-	-	-
Committed for commuter improvements	-	-	-	-
Assigned for capital improvements	-	-	-	-
Unassigned	5,684,663	-	(1,159,415)	(334,640)
Total fund balances	7,310,398	10,771,232	(1,159,415)	(334,640)
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,607,576	\$ 10,928,093	\$ 349,515	\$ 1,405,324

Capital Projects	Nonmajor	Total
\$ 1,620,165	\$ 886,253	\$ 6,692,550
3,718,040	94,237	3,980,182
52,131	-	10,093,315
31,250	78,000	1,520,388
-	-	542,444
22,840	-	22,840
16,281	109,743	952,411
-	-	8,715
-	-	657,107
-	-	1,700,000
-	-	1,508,930
-	-	633,889
-	-	466,296
-	-	8,140,381
<u>\$ 5,460,707</u>	<u>\$ 1,168,233</u>	<u>\$ 36,919,448</u>

\$ 395,214	\$ 68,737	\$ 946,129
-	-	758,124
-	-	18,726
51,243	-	9,937,043
46,624	-	46,624
-	-	318,629
-	-	79,437
-	19,919	668,382
-	-	2,646
-	-	1,508,930
<u>493,081</u>	<u>88,656</u>	<u>14,284,670</u>

-	-	1,508,930
-	459,385	576,190
4,284,205	-	4,284,205
-	-	10,771,232
-	297,968	297,968
-	133,110	133,110
-	189,114	189,114
683,421	-	683,421
-	-	4,190,608
<u>4,967,626</u>	<u>1,079,577</u>	<u>22,634,778</u>
<u>\$ 5,460,707</u>	<u>\$ 1,168,233</u>	<u>\$ 36,919,448</u>

VILLAGE OF MORTON GROVE, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2011

	General	Lehigh/Ferris TIF	Waukegan Road TIF	Debt Service
REVENUES				
Taxes	\$ 18,783,901	\$ 2,517,558	\$ 735,100	\$ 1,409,635
Licenses and permits	1,587,662	-	-	-
Intergovernmental	227,614	-	-	81,610
Surcharges	-	-	-	-
Charges for services	759,383	-	-	-
Fines	531,010	-	-	-
Investment income	2,833	1,900	185	956
Cable TV franchise fees	259,862	-	-	-
Miscellaneous	297,245	-	-	-
Total revenues	22,449,510	2,519,458	735,285	1,492,201
EXPENDITURES				
Current				
General government	2,299,975	-	-	-
Public safety	16,667,576	-	-	-
Streets and sidewalks	2,007,469	-	-	-
Vehicle maintenance	738,039	-	-	-
Health and human services	255,880	-	-	-
Community development	125,036	68,585	1,948	-
Building and inspectional services	555,482	-	-	-
Debt service				
Principal retirement	-	3,130,000	576,754	1,683,395
Interest and fiscal charges	-	427,860	222,354	376,424
Capital outlay				
Capital projects	-	622,362	14,457	-
Total expenditures	22,649,457	4,248,807	815,513	2,059,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(199,947)	(1,729,349)	(80,228)	(567,618)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	29,578	-	-	-
Total other financing sources (uses)	29,578	-	-	-
NET CHANGE IN FUND BALANCES	(170,369)	(1,729,349)	(80,228)	(567,618)
FUND BALANCES (DEFICIT), JANUARY 1	7,480,767	12,500,581	(1,079,187)	232,978
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 7,310,398	\$ 10,771,232	\$ (1,159,415)	\$ (334,640)

Capital Projects	Nonmajor	Total
\$ 277,357	\$ 312,000	\$ 24,035,551
-	-	1,587,662
278,738	573,017	1,160,979
-	234,115	234,115
-	393,073	1,152,456
-	-	531,010
65,390	2,397	73,661
-	-	259,862
247,400	357,890	902,535
868,885	1,872,492	29,937,831
-	-	2,299,975
-	280,462	16,948,038
-	744,872	2,752,341
-	-	738,039
-	-	255,880
-	350,335	545,904
-	-	555,482
-	-	5,390,149
-	-	1,026,638
2,384,777	152,246	3,173,842
2,384,777	1,527,915	33,686,288
(1,515,892)	344,577	(3,748,457)
-	-	29,578
-	-	29,578
(1,515,892)	344,577	(3,718,879)
6,483,518	735,000	26,353,657
\$ 4,967,626	\$ 1,079,577	\$ 22,634,778

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, 2011
(with prior year actual for 2010)

	2011		2010
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	\$ 890,000	\$ 735,100	\$ 690,787
Investment income	750	185	627
Total revenues	890,750	735,285	691,414
EXPENDITURES			
Current			
Community development			
Professional services	25,000	1,948	5,038
Commodities	900,000	-	-
Debt service			
Principal	576,754	576,754	548,756
Interest and fiscal charges	222,355	222,354	241,302
Capital outlay	350,000	14,457	-
Total expenditures	2,074,109	815,513	795,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,183,359)	(80,228)	(103,682)
OTHER FINANCING SOURCES (USES)			
Transfer (out)	(40,000)	-	-
Total other financing sources (uses)	(40,000)	-	-
NET CHANGE IN FUND BALANCE	\$ (1,223,359)	(80,228)	(103,682)
FUND BALANCE (DEFICIT), JANUARY 1		(1,079,187)	(975,505)
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (1,159,415)	\$ (1,079,187)

(See independent auditor's report.)