

JOINT REVIEW BOARD MEETING

**DOWNTOWN/IL RT. 83 TIF
VILLAGE OF LONG GROVE
(FY 2013 Review)**

**Village Hall, Long Grove, Illinois
3110 Old McHenry Road
Long Grove IL 60047**

Meeting Agenda

July 22, 2014 - 9:00 a.m.

1. Call to Order
2. Introduction of Representatives of Taxing Districts and Public Member
3. Selection of Chairperson
4. Review Status of TIF (FY 2013 Annual Report)
5. Review Effectiveness of TIF
6. Public Comment
7. Other Business
8. Adjournment

**FY 2013
ANNUAL TAX INCREMENT
FINANCE
REPORT**

Name of Municipality: Long Grove Reporting Fiscal Year: 2013
 County: Lake Fiscal Year End: 4/30/2013
 Unit Code: 049120/32

TIF Administrator Contact Information			
First Name	<u>Dawn</u>	Last Name	<u>Lottigesch</u>
Address	<u>3115 Old McHenry Rd</u>	Title	<u>Village Manager</u>
Telephone	<u>847-634-9442</u>	City	<u>Long Grove</u> Zip: <u>60047</u>
E-Mail	<u>dawn.lottigesch@longgrove.il.gov</u>		

I attest to the best of my knowledge, this report of the redevelopment project areas in the Village of Long Grove is complete and accurate at the end of the 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.] subject to final confirmation by the Village's auditors.

 12/20/2013
 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		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Long Grove Downtown/ IL Rt. 83 TIF District	2/26/2008	

*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.]

**FY 2013
ANNUAL TAX INCREMENT
FINANCE
REPORT**

Name of Municipality: Long Grove Reporting Fiscal Year: **2013**
 County: Lake Fiscal Year End: **4/30/2013**
 Unit Code: 049/120/32

TIF Administrator Contact Information

First Name: David Last Name: Lothspeich
 Address: 3110 Old McHenry Rd. Title: Village Manager
 Telephone: 847-634-9440 City: Long Grove Zip: 60047
 E-Mail: dlothspeich@longgrove.net

I attest to the best of my knowledge, this report of the redevelopment project areas in: the Village Of Long 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.], subject to final confirmation by the Village's auditors.

 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		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Long Grove Downtown/ IL Rt. 83 TIF District	2/26/2008	

*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:	Long Grove Downtown/ IL Rt. 83 TIF District
Primary Use of Redevelopment Project Area*:	Combination/ Mixed
If "Combination/Mixed" List Component Types:	Business Dist., Retail
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/> Industrial Jobs Recovery Law

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did 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 \$ (806,601)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 175,310	\$ 323,012	3%
State Sales Tax Increment	\$ 215,829	\$ 457,732	4.3%
Local Sales Tax Increment	\$ 22,664	\$ 47,979	0.5%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 18	\$ 200	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	108,675	\$ 9,065,746	85.7%
Transfers from Municipal Sources	\$ 231,535	\$ 663,071	4.5%
Private Sources			0%
Other Miscellaneous Revenue		\$ 146	0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 754,031

Cumulative Total Revenues/Cash Receipts \$ 10,557,886 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 683,104

Distribution of Surplus -

Total Expenditures/Disbursements \$ 683,104

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 70,927

FUND BALANCE, END OF REPORTING PERIOD* \$ (735,674)

* 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)		
Administration Expenses	4,000	
Legal expenses	19,485	
Audit and bookkeeping costs	18,107	
		\$ 41,592
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)		
Sunset Grove Capital Improvements	93,758	
		\$ 93,758
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 on tax increment revenue bonds	333,750	
Interest on TIF bonds-Series 2009 A and B and Series 2011A	214,004	
		\$ 547,754
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)		
		\$ -

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 \$ (735,674)

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

Limited obligation tax increment revenue bonds	\$ 4,450,000	\$ 4,450,000
Series 2009A Bonds	\$ 1,500,000	\$ 1,500,000
Series 2009B Bonds	\$ 3,000,000	\$ 2,834,059
Series 2011A Bonds	\$ 950,000	\$ 281,687

Total Amount Designated for Obligations \$ 9,900,000 \$ 9,065,746

2. Description of Project Costs to be Paid

Municipal Advances		630,770

Total Amount Designated for Project Costs \$ 630,770

TOTAL AMOUNT DESIGNATED \$ 9,696,519

SURPLUS*/(DEFICIT) \$ (10,432,190)

* 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 [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 - 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.

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:			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 1,840,000
Public Investment Undertaken	\$ 7,966,837	\$ 1,925,194	\$ 9,892,031
Ratio of Private/Public Investment	0		0.1568
Project 1:			
Sunset Grove Capital Improvements			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 2,043,544	\$	\$ 3,000,000
Ratio of Private/Public Investment	0		0
Project 2:			
Covered Bridge Repair			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 201,303	\$ 1,000	\$ 201,516
Ratio of Private/Public Investment	0		0
Project 3:			
Old McHenry Rd Modern Roundabout			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 93,121		\$ 93,121
Ratio of Private/Public Investment	0		0
Project 4:			
Streetscapes			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 26,585		\$ 26,585
Ratio of Private/Public Investment	0		0
Project 5:			
IL 83 Public Water System			
Private Investment Undertaken (See Instructions)			\$ 1,840,000
Public Investment Undertaken	\$ 718,012	\$	\$ 1,700,000
Ratio of Private/Public Investment	0		1 7/85
Project 6:			
Robert Parker Coffin Rd Paving			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 208,936		\$ 208,936
Ratio of Private/Public Investment	0		0
Project 7:			
Downtown Wayfinding Signs			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 9,351	\$ 75,000	\$ 84,351

Ratio of Private/Public Investment	0		0
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Project 8: Stemple Parking Lot			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 8,436	\$ -	\$ 8,436
Ratio of Private/Public Investment	0		0

Project 9: Burial of Com Ed Lines			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 15,000	\$ -	\$ 15,000
Ratio of Private/Public Investment	0		0

Project 10: Archer Lot			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 4,673,479		\$ 4,673,479
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
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Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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		
Map of District		

ATTACHMENT B
CEO CERTIFICATION



3110 OLD MCHENRY ROAD, LONG GROVE, ILLINOIS 60047

December 30, 2013

RE: Village of Long Grove Certificate of Compliance
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
For Fiscal Year Ending April 30, 2013

I, Angie Underwood, the duly elected chief executive officer of the Village of Long Grove, County of Lake, State of Illinois, do hereby certify that to the best of my knowledge and subject to the limitations set forth in the Annual Tax Increment Finance Report for the fiscal year ending 30 April 2013, and to the best of my knowledge and belief, the Village of Long Grove has substantially complied with the applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2013, except as to timeliness of filing the above-captioned report and convening of the Joint Review Board.

Sincerely,

A handwritten signature in cursive script that reads "Angie Underwood".

Angie Underwood
President
Village of Long Grove

ATTACHMENT C
LEGAL COUNSEL CERTIFICATION

Holland & Knight

131 South Dearborn Street, 30th Floor | Chicago, IL 60603 | T 312.263.3600 | F 312.578.6666
Holland & Knight LLP | www.hklaw.com

Victor P. Filippini, Jr.
312.578.6560
victor.filippini@hklaw.com

31 December 2013

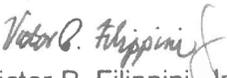
Village President Angie Underwood and the Board of Trustees
Village of Long Grove
3110 RFD
Long Grove, Illinois 60047

Re: The Village of Long Grove
Village of Long Grove Downtown/Il. Rt. 83 Tax Increment Finance District
Annual Report For Fiscal Year Ending 30 April 2013

Dear President Underwood and Trustees:

This letter confirms that, as the Village Attorney for the Village of Long Grove, Illinois, I have reviewed all information provided to me by the Village administration, staff and consultants regarding the Village's Annual Tax Increment Finance Report for the fiscal year ending 30 April 2013. Based on such information and the limitations therein set forth, and to the best of my knowledge and belief, it is my opinion that the Village of Long Grove has substantially conformed to all applicable requirements of the Illinois Tax Increment Allocation Redevelopment Act for the fiscal year ending 30 April 2013, except as to timeliness of filing the above-captioned report and convening of the Joint Review Board.

Very truly yours,


Victor P. Filippini, Jr.
Village Attorney

cc: David Lothspeich, Village Manager

ATTACHMENT D

ACTIVITIES IN FURTHERANCE OF THE REDEVELOPMENT PLAN

The *Village of Long Grove Downtown/Il. Rt. 83 Redevelopment Plan and Project* (the "Redevelopment Plan") was approved in February, 2008. Goals and objectives of the Redevelopment Plan include, *inter alia*, the following:

- Encourage economic development in the Redevelopment Project Area that is consistent with the comprehensive plan of for the development of the Village as a whole.
- Encourage a high quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
- Strengthen the economic well-being of the Redevelopment Project Area and the Village by increasing business activity, tax base, and job opportunities.
- Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan and contemporary development needs and standards.
- Provide needed public improvements or facilities.
- Provide new retail options for the Village.

During Fiscal Year 2013, the Village and Sunset Grove, LLC continued to invest in capital improvements relating to the Sunset Foods development within the TIF District.

VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT
Long Grove, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

From the Date of Creation through April 30, 2013

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Long Grove
Long Grove, Illinois

Report on the Financial Statements

We have audited the accompanying Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance of the Village of Long Grove's Downtown Tax Incremental District (the "district") as of and for the year ended April 30, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Long Grove's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Long Grove's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Village Board
Village of Long Grove

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the district as of April 30, 2013 and the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not present fairly the financial position of the Village of Long Grove, Illinois, as of April 30, 2013, and the changes in its financial position or, when applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Madison, Wisconsin
_____, 2013

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

BALANCE SHEET
As of April 30, 2013

ASSETS	
Cash and investments	\$ 1,130,636
Receivables	
Taxes	267,961
Accounts	649,737
Due from other funds	6,165
Advances to other funds	548,166
Restricted cash and investments	<u>445,002</u>
TOTAL ASSETS	\$ 3,047,667
LIABILITIES AND FUND BALANCE	
Liabilities	
Deferred revenues	\$ 227,573
Advances from other funds	<u>4,829,750</u>
Total Liabilities	<u>5,057,323</u>
Fund Balance	
Restricted for debt service	445,002
Unassigned (deficit)	<u>(2,454,658)</u>
Total Fund Balance (Deficit)	<u>(2,009,656)</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,047,667

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended April 30, 2013

REVENUES		
Taxes	\$ 413,803	
Investment income	18	
Total Revenues	<u>413,821</u>	
EXPENDITURES		
Current		
Conservation and development	41,315	
Capital outlay	94,035	
Interest on bonds	333,750	
Interest on advances	214,004	
Total Expenditures	<u>683,104</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(269,283)</u>	
OTHER FINANCING SOURCES		
Transfers in	<u>17,531</u>	
Total Other Financing Sources	<u>17,531</u>	
Net Change in Fund Balance	(251,752)	
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(1,757,904)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (2,009,656)</u>	

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Long Grove's Downtown Tax Incremental District (the "district") conform to generally accepted accounting principles as applicable to governmental units.

The Village of Long Grove uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of the Downtown Tax Incremental District. The accompanying financial statements reflect all the significant operations of the Village of Long Grove's Downtown Tax Incremental District.

A. DESCRIPTION OF FUND STRUCTURE

This report contains the financial information of the Village of Long Grove's Downtown Tax Incremental District. The summary statements were prepared from data recorded in the following:

Special Revenue Fund – Downtown Tax Incremental District

Detailed descriptions of the purpose of this fund can be found in the Village of Long Grove's basic financial statements.

The district was created under the provisions of Illinois Statue Section 65 ILCS 5/11-74.4. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

B. BASIS OF ACCOUNTING

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the village is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

C. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. MEASUREMENT FOCUS

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or nonspendable fund balance. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

E. PROJECT PLAN BUDGET

The estimated revenues and expenditures of the district are adopted in the project plan. Those estimates are for the entire life of the district, and may not be comparable to interim results presented in this report.

F. RECEIVABLES

Property taxes for levy year 2012 attaches as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The tax levy, which attached as an enforceable lien on the property as of January, has been recorded as a receivable as of April 30, 2013.

Tax bills for levy years are prepared by Lake County and issued on or about March 1, and September 1, and are payable in two installments, on or about April 1, and October 1, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2012 property tax levy is recognized as a receivable and deferral in fiscal 2013, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2013, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2012 levy.

G. LONG-TERM DEBT

Short-term debt is recorded as a fund liability. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

H. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE 2 – CASH AND TEMPORARY INVESTMENTS

The district invests its funds in accordance with the provisions of the Illinois Statutes.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The district, as a fund of the village, maintains separate cash and investment accounts at the same financial institutions utilized by the village. Federal depository and National Credit Union Administration insurance applies to the Village of Long Grove as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

NOTE 3 – RESTRICTED ASSETS – RESERVE FUND

The district reports restricted assets in the amount of \$445,002. This balance is to account for resources held in a bank account according to the Tax Compliance Certificate and Agreement dated September 29, 2010. These funds were part of \$4,450,000 limited obligation tax increment revenue bonds issued in 2010. The amount required to be maintained in the reserve fund is specified by the Indenture.

NOTE 4 – REVENUE DEBT

The village has pledged future tax increment and other tax revenues, net of specified operating expenses, to repay \$4,450,000 in limited obligation tax increment revenue bonds issued in September of 2010. Proceeds from the bonds provided financing for the Sunset Grove project. The bonds are payable solely from incremental taxes, business district taxes, and certain sales tax revenues from the property described as the Sunset Grove Property pursuant to the Indenture and by other pledged revenues and are payable through January 1, 2030. Annual principal and interest payments on the bonds are expected to require 38.46% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$8,303,875. Principal and interest paid for the current year and total gross revenues were \$333,750 and \$413,803, respectively.

Revenue debt payable at April 30, 2013, consists of the following:

<i>Revenue Debt</i>					
Revenue Debt	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance April 30, 2013
Limited obligation tax increment revenue bonds, Series 2010	9/29/2010	01/01/2030	7.50%	\$ 4,450,000	\$ 4,450,000
Total Revenue Debt					<u>\$ 4,450,000</u>

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE 4 – REVENUE DEBT (cont.)

Debt service requirements to maturity are as follows:

<u>Years Ended April 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 75,000	\$ 333,750
2015	110,000	328,125
2016	150,000	319,875
2017	120,000	308,625
2018	130,000	299,625
2019 – 2023	1,010,000	1,317,750
2024 – 2028	1,815,000	826,500
2029 – 2030	1,040,000	119,625
Totals	<u>\$ 4,450,000</u>	<u>\$ 3,853,875</u>

NOTE 5 – ADVANCES FROM OTHER FUNDS

Following is a summary of the advances from other funds:

General Fund	\$ 2,690,149
Open Spaces Fund	<u>2,139,601</u>
Total	<u>\$ 4,829,750</u>

The general fund of the village is advancing funds to the district. The amount advanced at April 30, 2013 was \$2,690,149. The advance is the combination of four amounts: 1) \$2,501,205 from funds advanced since the district's inception as authorized on December 8, 2009, the date upon which Ordinance No. 2009-O-44 was approved by the village board. This ordinance provided for the borrowing of up to \$3,000,000 between the general fund and district at a rate of 4% with scheduled principal payments of \$250,000 every December 1, commencing on December 1, 2010 and continuing through December 1, 2021; 2) \$96,426 of interest due on the advance; 3) \$16,102 of arrearage charges applied to the unpaid, scheduled principal and interest payments; and 4) \$76,416 of interest being charged on the portion of the advance prior to December 8, 2009. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception.

The open spaces fund of the village is advancing funds to the district. The advance has been authorized by two Ordinances. Ordinance No. 2009-O-43 provides for the borrowing of up to \$1,500,000 between open spaces and the district, and 2011-O-07 provides for the borrowing of up to \$950,000 between Open Spaces and the district. The rate being charged according to these ordinances is 4%. Scheduled principal payments are required every December 1, commencing December 1, 2010 and continuing through December 1, 2019. The balance between open spaces and the downtown TIF fund consists of: 1) \$2,038,125 from funds advanced since the TIF's inception; 2) \$81,525 of interest due on the advance; and 3) \$19,951 of arrearage charges applied to the unpaid, scheduled principal and interest payments. All interest and arrearage charges are paid current as of April 30, 2013.

**VILLAGE OF LONG GROVE
DOWNTOWN TAX INCREMENTAL DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE 6 – ADVANCES TO OTHER FUNDS

The district has advanced \$548,166 to the Special Service Area Water fund to record amounts that have been paid by the district for costs incurred within the Special Service Area Water fund, which lies within and is a part of the TIF district, for the deep water well construction costs. No interest is being charged.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is of the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The Downtown TIF fund has incurred cumulative costs of \$512,037 through April 30, 2013 for the initial development costs of a project within the TIF district. The village has entered into a Redevelopment Agreement with the developer that requires the developer to reimburse the village for these costs if certain conditions within the agreement are not met. If conditions are met, the village is required to waive specified maximum amounts as stipulated in the agreement.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
THE STATE OF ILLINOIS PUBLIC ACT 85-1142

To the Village Board
Village of Long Grove
Long Grove, Illinois

We have audited the accompanying Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance of the Village of Long Grove, Illinois Downtown Tax Incremental District (the "district") as of and for the year ended April 30, 2013 and have issued our report thereon dated _____, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with tax increment financing laws, regulations, contracts and the project plan is the responsibility of the Village of Long Grove's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Village of Long Grove's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing," noncompliance with which could have a direct and material effect on the determination of the financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

This report is intended solely for the information and use of the Village Board, 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 the specified parties.

Madison, Wisconsin
_____, 2013