

FY 2018
ANNUAL TAX INCREMENT FINANCE
REPORT



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: Lemont Reporting Fiscal Year: **2018**
County: Cook, Will, Dupage Fiscal Year End: **4/30/2018**
Unit Code: 016/310/32

TIF Administrator Contact Information

First Name: George Last Name: Schafer
Address: 418 Main Street Title: Village Administrator
Telephone: 630-257-1590 City: Naperville Zip: 60439
E-mail-
required gschafer@lemont.il.us

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s)
in the City/Village of:
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or
Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

[Signature] 10/22/2018
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
Downtown TIF District	May 28, 1991	December 31, 2015
Downtown Canal District 1	April 18, 2005	
Gateway TIF District	January 19, 2009	
Main/Archer TIF District	January 23, 2017	

*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.]

FY 2018

Name of Redevelopment Project Area (below):	Gateway TIF
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Primary Use of Redevelopment Project Area*: Combination/Mix

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

	Retail/Other Commercial/
If "Combination/Mixed" List Component Types:	Industrial

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"/>

Please utilize the information below to properly label the Attachments.

	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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [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 the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	x	
An 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 attachment I is yes, then Analysis MUST be attached and (labeled Attachment J).	x	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).		x
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, 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 (labeled Attachment L).		x
A list of all intergovernmental agreements in effect 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 the list only, not actual agreements (labeled Attachment M).	x	

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))

Provide an analysis of the special tax allocation fund.

FY 2018

TIF NAME:

Gateway TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (211,322)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 37,933	\$ 292,286	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest		\$ 135	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund \$ 37,933

Cumulative Total Revenues/Cash Receipts \$ 292,421 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 92,988

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements \$ 92,988

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ (55,055)

FUND BALANCE, END OF REPORTING PERIOD* \$ (266,377)

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

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 92,988

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d)

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source

FY 2018

TIF NAME:

Gateway TIF

FUND BALANCE BY SOURCE

\$ (266,377)

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

Taxable GO Bonds (Alternate Revenue Source) Series 2012B	\$ 4,750,000	\$ 4,339,890
Taxable GO Bonds (Alternate Revenue Source) Series 2014B	\$ 960,000	\$ 1,194,750

Total Amount Designated for Obligations

\$ 5,710,000	\$ 5,534,640
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2. Description of Project Costs to be Paid

Gateway Property Acquisition Fund (Due to Waterworks and Sewerage Fund)	\$	423,000
Gateway Property Acquisition Fund (Due to Waterworks and Sewerage Fund)	\$	300,000
Due to Waterworks and Sewerage Fund	\$	250,000

Total Amount Designated for Project Costs

\$ 973,000

TOTAL AMOUNT DESIGNATED

\$ 6,507,640

SURPLUS/(DEFICIT)

\$ (6,774,017)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2018

TIF NAME:

Gateway TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

X

Check here if 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 - 20 ILCS 620/4.7 (7)(F)

FY 2018

TIF Name: Gateway TIF

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	X
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*:

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

Project 2*:

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

Project 3*:

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

Project 4*:

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

Project 5*:

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

Project 6*:

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. ***even though optional MUST be included as part of the complete TIF report**

SECTION 6
FY 2018

TIF NAME: Gateway TIF

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
2009	\$2,752,540	\$2,347,997

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

Check if 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
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

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

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

ATTACHMENT B Certificate of the Chief Executive

I, John Egofske, the duly elected Chief Executive Officer of the Village of Lemont, Counties of Cook, Will, and DuPage, State of Illinois, do hereby certify that to the best of my knowledge, the Village has complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning May 1, 2017 and ending April 30, 2018.



Village President

10/22/2018

Date

LAW OFFICE
KATHLEEN FIELD ORR & ASSOCIATES
53 WEST JACKSON BLVD.
SUITE 964
CHICAGO, ILLINOIS 60604
(312)382-2113
(312)382-2127 facsimile

KATHLEEN FIELD ORR
kfo@kfoassoc.com

October 22, 2018

Susana A. Mendoza, State Comptroller
Office of the State Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601-3252

Dear State Comptroller:

I have acted as Special Counsel for the Village of Lemont, Cook, DuPage and Will Counties, Illinois, in connection with the administration of the Village of Lemon Gateway Redevelopment Project Area.

I have reviewed all information provided to me by the Village Treasurer and the Village Clerk and, to the best of my knowledge and belief, find that the Village has conformed with all of the applicable provisions of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 *et seq.* for the fiscal year ending April 30, 2018.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES



KATHLEEN FIELD ORR

KFO/kms

ATTACHMENT D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan

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

The Village continued the implementation activities of the following redevelopment activities during the reporting Fiscal Year:

- Repayment of debt service associated with outstanding debt; and
- Marketing of opportunities available within the TIF District

ATTACHMENT F Additional Information on Uses of Funds Related to Objectives of the Redevelopment Plan

The Village has outstanding debt obligation relating to this TIF District. The Village continued to apply TIF funds to the outstanding debt obligations and to redevelopment project costs pursuant to the Redevelopment Plan. Such obligations are current.

ATTACHMENT G Contracts

The Village entered into the following contracts

- 1) SB Friedman- TIF Consultant

ATTACHMENT H Reports or Meeting Minutes Submitted by Joint Review Board

No reports were submitted by the Joint Review Board to the Village during this reporting Fiscal Year.

The Joint Review Board met on **March 29, 2018** and the minutes of the meeting are included in the Attachment.

Minutes

JOINT REVIEW BOARD FOR THE VILLAGE OF LEMONT GATEWAY TIF

March 29, 2018

1. Call Meeting to Order
The annual meeting of the Joint Review Board for the Village of Lemont Gateway TIF was called to order at 3:17 p.m. in the Village Board Room of the Lemont Village Hall, 418 Main Street, by Village Administrator George Schafer.

2. Roll Call

Member	Representative
Village of Lemont	George Schafer
County of Cook	Not present
Lemont Township	Not present
Joliet Community College District 525	Rob Galich
Lemont-Bromberek Combined School District 113A	Dr. Courtney Orzel
Lemont Township High School District 210	Dr. Mary Ticknor
Lemont Park District	Karen Perkey
Lemont Public Library District	Not present
Lemont Township Fire Protection District	George Rimbo
Public Member	Randy Earnest

Also present: Kathleen Orr, Kathleen Orr and Associates;
Christina Smith and Jason Berry, Village of Lemont

3. Motion to elect or re-elect Public Member
Chief George Rimbo made a motion to re-elect Randy Earnest as the Public Member. The motion was seconded by George Schafer. The motion carried unanimously.
4. Motion to elect or re-elect Chairperson

Chief George Rimbo made a motion to re-elect George Schafer as the Chairperson. The motion was seconded by Dr. Mary Ticknor. The motion carried unanimously.

5. Minutes for Approval

Chief George Rimbo made a motion to approve minutes of the March 8, 2017 meeting. The motion was seconded by Karen Perkey. The motion carried unanimously.

6. Discussion and review of the 2017 annual report for the Gateway TIF redevelopment project area submitted to the Office of the Illinois Comptroller and distributed to all affected taxing districts pursuant to 65 ILCS 5/11-74.5-5(d) as to the effectiveness and status of the redevelopment project area

7. Public Comment

None

8. Adjournment

With no further discussion, Rob Galich made a motion to adjourn. The motion was seconded by Chief George Rimbo. The motion carried by a voice vote of the JRB members present. Mr. Schafer adjourned the meeting at 3:24 pm.

VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT AND
COMPLIANCE REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2018

VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND
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AS OF AND FOR THE YEAR ENDED APRIL 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Lemont Gateway Tax Increment Financing Fund as of and for the year ended April 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

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 Lemont Gateway Tax Increment Financing Fund'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 Lemont Gateway Tax Increment Financing Fund'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 Honorable Mayor and Board of Trustees
Village of Lemont

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Lemont Gateway Tax Increment Financing Fund as of April 30, 2018, and the changes in financial position 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 Village of Lemont Gateway Tax Increment Financing Fund and do not purport to, and do not, present fairly the financial position of the Village of Lemont, as of April 30, 2018, and the changes in financial position, or 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

Required Supplementary Information

Management has omitted the 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.

Report on Other Legal and Regulatory Requirements

We have also issued a report dated October 18, 2018, on our consideration of the Village of Lemont Gateway Tax Increment Financing Fund's compliance with laws, regulations, contracts and grants.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
October 18, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

The Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

We have audited the financial statements of the Village of Lemont Gateway Tax Increment Financing Fund, as of and for the year ended April 30, 2018 and have issued our report thereon dated October 18, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Lemont failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village of Lemont's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Board of Trustees, management, the State of Illinois, and others within the Village of Lemont and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Veitchau Krause, LLP

Oak Brook, Illinois
October 18, 2018

VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND
BALANCE SHEET
AS OF APRIL 30, 2018

Assets:

Property taxes receivable	\$ 18,398
Total assets	<u>\$ 18,398</u>

Liabilities and Fund Balance (Deficit)

Liabilities:

Due to other funds	\$ 266,377
Total liabilities	<u>266,377</u>

Deferred Inflows of Resources:

Property taxes levied for future periods	<u>18,398</u>
Total deferred inflows of resources	<u>18,398</u>
Total liabilities	<u>284,775</u>

Fund Balance (Deficit):

Unassigned	<u>(266,377)</u>
Total fund balance (deficit)	<u>(266,377)</u>
Total liabilities and fund balance (deficit)	<u>\$ 18,398</u>

VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2018

Revenues:

Total revenues	\$ <u>37,933</u>
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Expenditures:

Current:

General government	<u>13,028</u>
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Debt service:

Interest and fees	<u>79,960</u>
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Total expenditures	<u>92,988</u>
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Net change in fund balance	(55,055)
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Fund balance (deficit), beginning of year	<u>(211,322)</u>
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Fund balance (deficit), end of year	<u>\$ (266,377)</u>
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VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gateway Tax Increment Financing Fund of the Village of Lemont, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The financial statements present only the Gateway Tax Increment Financing Fund and do not purport to, and do not, present fairly, the financial position of the Village of Lemont.

Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With the measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Village recognizes property taxes when they become both measurable and available and for the period intended to finance. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes and investment income.

VILLAGE OF LEMONT
GATEWAY TAX INCREMENT FINANCING FUND
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by enabling legislation or an outside party. Committed fund balance is a limitation imposed by the Village board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the Village board. The Gateway Tax Increment Financing Fund does not report any assigned fund balances. A negative unassigned fund balance represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – CASH AND INVESTMENTS

Permitted Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety, liquidity, and yield.

At April 30, 2018, the total cash and investments of the Fund is \$0.

NOTE 3 – DUE TO OTHER FUNDS

Due to other funds represents a short term interfund loan from the Village's Water & Sewerage Fund to cover a cash deficit.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

The Honorable Mayor and Board of Trustees
Village of Lemont, Illinois

We have audited the financial statements of the Village of Lemont Gateway Tax Increment Financing Fund, as of and for the year ended April 30, 2018 and have issued our report thereon dated October 18, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Lemont failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village of Lemont's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Board of Trustees, management, the State of Illinois, and others within the Village of Lemont and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Veitchau Krause, LLP

Oak Brook, Illinois
October 18, 2018