



Village of Vernon Hills
290 Evergreen Drive, Vernon Hills, IL 60061
www.vernonhills.org

TAX INCREMENT FINANCING DISTRICT
ANNUAL MEETING OF THE JOINT REVIEW BOARD

TUESDAY, OCTOBER 17, 2017
5:00 PM

VILLAGE BOARD ROOM
290 EVERGREEN DRIVE
VERNON HILLS, IL 60061

-
- I. CALL TO ORDER BY CHAIRPERSON ROGER BYRNE, VILLAGE PRESIDENT,
VILLAGE OF VERNON HILLS REPRESENTATIVE
 - II. ROLL CALL MEMBERS
 - Mayor Roger L. Byrne, Village of Vernon Hills
 - John M. Kalmar, Village Manager
 - Nikki Larson, Finance Director
 - Pat Brankin/Village Attorney
 - Lincolnshire Prairieview School District 103
 - Adlai Stevenson High School District 125
 - College of Lake County District 532
 - Vernon Hills Park District
 - Vernon Area Public Library
 - Lincolnshire/Riverwoods Fire Protection District
 - County Administrator Lake County
 - Lake County Forest Preserve District
 - Central Lake County Joint Action Water Agency
 - Dept of Commerce & Economic Development
 - Member of the Public
 - Vernon Township
 - III. ANNUAL REVIEW OF PERFORMANCE
 - IV. APPROVAL OF MINUTES OF OCTOBER 18, 2016
 - V. ADJOURNMENT

To: Members of the Joint Review Board (JRB)

From: Joe Carey - Assistant Village Manager
Nikki Larson - Finance Director

Date: October 13, 2017

Re: Annual Meeting for Route 45/21 TIF Redevelopment Area

The JRB is required to meet once annually to review the status of the TIF and the Village's activities within the TIF District during the previous budget year that runs from May 1, 2016 to April 30, 2017. In completing this update, the JRB is not asked to take any action nor certify that the Village's activities are in compliance with the TIF Redevelopment Act. Instead, the meeting acts as a forum to allow the various taxing districts affected by the TIF the opportunity to receive an update on activities; ask questions on matters related to the TIF and review the Annual Tax Increment Finance Report submitted to State Comptroller's office. This report requires that the Village provide details on all TIF revenue received and all expenditures made including, but not limited to, the costs for consultants, land acquisition, environmental remediation, financing, relocation, job training, etc. The TIF expires in 2025.

Activity Update

- Lexington Homes completed construction of the 27 unbuilt townhomes during the subject period.
- Taxman Corporation received approval to construct the remaining unbuilt multi-family building and intended to increase the density from 66 to 80 units. No construction timeline was provided.
- Taxman Corporation sold the Commons 85 unit mixed use building to Inland Real Estate Group for \$23 million.

TIF Financial Report

I have forwarded a copy of the Financial and Compliance Report prepared by Sikich LLP for the Fiscal Year ending on April 30, 2017. Finance Director Nikki Larson will provide a brief discussion on the financial information at the meeting.

Thank you in advance for your assistance in completing our annual review of this project.

I look forward to seeing you on Tuesday, October 17 at 5:00 p.m. in the Board meeting room of Village Hall.

If you have questions prior to the meeting, please call me at 847-918-3540 or email me at joec@vhills.org.



VILLAGE OF VERNON HILLS, ILLINOIS

**TOWN CENTER REDEVELOPMENT FOR THE
NW & SW CORNER OF ROUTE 45/24
TAX INCREMENT FINANCING DISTRICT**

**REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142**

For the Year Ended
April 30, 2017



VILLAGE OF VERNON HILLS, ILLINOIS
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630.566.8400 // www.sikich.com

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Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Vernon Hills, Illinois

We have examined management of the Village of Vernon Hill's (the Village) assertion that the Village 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) included in its Report on Compliance with Public Act 85-1142 dated October 3, 2017 during the year ended April 30, 2017. The Village's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Village's compliance with the specific requirements.

In our opinion, management's assertion that the Village of Vernon Hills complied with the aforementioned requirements, included in the Report on Compliance with Public Act 85-1142 for the year ended April 30, 2017 is fairly stated, in all material respects.

This report is intended solely for the information and use of the President, Member of the Board of Trustees, and management of the Village of Vernon Hills and is not intended to be, and should not be, used by anyone other than the specified parties.

Sikich LLP

Naperville, Illinois
October 3, 2017



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Naperville, Illinois 60563

Certified Public Accountants & Advisors
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable President
Members of the Board of Trustees
Village of Vernon Hills, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Village of Vernon Hills, Illinois as of and for the year ended April 30, 2017, which collectively comprise the basic financial statements of the Village of Vernon Hills, Illinois, and have issued our report thereon dated October 3, 2017, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
October 3, 2017

SUPPLEMENTARY INFORMATION

VILLAGE OF VERNON HILLS, ILLINOIS

BALANCE SHEET

TOWN CENTER REDEVELOPMENT FOR
THE NW & SW CORNER OF ROUTE 45/21
TAX INCREMENT FINANCING DISTRICT

April 30, 2017

ASSETS	
Cash and cash equivalents	\$ 668,444
Receivables	
Accrued interest	<u>2,051</u>
TOTAL ASSETS	<u><u>\$ 670,495</u></u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Due to other funds	<u>\$ 670,000</u>
Total liabilities	<u>670,000</u>
FUND BALANCE (DEFICIT)	
Unassigned	<u>495</u>
Total fund balance	<u>495</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 670,495</u></u>

VILLAGE OF VERNON HILLS, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

**TOWN CENTER REDEVELOPMENT FOR
THE NW & SW CORNER OF ROUTE 45/21
TAX INCREMENT FINANCING DISTRICT**

For the Year Ended April 30, 2017

REVENUES

Taxes	
Tax increment financing	\$ 1,216,865
Investment income	<u>4,421</u>
Total revenues	<u>1,221,286</u>

EXPENDITURES

Debt service	
Principal	875,000
Interest and fiscal charges	<u>313,682</u>
Total expenditures	<u>1,188,682</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>32,604</u>
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OTHER FINANCING SOURCES (USES)

Transfers in	<u>121,680</u>
Total other financing sources (uses)	<u>121,680</u>

NET CHANGE IN FUND BALANCE	154,284
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FUND BALANCE (DEFICIT), MAY 1	<u>(153,789)</u>
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FUND BALANCE, APRIL 30	<u>\$ 495</u>
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**Meeting of the Joint Review Board Minutes
Tuesday, October 18, 2016**

I. Call to Order and Roll Call

Assistant Village Manager Carey called to order the Meeting of the Joint Review Board at 5:03 PM.

II. Roll Call of Tax District Members

Present:

Roger L. Byrne, Village President Village of Vernon Hills
Jeff Fougerousse, Vernon Hills Park District
Sean Carney, Adlai Stevenson High School District 125
Richard Chiarello, Member of the Public, Resident
Pat Brankin, Village Attorney

Absent:

Vernon Area Public Library
Central Lake County Joint Action Water Agency
Vernon Township
College of Lake County District 532
Lincolnshire/Riverwoods Fire Protection District
Lake County
Lake County Forest Preserve District
Department of Commerce & Economic Development
Lincolnshire Prairieview School District 103

Staff Members:

John M. Kalmar, Village Manager, Village of Vernon Hills
Joseph T. Carey, Assistant Village Manager
Nikki Larson, Director of Finance
Brian Bourdeau, Assistant to the Director of Finance

III. Annual Review of Performance

Assistant Village Manager Joseph Carey indicated the JRB is required to meet once annually to review the status of the TIF and the Village's activities within the TIF District during the previous budget year that runs from May 1, 2015 to April 30, 2016. In completing this update, the JRB is not asked to take any action nor certify that the Village's activities are in compliance with the TIF Redevelopment Act. Instead, the meeting acts as a forum to allow the various taxing districts affected by the TIF the opportunity to receive an update on activities; question the Village on matters related to the TIF and review the Annual Tax Increment Finance Report submitted to State Comptroller office. This report requires that the Village provide details on all TIF revenue received and all expenditures made including but not limited to the costs for consultants, land acquisition, environmental remediation, financing, relocation, job training, etc. The TIF expires in 2025.

VHTC, LLC was the initial developer of the mixed use commercial portion of the property located at the corner of Milwaukee Avenue and Route 45. This year Lexington Homes began construction of the 27 un-built townhomes during the subject period. Taxman Corporation is working towards constructing the remaining un-built multifamily building and intends to increase the density from 66 to 85 units.

Finance Director Larson provided an overview of the Financial and Compliance Report for the year ending April 30, 2016. She indicated that the Village changed auditors from last year and the report may appear different. She indicated the most of the financial activity can be seen in the Statement of Revenue expenditures and the change in fund balance on page 4 of the report. The fund balance started out at \$646,000 and generated \$1,200,000 in tax increment revenues and \$754,000 was expended for debt services. The Village provided its 10% match of \$122,000 which is reflected as a transfer in. The bonds currently have 5.5% to 6.25 % average coupon and quite a few covenants as to the cash we are required keep on hand and being replaced by a general obligation bonds under the interest rate of less than 2%. As a result of the refunding to TIF Fund experienced a loss due to the cost of refinancing which is only expected in this current year because of the refinancing. With the new interest rates and ongoing construction on the site, the Village is anticipating that the Village will break even now and possible generate surpluses going forward.

IV. Approval of Minutes of the October 20, 2015 Meeting

On a motion by Sean Carney and seconded by Jeff Fougrousse, the Joint Review Board voted 4-0 to approve the Minutes of the October 20, 2015 Joint Review Board.

V. Adjournment

On a motion by Jeff Fougrousse and seconded by Rich Chiarello, the Joint Review Board voted 4-0 to adjourn the meeting.

Meeting adjourned at 5:10 PM.

Respectfully submitted

Joseph T. Carey
Assistant Village Manager

Distribution:

Village President and Trustees
Village Clerk
Village Manager
Assistant to the Village Manager
Department Heads
Village Attorney
JRB Members

Approval Date

Chairperson