

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2019**

Name of Redevelopment Project Area (below):
TIF #5 Chicago Road

Primary Use of Redevelopment Project Area*: Comm, Retail

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

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

Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):

Tax Increment Allocation Redevelopment Act X

Industrial Jobs Recovery Law

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 <u>submitted to</u> the municipality <u>by</u> 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 2019

TIF #5 Chicago Road

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 76,813

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	\$ 104,956	\$ 183,929	100%
State Sales Tax Increment	\$ -	\$ -	0%
Local Sales Tax Increment	\$ -	\$ -	0%
State Utility Tax Increment	\$ -	\$ -	0%
Local Utility Tax Increment	\$ -	\$ -	0%
Interest			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 \$ 104,956

Cumulative Total Revenues/Cash Receipts \$ 183,929 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,627

Transfers to Municipal Sources \$ -

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 1,627

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 103,329

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 180,142

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

Previous Year Explanation:

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))

FY 2019

TIF NAME:

TIF #5 Chicago Road

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

PAGE 1

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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
General Government Professional Services	1,627	
		\$ 1,627
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of the construction of public works or improvements.		
		\$ -

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		\$ 1,627
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SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2019

TIF NAME:

TIF #5 Chicago Road

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 2019

TIF Name: TIF #5 Chicago Road

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
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2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	

LIST ALL 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*:

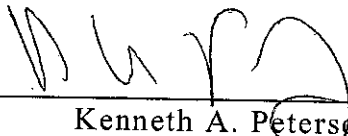
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

CERTIFICATION OF THE VILLAGE OF STEGER, COUNTIES OF COOK AND WILL,
STATE OF ILLINOIS

REGARDING

COMPLIANCE WITH TAX INCREMENT ALLOCATION REDEVELOPMENT ACT
DURING THE FISCAL YEAR ENDING DECEMBER 31, 2019
CHICAGO ROAD TIF DISTRICT #5

I, Kenneth A. Peterson Jr., President and Chief Executive Officer of the Village of Steger, Counties of Cook and Will, State of Illinois (the "Village) do hereby certify that to the best of my knowledge and belief, which is based solely on information provided to me by Village employees and consultants with responsibility for preparing the annual report required by the Illinois Tax Increment Redevelopment Allocation Act (the "Act") during the fiscal year beginning January 1, 2019 and ending December 31, 2019.



Kenneth A. Peterson, Jr.
Village President and CEO

4-22, 2021

April 27, 2021

**SUBJECT: Attorney Review for TIF Compliance, Village of Steger - TIF District No. 5 -
Chicago Road**

To Whom It May Concern:

This will confirm that we are the Village Attorneys for the Village of Steger, Illinois. We have reviewed all information provided to us by the Village staff and consultants, and we find that the Village of Steger has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year ending December 31, 2019, to the best of our knowledge and belief.

Sincerely,


DEL GALDO LAW GROUP, LLC

Village Attorney

Village of Steger - Chicago Road TIF District #5

Fiscal Year Ending December 31, 2019

Village of Steger, Illinois

Will Tax Increment Financing District #3
Capital Projects Fund
Report on Compliance With Public Act 85-1142
December 31, 2019



Independent Auditor's Report

Independent Auditor's Report

Honorable President
and Board of Trustees
Village of Steger, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Village of Steger Will Tax Increment Financing District #3 Fund as of and for the year ended December 31, 2019, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 opinions on the effectiveness of the entity'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 opinions.

Honorable President
and Board of Trustees
Village of Steger, Illinois
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Steger Will Tax Increment Financing District #3 Fund as of December 31, 2019, 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 each major fund of the Village of Steger Will Tax Increment Financing District #3 Fund and do not purport to, and do not, present fairly the financial position of the Village of Steger, Illinois as of December 31, 2019, 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 opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Report on Other Legal and Regulatory Requirements

We have also issued our report dated October 12, 2020, on our tests of its compliance with Illinois State Statutes. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

BKD, LLP

Oakbrook Terrace, Illinois
October 12, 2020

Village of Steger, Illinois
Will Tax Increment Financing District #3
Balance Sheet
December 31, 2019

Assets

Cash and investments	\$ 180,742
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Liabilities and Fund Balance

Liabilities

Due to other funds	\$ 600
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Fund Balance

Restricted	
Economic development	180,142

Total liabilities and fund balance	\$ 180,742
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Village of Steger, Illinois
Will Tax Increment Financing District #3
Schedule of Revenues, Expenditures and Change in Fund Balance –
Budget and Actual
Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	\$ 61,000	\$ 104,956	\$ 43,956
Expenditures			
General government - professional services	55,000	1,627	(53,373)
Net Change in Fund Balance	\$ 6,000	103,329	\$ 97,329
Fund Balance, Beginning of Year		76,813	
Fund Balance, End of Year		\$ 180,142	

Village of Steger, Illinois
Will Tax Increment Financing District #3
Notes to Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the TIF District's Capital Projects Fund (TIF Fund), for which the Village of Steger, Illinois (Village) board has oversight responsibility, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the TIF Fund.

Reporting Entity

The accompanying financial statements include the accounts of the TIF District's Capital Projects Fund for which the Village of Steger, Illinois board has oversight responsibility and are not intended to present fairly the financial position and results of operations of the Village as a whole.

The TIF Fund was established to account for transactions related to various capital projects within the municipality's boundaries established by Village ordinance. The Village intends to fund various expenditures of the projects and retire any debt issued for the project through property tax incremental revenue.

Accounting and Reporting Principles

The TIF Fund follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Fund Accounting

The Village accounts for its various TIF Fund activities as capital projects funds in order to demonstrate accountability for how it has spent certain resources. The TIF Fund is classified as a governmental fund, which includes activities that provide general governmental services that are not business-type activities.

Capital Project Funds are used to account for the proceeds of specific revenue sources (property tax incremental revenue) that are legally restricted to expenditures for specified capital projects.

Basis of Accounting

The Village funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future.

Village of Steger, Illinois
Will Tax Increment Financing District #3
Notes to Financial Statements
December 31, 2019

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Village considers amounts collected within 60 days of year end to be available for recognition. The following major revenue source meets the availability criterion: property taxes associated with the current fiscal year.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired.

Fund Balance Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property Tax Revenue

Property taxes attach as an enforceable lien on January 1 of the levy year. They are levied in December (by passage of a tax levy ordinance). Tax bills are prepared by Will County as follows: issued on or about May 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically to the Village.

Property taxes receivable (net of allowance for uncollectible amounts based on prior history) are recorded at the time of the enforceable lien. The 2018 levy was recorded as revenue in 2019.

The Village does not record a receivable for property taxes related to the tax increment financing (TIF) districts. Due to the nature of TIF revenue, the Village does not levy a direct tax upon the districts. Instead, the property taxes are based solely upon the incremental increase in the property value, utilizing the tax rates of all the taxing bodies whose boundaries encompass the districts. As such, the Village cannot reasonably estimate the receivable and records the revenue on the cash basis.

Village of Steger, Illinois
Will Tax Increment Financing District #3
Notes to Financial Statements
December 31, 2019

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the year. Actual results could differ from those estimates.

Note 2: Deposits and Investments

State statutes and the Village's investment policy authorize the Village to make deposits/ investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury, GNMA's, Federal Home Loan Bank, bank-managed money market funds, Illinois Funds and the Illinois Metropolitan Investment Fund.

Funds' Deposits

At year end, the carrying amount of the TIF Fund deposits as well as the bank balance totaled \$180,742.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the TIF Fund's deposits may not be returned to it. As of December 31, 2019, the TIF Fund's deposits were either FDIC insured or were collateralized with securities held by an independent third-party institution and pledged to the Village.

Note 3: Tax Increment Revenue Pledged

The Village has entered into redevelopment agreements with multiple developers of various projects within the Village's TIF districts. The agreements provide for the capture by the Village of incremental taxes from the properties for a period not to extend beyond December 31st of the year following the twenty-third (23rd) year from the date of designation of the Redevelopment Project Area. The incremental taxes so captured by the Village shall be utilized as described in the Redevelopment Agreement, including pledges to repay TIF obligations. The Village is liable only to the extent that the Village receives such incremental property taxes.

On March 2, 1998, the Village issued a \$337,272 Junior Lien Tax Increment Revenue Note, Series 1998-A. The note matured November 15, 2017, and accrues interest at 15% until principal is paid. Payments are due November 15 annually to the extent that incremental taxes are on

Village of Steger, Illinois
Will Tax Increment Financing District #3
Notes to Financial Statements
December 31, 2019

deposit with the Village. The full amount of principal on the note was outstanding at December 31, 2019. The Senior Lien bonds associated with this note were paid off in 2017.

On November 15, 2006, the Village issued \$496,609 of Senior Lien Tax Increment Revenue (Capital Appreciation) Bonds, Series 2006. The remaining outstanding bonds totaling \$349,763 at December 31, 2019, are to be retired in annual installments ranging from \$65,000 to \$300,000, beginning November 15, 2018 through November 15, 2026. Interest is payable semiannually and is added to the principal balance due 10%. The bonds are payable from the Cook TIF 2 Fund.

On November 15, 2006, the Village also issued a \$66,000 Junior Lien Tax Increment Revenue Note, Series 2006-A. The note matures November 15, 2026, and accrues interest at 13% until principal is paid. Payments are due November 15 annually to the extent that incremental taxes are on deposit with the Village. The full amount of principal on the note was outstanding at December 31, 2019.

Both the 1998 and 2006 Junior Lien Notes are subordinate to their respective senior lien bonds. The senior and junior liens are each payable from the same incremental revenues generated by their respective redevelopment areas. Since the amount of those taxes is uncertain, with payments on the junior lien notes delayed until sufficient net incremental property taxes have been collected, no repayment schedule has been calculated for the junior lien notes. The order of payment on both junior lien notes from all available monies shall be as follows:

- (a) To pay for previously accrued interest on the Junior Lien Note
- (b) To pay for current interest on the Junior Lien Note
- (c) To pay mandatory redemption of principal on the Junior Lien Note

The Village also has two notes with developers to reimburse them for approved redevelopment costs. The first was entered into in 2005 for a maximum amount of \$1,104,172, and the second in 2011 for a maximum amount of \$70,000. The second note was paid in full 2019. Both notes provide annual payments of 75% of incremental taxes from the redevelopment area. Remaining balance due at December 31, 2019, was \$458,542. Since the amount of incremental taxes is uncertain, no repayment schedule has been calculated for these notes.

Note 4: Tax Incentives and Abatements

As of December 31, 2019, the Village of Steger, Illinois provides tax incentives under the *Tax Increment Allocation Redevelopment Act*. The Village uses the Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1 to, among other things, finance infrastructure redevelopment projects that retain, expand and create employment opportunities within the Village's TIF districts; increase industry and commerce within the State of Illinois; increase the tax base and eradicate potentially blighting conditions through the use of tax increment allocation financing for economic redevelopment. Under the TIF program, the Village authorizes incentives through passage of public ordinances based upon each business' investment criteria, and through a

Village of Steger, Illinois
Will Tax Increment Financing District #3
Notes to Financial Statements
December 31, 2019

contractual redevelopment agreement with each business, including, among other things, a proposed TIF budget outlining the project and proof that the project and improvements have been made. Parcels located within a TIF District receive a property tax bill as well as any normal increase in the property tax bill; however, the increase or increment from the time the TIF is adopted and certified comes back to the Village to be used within the TIF District for the TIF-eligible costs, some of which are described above. A portion of the agreed-upon amount of increment is rebated to the developer for the TIF-eligible costs in accordance with the signed and adopted Redevelopment Agreement. For the year ended December 31, 2019, the Village's property tax revenue was not reduced but was segregated by virtue of the TIF base value and the incremental property taxes collected. Payouts made by the Village under these programs for Will County TIF District #3 totaled \$1,627 for the year ended December 31, 2019.

Independent Auditor's Report on Compliance



Independent Auditor's Report on Compliance

Honorable President
and Board of Trustees
Village of Steger, Illinois

We have audited the basic financial statements of the Village of Steger, Illinois for the year ended December 31, 2019, and have issued our report thereon, dated October 12, 2020.

We have also audited the Village's compliance with the provisions of subsection (q) of Section 11-74.4-5 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for the Will Tax Increment Financing District #3. The management of the Village of Steger, Illinois is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

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 Village complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the Village of Steger, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Village of Steger, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-5 of the *Illinois Tax Increment Redevelopment Allocation Act* (Illinois Public Act 85-1142) for the Will Tax Increment Financing District #3.

BKD, LLP

Oakbrook Terrace, Illinois
October 12, 2020