

**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):	
Forest Hills Road TIF	
Primary Use of Redevelopment Project Area*: Combination/Mixed	

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

	Industrial and Commercial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	<u> X </u>
Industrial Jobs Recovery Law	<u> </u>

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 <u>MUST</u> 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

Forest Hills Road TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (5,018)

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	\$ 92,381	\$ 119,076	96%
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	\$ 4,590	\$ 5,018	4%
Private Sources	\$ -	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

All Amount Deposited in Special Tax Allocation Fund \$ 96,972

Cumulative Total Revenues/Cash Receipts \$ 124,094 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 25,401

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 25,401

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 71,571

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 66,553

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

Previous Year Explanation:

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:

Forest Hills Road 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 2019

TIF Name: Forest Hills Road 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.	
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The total number of ALL activities undertaken in furtherance of the objectives of the redevelopment plan:	1

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)	\$ 5,077,037	\$ -	\$ -
Public Investment Undertaken	\$ 22,311	\$ 73,322	\$ -
Ratio of Private/Public Investment	227 19/34		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: DYN/Kishwaukee LLC

Private Investment Undertaken (See Instructions)	\$ 5,077,037		
Public Investment Undertaken	\$ 22,311	\$ 73,322	
Ratio of Private/Public Investment	227 19/34		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



— GREGORY R. JURY, MAYOR —

December 10, 2019

Office of the Comptroller
Local Government Division
100 W. Randolph, Suite 15-500
Chicago, IL 60601

Re: City of Loves Park Annual TIF Report, Unit Code: 101/020/30
Forest Hill Road TIF

Please accept this letter as my confirmation that the City of Loves Park was, to the best of my knowledge, in compliance with all Tax Increment Financing (TIF) laws as of April 30, 2019.

Sincerely,

A handwritten signature in black ink that reads "Gregory R. Jury".

Mayor Gregory R. Jury
City of Loves Park



6735 Vistagreen Way, Suite 210
Rockford, Illinois 61107-5643
www.galluzzolawgroup.com
815-265-6464

December 20, 2019

Illinois Office of the Comptroller
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601

*Re: Opinion of Counsel, City of Loves Park – Fiscal Year 2019
Forest Hills Road TIF*

To Whom It May Concern:

I, Gino Galluzzo, do hereby certify that I am duly qualified and acting Attorney of the City of Loves Park, Illinois, and as City Attorney, I am of the opinion, based on information furnished to me by the Treasurer's Office of the City, that the City has complied with the legal requirements of the Tax Increment Allocation Redevelopment Act during the fiscal year beginning May 1, 2018 and ending April 30, 2019, with regards to the Forest Hills Road TIF.

Sincerely,

GALLUZZO LAW GROUP, LLC

A handwritten signature in blue ink, appearing to read "Gino Galluzzo", is written over the typed name.

Gino Galluzzo
(815) 265-6142
ggalluzzo@galluzzolawgroup.com

Attachment D

Forest Hills TIF

- Two additional businesses have located in the newly built office spaces at 1521 E. Riverside Blvd.
- The City has entered into a redevelopment agreement with Batteries Plus for improvements to the building and parking lot. In a separate agreement, but associated with the parking lot improvements for Batteries Plus; the City has entered into a redevelopment agreement with Collier for improvements to a portion of an ingress/egress easement that serves multiple adjacent businesses. The easement is located directly West of Batteries Plus.

Attachment F

The financial statements for the City of Loves Park -Forest Hills Road TIF also include reporting for the Forest Hills Business District Overlay that is located within the Forest Hills Business District.

The funds for the Forest Hills TIF are held separately from the funds for the Forest Hills Business District, but they are accounted for in our financial statements in a common special revenue fund called the Forest Hills TIF Fund.

The fiscal year 2019 separated financial information is as follows:

Forest Hills TIF	Forest Hills Business District		Total for Both Types
Assets:			
Cash and Cash equivalents	\$ 27,336.14	\$ 101,495.17	\$ 128,831.31
Property Taxes receivable	\$ 130,962.48	\$ 22,580.58	\$ 153,543.06
Land held for resale			\$ -
Total Assets:	\$ 158,298.62	\$ 124,075.75	\$ 282,374.37
Liabilities:			
Accounts Payable	\$ -		\$ -
Due to other funds	\$ 17,115.73		\$ 17,115.73
Unearned revenue	\$ 74,630.10	\$ 6,802.87	\$ 81,432.97
Total Liabilities:	\$ 91,745.83	\$ 6,802.87	\$ 98,548.70
Fund balance:			
Total fund balance:	\$ 66,552.79	\$ 117,272.88	\$ 183,825.67
Total liabilities and fund balance:	\$ 158,298.62	\$ 124,075.75	\$ 282,374.37
Forest Hills TIF			
Revenues:			
Special assessment tax	\$ 92,381.06		\$ 92,381.06
Sales tax		\$ 69,106.33	\$ 69,106.33
Interest			\$ -
Other (City 10% contribution)	\$ 4,590.49		\$ 4,590.49
Total Revenues:	\$ 96,971.55	\$ 69,106.33	\$ 166,077.88
Expenditures:			
General Government	\$ (3,090.00)	\$ -	\$ (3,090.00)
RDA Payments	\$ (22,310.88)		\$ (22,310.88)
Business District Rebate Agreement		\$ (18,883.41)	\$ (18,883.41)
Total expenditures:	\$ (25,400.88)	\$ (18,883.41)	\$ (44,284.29)
Excess of revenues over (under) expenditures	\$ 71,570.67	\$ 50,222.92	\$ 121,793.59
Other financing sources(uses):			
Transfers in(out)			\$ -
Net change in fund balances			\$ -
Fund balances:			
Beginning	\$ (5,018.18)	\$ 67,050.45	\$ 62,032.27
Ending	\$ 66,552.49	\$ 117,273.37	\$ 183,825.86

**Minutes of the Joint Review Board Meeting
Tax Increment Financing (TIF) District
Forest Hills TIF
February 27, 2019, 2:10 P.M., Loves Park City Hall**

Present: Tim Bragg – Rockford Park District, Joshua Aurand – Harlem School District, Ken Crowley – Rockford Township, Mary M. Petro – North Suburban Library District, Beth Young -Rock Valley College, Chris Dornbush- Winnebago County

Mayor Jury called the meeting to order at 2:10 P.M. and announced that public member Steve Howlett is unable to attend the Annual meeting, but will be the representative for next year.

Motion to approve the Minutes of the April 17, 2018 Meeting by Chris Dornbush, second by Beth Young. Motion carried.

Planning Director Nathan Bruck had no report.

City Treasurer John Danielson presented the Annual Report Overview of the Joint Review Board – Forest Hills TIF

**Joint Review Board – Forest Hills Road TIF– February 27, 2019
Treasurer’s Report**

The TIF reporting period is May 1, 2017 – April 30, 2018.

The beginning cash balance on May 1, 2017 in the Forest Hills TIF Account was \$1,865.78 and the ending cash balance on April 30, 2018 was \$3,742.16.

Reporting on a cash basis:

Revenues received into the fund totaled \$1,876.38 in increment.

Cash basis expenditures during the reporting period totaled \$0.00

The TIF report filed with the State of Illinois is based on the City of Loves Park audited financial statements for the year and therefore reports revenues and expenditures on a modified accrual basis.

Audited revenues reported for this reporting period were \$23,623.00 in increment and \$241.00 for the required 10% City contribution to the TIF.

Audited expenditures reported for this reporting period were \$10,098.00.

Reported expenditures included payments to:

-- Nicolosi-Galluzzo: \$10,098.00 for legal work related to Forest Hills TIF.

These expenditures totaling \$10,098.00 were paid by the General Fund and will be reimbursed from the TIF to the General Fund in a future period.

The fund balance at the end of the reporting period was (\$5,018.00)

The total amount designated for debt obligations and project costs at the end of the reporting period was: \$3,000,000.00. These obligations are as a result of the redevelopment agreement negotiated with DYN Kishwaukee, LLC for the property at 1500/1502 E. Riverside Blvd.

There was not a surplus available at the end of the reporting period.

The balance in the TIF checking account at February 26, 2019 was \$27,336.14.

City Attorney Gino Galluzzo reported no legal issues, and the re-purposing of the K-Mart building.

Motion by Chris Dornbush, second by Beth Young to adjourn. Motion carried.

Meeting adjourned at 2:13 P.M.

Minutes by Robert J. Burden, City Clerk

CITY OF LOVES PARK, ILLINOIS
 Combining Balance Sheet
Nonmajor Governmental Funds
 April 30, 2019

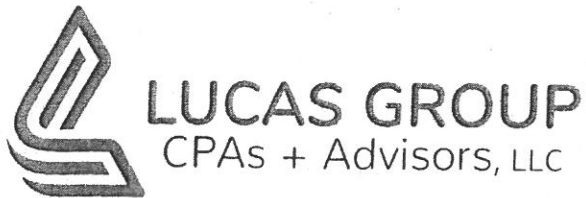
	Special Revenue						Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Bridge Operating Fund	Economic Development Revolving Loan Fund	Spring Creek Lakes TIF Fund	North 2nd Street TIF Fund	Loves Park Corporate Center TIF Fund	Forest Hills TIF Fund	Flood Control CIP Fund	Bridge Trust Fund		
Assets:										
Cash and cash equivalents	\$ 100,471	118,025	29,299	269,673	471,936	128,831	-	6,197	1,124,432	
Investments	-	-	-	-	-	-	-	290,074	290,074	
Receivables	-	-	-	-	-	-	-	-	-	
Taxes	-	-	321,236	139,287	229,276	153,543	-	-	843,342	
Notes	-	353,339	-	-	-	-	-	-	353,339	
Due from other funds	-	-	-	-	-	-	600	-	600	
Land held for resale	-	-	-	187,967	-	-	-	-	187,967	
Restricted assets:										
Escrow account	-	-	-	-	-	-	199,294	-	199,294	
Total assets	<u>100,471</u>	<u>471,364</u>	<u>350,535</u>	<u>596,927</u>	<u>701,212</u>	<u>282,374</u>	<u>199,894</u>	<u>296,271</u>	<u>2,999,048</u>	
Liabilities:										
Accounts payable	-	-	-	-	-	-	-	-	-	
Due to other funds	-	-	169,469	383,389	148,033	17,116	-	-	718,007	
Due to other governments	-	-	-	-	-	-	199,894	-	199,894	
Total liabilities	-	-	169,469	383,389	148,033	17,116	199,894	-	917,901	
Deferred Inflows of Resources:										
Sales taxes	-	-	-	4,589	-	6,803	-	-	11,392	
TIF increment	-	-	157,069	60,119	114,616	74,630	-	-	406,434	
Total liabilities and deferred inflows of resources	-	-	326,538	448,097	262,649	98,549	199,894	-	1,335,727	
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	
Long-term portion of Notes Receivable	-	237,885	-	-	-	-	-	-	237,885	
Bridge improvements	-	-	-	-	-	-	-	296,271	296,271	
Restricted	-	-	-	-	-	-	-	-	-	
Special revenue funds	100,471	-	23,997	148,830	438,563	183,825	-	-	895,686	
Committed	-	-	-	-	-	-	-	-	-	
Economic Development Revolving Loan Fund	-	233,479	-	-	-	-	-	-	233,479	
Total fund balance	<u>100,471</u>	<u>471,364</u>	<u>23,997</u>	<u>148,830</u>	<u>438,563</u>	<u>183,825</u>	<u>-</u>	<u>296,271</u>	<u>1,663,321</u>	
Total liabilities, deferred inflows of resources and fund balances	\$ <u>100,471</u>	\$ <u>471,364</u>	\$ <u>350,535</u>	\$ <u>596,927</u>	\$ <u>701,212</u>	\$ <u>282,374</u>	\$ <u>199,894</u>	\$ <u>296,271</u>	\$ <u>2,999,048</u>	

CITY OF LOVES PARK, ILLINOIS
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances
Nonmajor Governmental Funds
 For the Year Ended April 30, 2019

	Special Revenue						Capital Projects			Permanent	Total Nonmajor Governmental Funds
	Bridge Operating Fund	Economic Development Revolving Loan Fund	Spring Creek Lakes TIF Fund	North 2nd Street TIF Fund	Loves Park Corporate Center TIF Fund	Forest Hills TIF Fund	Flood Control CIP Fund	Bridge Trust Fund			
Revenues:											
Taxes	-	-	293,447	174,240	221,903	161,487	-	-	-	-	851,077
Interest	-	14,928	-	-	5,021	-	-	-	10,091	-	30,040
Other	-	-	-	10,600	-	4,590	-	-	(1,758)	-	13,432
Total revenues	-	14,928	293,447	184,840	226,924	166,077	-	-	8,333	-	894,549
Expenditures:											
Current:											
General government	-	30	73,785	39,450	142,391	44,285	-	-	300	-	300,241
Highways, streets, & bridges	16,342	-	-	-	-	-	-	-	-	-	16,342
Total current	16,342	30	73,785	39,450	142,391	44,285	-	-	300	-	316,583
Capital outlay	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
Debt service:											
Principal payments	-	-	20,351	30,704	-	-	-	-	-	-	51,055
Interest payments	-	-	238,630	80,642	-	-	-	-	-	-	319,272
Total debt service	-	1,000,000	258,981	111,346	-	-	-	-	-	-	370,327
Total expenditures	16,342	1,000,030	332,766	150,796	142,391	44,285	-	-	300	-	1,686,910
Excess of revenues over (under) expenditures	(16,342)	(985,102)	(39,319)	34,044	84,533	121,792	-	-	8,033	-	(792,361)
Other financing sources (uses):											
Transfers in (out)	9,791	-	-	-	-	-	-	-	(9,791)	-	-
Total other financing sources (uses)	9,791	-	-	-	-	-	-	-	(9,791)	-	-
Net change in fund balances	(6,551)	(985,102)	(39,319)	34,044	84,533	121,792	-	-	(1,758)	-	(792,361)
Fund balances:											
Beginning	107,022	1,456,466	63,316	114,786	354,030	62,033	-	-	298,029	-	2,455,682
Ending	\$ 100,471	471,364	23,997	148,830	438,563	183,825	-	-	296,271	-	1,663,321

CITY OF LOVES PARK, ILLINOIS
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
Forest Hills TIF Fund
 For the Year Ended April 30, 2019
 With Comparative Totals for the Year Ended April 30, 2018

	2019			Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	\$ 175,000	175,000	161,487	(13,513)	63,136
Other	5,000	5,000	4,590	(410)	242
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>166,077</u>	<u>(13,923)</u>	<u>63,378</u>
Expenditures:					
General government:					
Miscellaneous	5,000	5,000	3,090	1,910	10,098
Redevelopment agreements	50,000	50,000	41,195	8,805	-
	<u>55,000</u>	<u>55,000</u>	<u>44,285</u>	<u>10,715</u>	<u>10,098</u>
Debt service:					
Principal payments	55,000	55,000	-	55,000	-
Interest payments	70,000	70,000	-	70,000	-
	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
Total expenditures	<u>180,000</u>	<u>180,000</u>	<u>44,285</u>	<u>135,715</u>	<u>10,098</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	121,792	<u>121,792</u>	53,280
Fund balance:					
Beginning			<u>62,033</u>		<u>8,753</u>
Ending			<u>\$ 183,825</u>		<u>62,033</u>



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE OF ILLINOIS
PUBLIC ACT 85-1142**

Illinois Department of Revenue
Springfield, Illinois

We have audited the basic financial statements of the City of Loves Park, Illinois for the year ended April 30, 2019, and have issued our report thereon dated December 19, 2019. The basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Loves Park Corporate Center TIF District, North 2nd Street TIF District, Spring Creek Lakes TIF District, Zenith Cutter TIF District, and Forest Hills TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was conducted 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The City of Loves Park, Illinois' management is responsible for the government's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicate that for the items tested, the City of Loves Park, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Lucas Group CPAs + Advisors, LLC

Freeport, Illinois
December 19, 2019