

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):
Zenith Cutter TIF

Primary Use of Redevelopment Project Area*: Industrial

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

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 _____
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 <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

Zenith Cutter TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 579,584

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	\$ 1,167,967	\$ 3,838,335	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 \$ 1,167,967

Cumulative Total Revenues/Cash Receipts \$ 3,838,335 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,142,687

Transfers to Municipal Sources \$ -

Distribution of Surplus

Total Expenditures/Disbursements \$ 1,142,687

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 25,280

Previous Year Adjustment (Explain Below) \$ -

FUND BALANCE, END OF REPORTING PERIOD* \$ 604,864

* 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

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		\$ 1,142,687
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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:

Zenith Cutter 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: Zenith Cutter 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:	2

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)	\$ 97,677,201	\$ 500,000	\$ -
Public Investment Undertaken	\$ 24,595,091	\$ 6,060,784	\$ -
Ratio of Private/Public Investment	3 34/35		0

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1*: Woodward Expansion Project

Private Investment Undertaken (See Instructions)	\$ 97,514,447	\$ 500,000	
Public Investment Undertaken	\$ 24,166,692	\$ 6,055,847	
Ratio of Private/Public Investment	4 2/57		0

Project 2*: Willow Creek Trailhead Project

Private Investment Undertaken (See Instructions)	\$ 162,754		
Public Investment Undertaken	\$ 428,399	\$ 4,937	
Ratio of Private/Public Investment	19/50		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 2019

TIF NAME: **Zenith Cutter 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
5/2/2011	\$ 1,040,585	\$ 11,123,566

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
Unknown			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

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

88 acre area bounded by Harlem Rd(S)/Forest Hills(W)/Perryville(E)and generally S of a line extending from the northerly border of PIN 08-28-325-001 across PIN 08-28-376-006(N)

Optional Documents	Enclosed
Legal description of redevelopment project area	Provided FY17
Map of District	Provided FY17



— 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
Zenith Cutter 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". The signature is written in a cursive style with a large, prominent "G" and "J".

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
Industrial Jobs Recovery Law District – Fiscal Year 2019
Zenith Cutter 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 Zenith Cutter TIF.

Sincerely,

GALLUZZO LAW GROUP, LLC

A handwritten signature in blue ink, appearing to read "Gino Galluzzo", is written over a faint, larger version of the Galluzzo Law Group logo.

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

Attachment D

Zenith Cutter IJRL

- No activity to report this reporting period.

**Minutes of the Joint Review Board Meeting
Zenith Cutter Redevelopment Project Area -IJRL
February 27, 2019, 2:40 P.M., Loves Park City Hall**

Present: Mayor Greg Jury, Chris Dornbush

Also Present: Tim Bragg – Rockford Park District, Joshua Aurand – Harlem School District, Ken Crowley – Rockford Township, Mary M. Petro – North Suburban Library District

Mayor Jury called the meeting to order at 2:40 P.M. and appointed Loves Park resident Chris Dornbush as public representative of the Joint Review Board.

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

Planning Director Nathan Bruck had no report on the Zenith Cutter Redevelopment Project Area -IJRL

City Treasurer John Danielson presented the Annual Report Overview of the Joint Review Board – Zenith Cutter Redevelopment Project Area -IJRL

**Joint Review Board – Zenith Cutter Redevelopment Project Area TIF– February 27, 2019
Treasurer’s Report**

**Joint Review Board – Zenith Cutter 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 Zenith Cutter TIF Account was \$2,060.04 and the ending cash balance on April 30, 2018 was \$19,109.36.

**Reporting on a cash basis:
Revenues received into the fund totaled \$1,145,664.94 in increment.**

Cash basis expenditures during the reporting period totaled \$1,128,615.62.

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 \$1,153,043.00 in increment.

Audited expenditures reported for this reporting period were \$1,134,806.00

Reported expenditures included payments to:

--Nicolosi-Galluzzo: \$3,690.00 for legal work related to Zenith Cutter TIF

--Real Property Consultants: \$2,500.00 for appraisal services within the TIF

These expenditures totaling \$6,190.00 were paid by the General Fund and will be reimbursed from the TIF to the General Fund in a future period.

This General Fund expenditure combined with the cash basis expenditures of \$1,128,615.62 listed previously, makes up the total expenditures reported of \$1,134,806.00 (rounded for the report).

The fund balance at the end of the reporting period was \$579,584.00

Future debt obligations were: \$8,989,179.00 of TIF notes issued to Woodward.

The total amount designated for debt obligations at the end of the reporting period was: \$8,989,179.00.

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 \$37,654.04.

City Attorney Gino Galluzzo reported no legal issues.

Motion by Chris Dornbush, second by Mayor Jury to adjourn. Motion carried.

Meeting adjourned at 2:43 P.M.

Minutes by Robert J. Burden, City Clerk

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

	General	Motor Fuel Tax	Zenith Cutter TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash & cash equivalents	\$ 6,733,902	778,675	37,654	1,124,432	8,674,663
Investments	1,041,999	-	-	290,074	1,332,073
Receivables:					
Taxes	261,688	-	1,175,512	843,342	2,280,542
Special assessments	996,789	-	-	-	996,789
Other receivables	629,818	-	-	-	629,818
Notes	-	-	-	353,339	353,339
Prepaid items	261,986	-	-	-	261,986
Due from other funds	738,553	-	-	600	739,153
Due from other governments	2,706,833	53,114	-	-	2,759,947
Land held for resale	-	-	-	187,967	187,967
Other assets	25,493	-	-	-	25,493
Restricted assets:					
Bond account/Pledged taxes	-	331,788	-	-	331,788
Bond account/SSA tax bonds	102,706	-	-	-	102,706
Foreign fire insurance	60,122	-	-	-	60,122
Escrow accounts	-	-	-	199,294	199,294
Total assets	<u>13,559,889</u>	<u>1,163,577</u>	<u>1,213,166</u>	<u>2,999,048</u>	<u>18,935,680</u>
Liabilities:					
Accounts payable	1,150,480	83,286	-	-	1,233,766
Accrued liabilities	94,063	-	-	-	94,063
Due to other funds	7,766	-	20,546	718,007	746,319
Due to other governments	-	-	-	199,894	199,894
Deposits and escrow amounts	60,122	-	-	-	60,122
Unearned revenue	420,458	-	-	-	420,458
Total liabilities	<u>1,732,889</u>	<u>83,286</u>	<u>20,546</u>	<u>917,901</u>	<u>2,754,622</u>
Deferred Inflows of Resources:					
Property taxes	136,814	-	-	-	136,814
TIF increment	-	-	587,756	406,434	994,190
Sales taxes	724,599	-	-	11,392	735,991
Special assessments - sewer extensions	996,789	-	-	-	996,789
Total liabilities and deferred inflows of resources	<u>3,591,091</u>	<u>83,286</u>	<u>608,302</u>	<u>1,335,727</u>	<u>5,618,406</u>
Fund balances:					
Nonspendable					
Prepaid items	261,986	-	-	-	261,986
Long-term portion notes rec.	-	-	-	237,885	237,885
Bridge improvements	-	-	-	296,271	296,271
Restricted					
Special revenue funds	-	1,080,291	604,864	895,686	2,580,841
Bond accounts/debt proceeds	102,706	-	-	-	102,706
Donations for K9	32,641	-	-	-	32,641
Committed					
Econ. Dev. Revolving Loan Fund	-	-	-	233,479	233,479
Unassigned	9,571,465	-	-	-	9,571,465
Total fund balances	<u>9,968,798</u>	<u>1,080,291</u>	<u>604,864</u>	<u>1,663,321</u>	<u>13,317,274</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,559,889</u>	<u>1,163,577</u>	<u>1,213,166</u>	<u>2,999,048</u>	<u>18,935,680</u>

The notes to the financial statements are an integral part of this statement.

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

	General Fund	Motor Fuel Tax Fund	Zenith Cutter TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 13,917,087	-	1,167,967	851,077	15,936,131
Intergovernmental	-	634,406	-	-	634,406
Licenses, permits, & fees	1,083,881	-	-	-	1,083,881
Fines	556,463	-	-	-	556,463
Grants	121,981	-	-	-	121,981
Interest	143,212	25,560	-	30,040	198,812
Other	925,857	-	-	13,432	939,289
Total revenues	<u>16,748,481</u>	<u>659,966</u>	<u>1,167,967</u>	<u>894,549</u>	<u>19,470,963</u>
Expenditures:					
Current:					
General government	6,813,850	-	810	300,241	7,114,901
Health and sanitation	94,418	-	-	-	94,418
Highways and streets	2,987,239	310,442	-	16,342	3,314,023
Public safety	5,641,790	-	-	-	5,641,790
Total current	<u>15,537,297</u>	<u>310,442</u>	<u>810</u>	<u>316,583</u>	<u>16,165,132</u>
Capital outlay	1,305,702	-	-	1,000,000	2,305,702
Debt service					
Principal payments	1,319,156	155,000	-	51,055	1,525,211
Interest payments	182,273	117,110	1,141,877	319,272	1,760,532
Bond issue costs	-	-	-	-	-
Total expenditures	<u>18,344,428</u>	<u>582,552</u>	<u>1,142,687</u>	<u>1,686,910</u>	<u>21,756,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,595,947)</u>	<u>77,414</u>	<u>25,280</u>	<u>(792,361)</u>	<u>(2,285,614)</u>
Other financing sources (uses):					
Sale of property	175,000	-	-	-	175,000
Installment contract proceeds	418,366	-	-	-	418,366
Total other financing sources	<u>593,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,366</u>
Net change in fund balances	<u>(1,002,581)</u>	<u>77,414</u>	<u>25,280</u>	<u>(792,361)</u>	<u>(1,692,248)</u>
Fund balances:					
Beginning	<u>10,971,379</u>	<u>1,002,877</u>	<u>579,584</u>	<u>2,455,682</u>	<u>15,009,522</u>
Ending	<u>\$ 9,968,798</u>	<u>1,080,291</u>	<u>604,864</u>	<u>1,663,321</u>	<u>13,317,274</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LOVES PARK, ILLINOIS
 Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
Zenith Cutter 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	\$ 1,200,000	1,200,000	1,167,967	(32,033)	1,153,043
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,167,967</u>	<u>(32,033)</u>	<u>1,153,043</u>
Expenditures:					
Current:					
General government					
TIF expenses	1,000	1,000	810	190	6,190
Total current	<u>1,000</u>	<u>1,000</u>	<u>810</u>	<u>190</u>	<u>6,190</u>
Debt service:					
Principal payments	-	-	-	-	61,373
Interest payments	1,178,531	1,178,531	1,141,877	36,654	1,067,243
	<u>1,178,531</u>	<u>1,178,531</u>	<u>1,141,877</u>	<u>36,654</u>	<u>1,128,616</u>
Total expenditures	<u>1,179,531</u>	<u>1,179,531</u>	<u>1,142,687</u>	<u>36,844</u>	<u>1,134,806</u>
Net change in fund balance	<u>\$ 20,469</u>	<u>20,469</u>	25,280	<u>4,811</u>	18,237
Fund balance:					
Beginning			579,584		561,347
Ending			<u>\$ 604,864</u>		<u>579,584</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