

**VILLAGE OF ROMEVILLE**  
**ROMEO ROAD TIF**  
**FY 2007-2008**

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

Name of Redevelopment Project Area:		Romeo Road Redevelopment
Primary Use of Redevelopment Project Area*:		Retail
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 <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>		
	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)]		X
<b>If yes, please enclose the amendment labeled Attachment A</b>		
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)]		X
<b>Please enclose the CEO Certification labeled Attachment B</b>		
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)]		X
<b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)]		X
<b>If yes, please enclose the Activities Statement labeled Attachment D</b>		
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)]		X
<b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		
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)]	X	
<b>If yes, please enclose the Additional Information labeled Attachment F</b>		
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)]	X	
<b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>		
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)]	X	
<b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)]		X
<b>If yes, please enclose the Official Statement labeled Attachment I</b>		
Was 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)]		X
<b>If yes, please enclose the Analysis labeled Attachment J</b>		
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)		X
<b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		
Cumulatively, have deposits of incremental 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)		
<b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>	X	

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

TIF Name: Romeoville Romeo Road TIF

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**Provide an analysis of the special tax allocation fund.**

Reporting Year	Cumulative
	\$ -

Fund Balance at Beginning of Reporting Period

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ -		0%
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 - Transfer From Downtown TIF	\$ 116,700	\$ 116,700	100%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 116,700

\$ 116,700 100%

Cumulative Total Revenues/Cash Receipts

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 116,666.67

\$ -

Distribution of Surplus

\$ 116,667

Total Expenditures/Disbursements

\$ 33

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 33

FUND BALANCE, END OF REPORTING PERIOD

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

TIF Name: Romeoville Romeo Road TIF

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))  
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
		\$ -
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5) Contribution to Developer for Infrastructure & Site Improvements	116,667	
		\$ 116,667
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -





14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		\$ 116,667

### Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))  
 Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period  
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD

\$33

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

Total Amount Designated for Obligations

\$- \$-

2. Description of Project Costs to be Paid		\$33
Romeo Road TIF Projects		

Total Amount Designated for Project Costs

\$33

TOTAL AMOUNT DESIGNATED

\$33

SURPLUS\*/(DEFICIT)

\$0

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

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

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

  X   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 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)**  
Please include a brief description of each project.

\_\_\_\_ No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 116,667	\$ 263,351	\$ 785,000
Ratio of Private/Public Investment	0		0
<b>Project 1: TIF Administration</b>			
Private Investment Undertaken (See Instructions)			\$ 50,000
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 2: Walgree;s Developer Incentive</b>			
Private Investment Undertaken (See Instructions)	\$ 116,667	\$ 233,333	\$ 235,000
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 3: Rt 53 &amp; Romeo Road Improvements</b>			
Private Investment Undertaken (See Instructions)		\$ 30,018	\$ 500,000
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 4:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 5:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 6:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 7:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 8:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			
<b>Project 9:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

TIF Name: Romeoville Romeo Road TIF



<b>Project 10:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 12:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 13:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 14:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 15:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 16:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 17:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 18:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 19:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 20:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	0		0
Ratio of Private/Public Investment			

<b>Project 21:</b>			
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Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

**Project 22:**

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

**Project 23:**

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

**Project 24:**

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

**Project 25:**

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

**SECTION 6**  
Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

**SECTION 6**  
Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area.

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

[illegible]

## SECTION 7

Provide information about job creation and retention

[illegible]

**SECTION 8**  
Provide a general description of the redevelopment project area using only major boundaries:  
The project area is located in the southeast corner of 135th Street (Romeo Road) and Illinois

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

## TIF Amendment Area (BP Property) - Legal Description

### Parcel 1:

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

### Parcel 2:

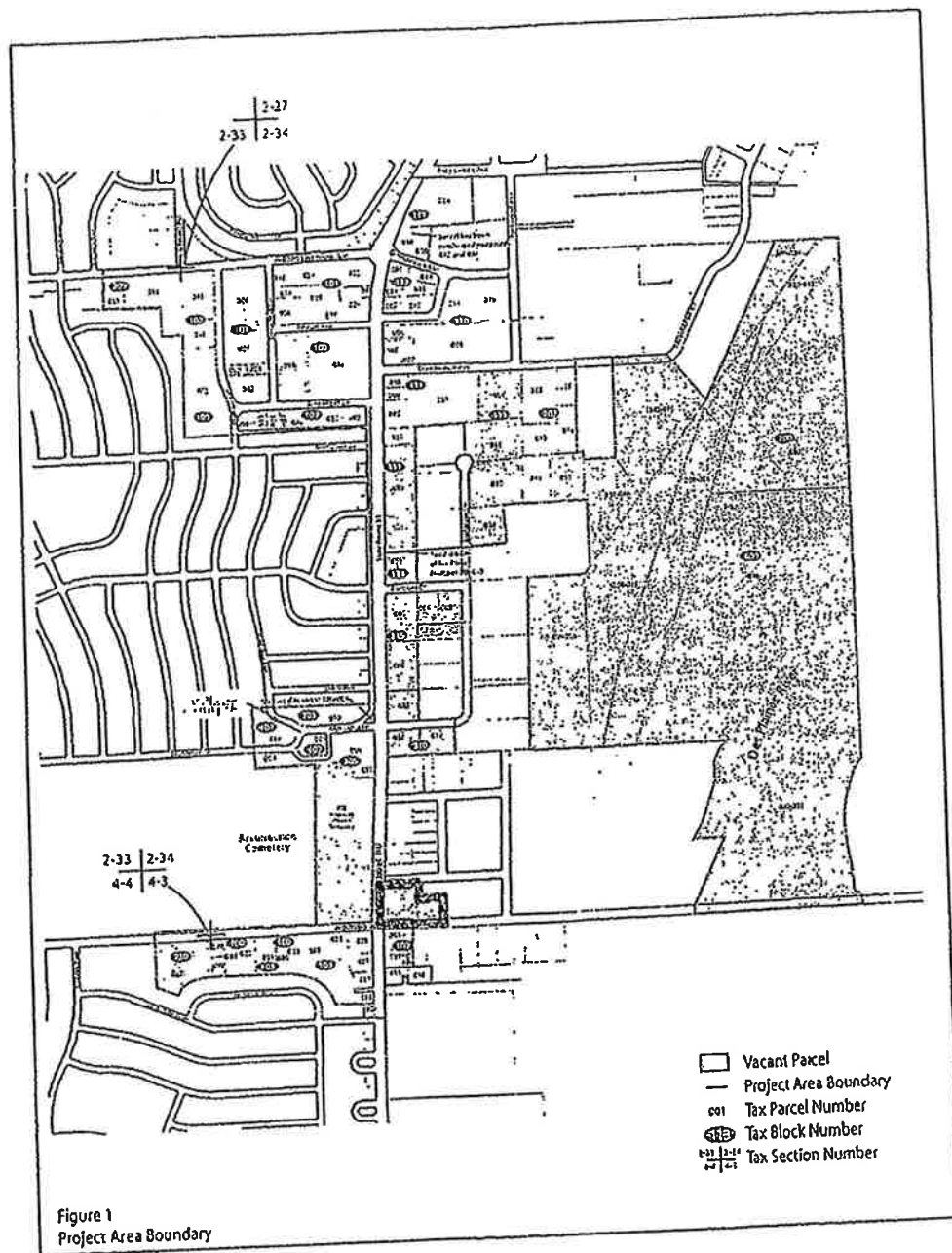
Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

### Parcel 3:

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, state of Illinois, for the public road purposes in Document 698507), bounded and described as follows: Beginning at a point on the North right-of-way line of Romeo Road, distant 125.00 feet East of the East right-of-way line of Route #66; thence continuing North .01 degrees 29 minutes 54 seconds East along the last described line, for a distance of 295.00 feet to a point; thence North 89 degrees 37 minutes 54 seconds East, for a distance of 170.20 feet to a point; thence 5.01 degrees 29 minutes 54 seconds West, for a distance of 295.20 feet to a point on the North right-of-way line of said Romeo Road; thence 5.89 degrees 37 minutes 54 seconds West, on the last described line, for a distance of 170.20 feet to the point of beginning, all in Will County, Illinois.

### Parcel 4:

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, State of Illinois, for public road purposes in Document 698507), which lies East of the Highway known as U.S. Route 66, bounded and described as follows: Beginning at a point where the East line of U.S. Route 66, distant 30.00 feet North of the North line of the highway known as Romeo Road (said point of beginning also being the Northerly corner of Parcel 003 as shown on Plat of Highways, State of Illinois, Department of Transportation Job R-91-023-95); thence continuing North 01 degrees, 29 minutes, 54 seconds East along said East line of said Route 66, for a distance of 265.20 feet to a point; thence north 89 degrees, 37 minutes, 54 seconds East, for a distance of 125.00 feet to a point; thence south 01 degrees, 29 minutes, 54 seconds West, on a line 125.00 feet East of and parallel with the East right-of-way line of said Route 66, for a distance of 295.02 feet to a point on West, on the last described line, for a distance of 90.00 feet to a point distance 35.00 feet East of the East right-of-way line of said Route 66 (said point also being the Easterly corner of the aforesaid Parcel 003) thence North 48 degrees, 58 minutes, 44 seconds West, along the North easterly line of said Parcel 003, for a distance of 45.35 feet to the point of beginning, in Will County, Illinois.







# ATTACHMENT A

LAURIE MCPHILLIPS 12P R 2007146838  
Will County Recorder Page 1 of 12

**COPY**  
PC1 Date 10/03/2007 Time 09:13:24  
Recording Fees: 32.75  
IL Rental Hsng Support Prog: 0.00

An Ordinance of the Village of Romeoville, Will County, Illinois, Adopting Tax Increment Allocation  
Financing for the Romeo Road Redevelopment Project Area

Prepared by and Return to  
Village of Romeoville  
Dawn Caldwell  
13 Montrose Dr.  
Romeoville, IL 60446

2007 OCT -3 AM 9:23  
NAND / SALT / COSTS  
COUNTY CLERK  
WILL COUNTY ILLINOIS

FILED

ORDINANCE NO. 07-0587

AN ORDINANCE OF  
THE VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS  
ADOPTING TAX INCREMENT ALLOCATION FINANCING  
FOR THE ROMEO ROAD REDEVELOPMENT PROJECT AREA

WHEREAS, it is desirable and for the best interests of the citizens of the Village of Romeoville, Illinois (the "Village"), for the Village to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) as amended (the "Act"); and

WHEREAS, the Village has heretofore approved a Redevelopment Plan and Project (the APlan@ and AProject@) as required by the Act by passage of an ordinance and has heretofore designated a Redevelopment Project Area (the AArea@) as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act:

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois in the exercise of its home rule, statutory and other powers, as follows:

**Section 1: Tax Increment Financing Adopted**

Tax Increment Allocation Financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as described in Exhibit AA@ attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit AB@ attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit AC@ attached hereto and incorporated herein as if set out in full by this reference.

## Section 2: Allocation of Ad Valorem Taxes

Pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-8 of the Act each year after the effective date of this ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

- (a) That portion of taxes levied upon each taxable lot, block tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.
- (b) Except for a tax levied by a township to retire bonds issued to satisfy court ordered damages, that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the Village treasurer or to his designee, who shall deposit said taxes into a special fund, hereby created, and designated the "Romeo Road Redevelopment Project Area Special Tax Allocation Account" of the Village of Romeoville (the AFund@), and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

**Section 3: Use of Fund**

That monies on deposit in and to the credit of the Fund may be used to pay redevelopment project costs or retire debt attributable thereto incurred for the Area.

**Section 4: Invalidity of Any Section**

If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

**Section 5: Severability**

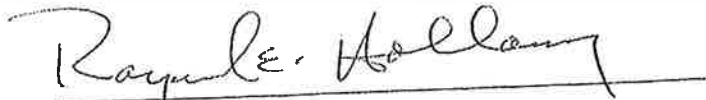
This Ordinance, and every provision thereof, shall be considered severable. In the event that any court of competent jurisdiction may find and declare any word, phrase, clause, sentence, paragraph, provision or section or part of a phrase, clause, sentence, paragraph, provision or section of this Ordinance is void or unconstitutional, the remaining words, phrases, clauses, sentences, paragraphs and provisions and parts of phrases, clauses, sentences, paragraphs, provisions and sections not ruled void or unconstitutional shall continue in full force and effect.

**Section 6: Superceded and Effective Date**

All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect upon its passage by the Corporate Authorities and its approval as provided by law. This Ordinance shall be published in pamphlet form.

**PASSED** this 19<sup>th</sup> day of September, 2007, with 4 members voting aye, 0 members voting nay, the President N/A voting, with 1 members absent or passing, and said vote being:

Trustee Linda S. Palmiter	ABSENT	Trustee Dr. Edward McCartan	AYE
Trustee Andy Goitia	AYE	Trustee John D. Noak	AYE
Trustee Michele Annerino	AYE		

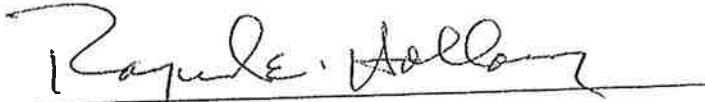
  
VILLAGE CLERK

APPROVED this 19th day of September, 2007.

  
VILLAGE PRESIDENT

(SEAL)

ATTEST:

  
VILLAGE CLERK



## EXHIBIT A

### Legal Description of the Romeo Road TIF

Parcel 1: 12-02-34-313-019-0000

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 2: 12-02-34-313-018-0000

Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 3: 12-02-34-313-010-0000

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, state of Illinois, for the public road purposes in Document 698507), bounded and described as follows: Beginning at a point on the North right-of-way line of Romeo Road, distant 125.00 feet East of the East right-of-way line of Route #66; thence continuing North .01 degrees 29 minutes 54 seconds East along the last described line, for a distance of 295.00 feet to a point; thence North 89 degrees 37 minutes 54 seconds East, for a distance of 70.20 feet to a point; thence 5.01 degrees 29 minutes 54 seconds West, for a distance of 295.20 feet to a point on the North right-of-way line of said Romeo Road; thence 5.89 degrees 37 minutes 54 seconds West, on the last described line, for a

distance of 170.20 feet to the point of beginning, all in Will County, Illinois.

Parcel 4:

12-02-34-313-011-0000

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, State of Illinois, for public road purposes in Document 698507), which lies East of the Highway known as U.S. Route 66, bounded and described as follows: Beginning at a point where the East line of U.S. Route 66, distant 30.00 feet North of the North line of the highway known as Romeo Road (said point of beginning also being the Northerly corner of Parcel 003 as shown on Plat of Highways, State of Illinois, Department of Transportation Job R-91-023-95); thence continuing North 01 degrees, 29 minutes, 54 seconds East along said East line of said Route 66, for a distance of 265.20 feet to a point; thence north 89 degrees, 37 minutes, 54 seconds East, for a distance of 125.00 feet to a point; thence south 01 degrees, 29 minutes, 54 seconds West, on a line 125.00 feet East of and parallel with the East right-of-way line of said Route 66, for a distance of 295.02 feet to a point on West. on the last described line, for a distance of 90.00 feet to a point distance 35.00 feet East of the East right-of-way line of said Route 66 (said point also being the Easterly corner of the aforesaid Parcel 003) thence North 48 degrees, 58 minutes, 44 seconds West, along the North easterly line of said Parcel 003, for a distance of 45.35 feet to the point of beginning, in Will County, Illinois.

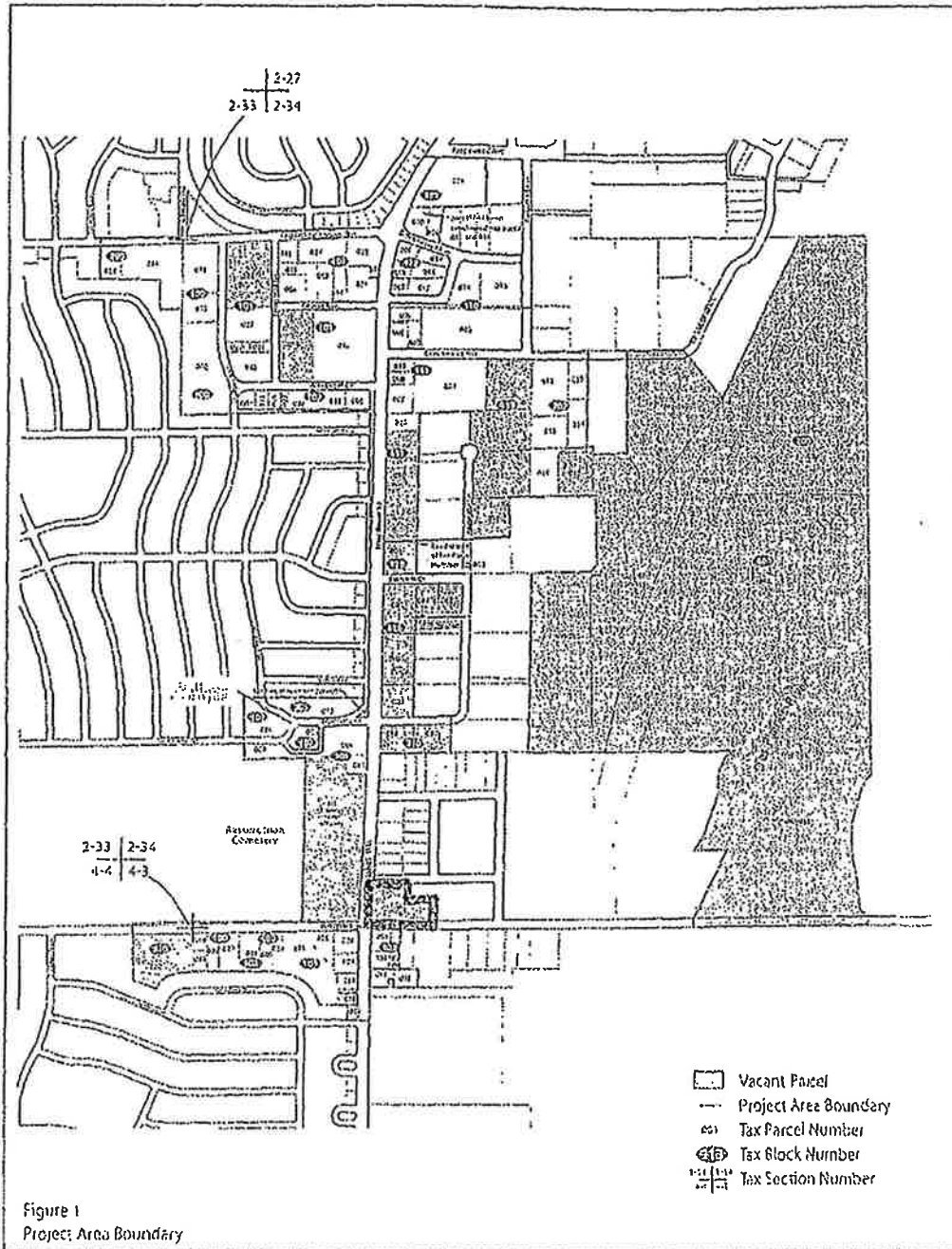
## **EXHIBIT B**

### **Street Location of the Romeo Road TIF**

The area contains four (4) parcels at the northeast corner of Romeo Road and Illinois Route 53, Romeoville, Illinois.

## EXHIBIT C

### Map of the Romeo Road TIF



## *Request for Village Board Action*

Date: September 12, 2007

**Description/Title:**

AN ORDINANCE OF THE VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS, ADOPTING TAX INCREMENT ALLOCATION FINANCING FOR THE ROMEO ROAD REDEVELOPMENT PROJECT AREA.

Workshop X Regular X

**Summary:**

Three Ordinances are needed to form the new Romeo Road TIF. This Ordinance implements the tax increment allocation of property taxes from properties located within the Romeo Road TIF. The TIF will last 23 years, has a budget of \$2 million and is contiguous with the Downtown TIF.

The TIF area's four parcels (2.48 acres) include the BP Amoco property located on Route 53 & Romeo Rd (135<sup>th</sup> St). The Romeo Road TIF will allow the Village to provide necessary infrastructure improvements and incentives to have the property developed by the Village in a timely and desirable manner. Developers wish to construct a Walgreens on the site. Additional funds may be exported to the Downtown TIF and used to support Downtown TIF projects.

The Village originally intended to amend the Downtown TIF to include the site. However, it has been determined, due to several factors including increased revenues, increased project flexibility by having two additional years of TIF life, better information pertaining to the benefits achieved by the project and legislative changes pertaining to eminent domain, that the most effective and efficient way to meet the development goals of the Village is to form the new TIF.

There are several steps the Village needs to complete in order to form the new TIF including the public hearing, holding a Joint Review Board Meeting, creating an interested parties register, certifying certain residential information and detailing mailings and notifications.

The Village Board passed an Ordinance 07-0566 to start the process to form the Romeo Road TIF District. The Joint Review Board Meeting was held on August 9<sup>th</sup> and the Public Hearing was held September 5<sup>th</sup>. The Village also has formed the interested parties registration and completed all required certifications, mailings and notifications.

**Recommendation / Comments By Other Boards or Commissions:**

**Action Requested by Village Board:** Approve the Ordinance

---

Presenter: Kirk Openchowski

Dept. Manager: KAO

Proofed by: CK

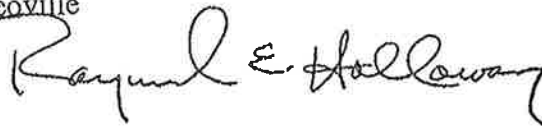
Village Manager: SY

ORD07-0587

Date: 9/19/07

An Ordinance of the Village of Romeoville, Will County, Illinois, Adopting Tax  
Increment Allocation Financing for the Romeo Road Redevelopment Project Area

Published in Book and Pamphlet Form  
This 28th day of September, 2007  
By the Corporate Authority of the  
Village Of Romeoville

A handwritten signature in black ink, reading "Raymond E. Holloway". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

---

Raymond E. Holloway  
Village Clerk



# Village of Romeoville

Community Development Department

Mayor

Fred Dewald

Clerk

Raymond E. Holloway

Trustees

Linda S. Palmiter  
Dr. Edward McCartan  
John D. Noak  
Andy Goltia  
Michele Annerino

Director

Steven W. Rockwell, CEcD

January 7, 2008

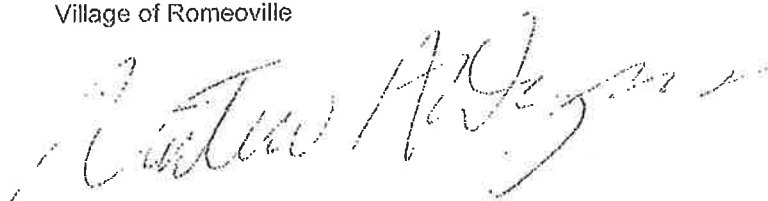
Ellen Wandless  
Will County Clerk's Office  
Tax Extension Department  
302 N. Chicago Street  
Joliet, IL 60432

Dear Ms. Wandless,

Please use the attached legal description prepared by Herb Gruen for Exhibit A of the Village of Romeoville Ordinance 07-0587. The legal description that was previously provided contained a Scribner's error.

If you have any questions please feel free to contact me at 815-886-7213. Thank You.

Sincerely,  
Village of Romeoville



Nathan Darga  
Staff Planner

PASCEL 1: PIN 02-34-313-019

LOT 1 IN UNIT NO. 1 OF MIRIAM'S ROMEO ESTATES, A SUBDIVISION OF PART OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 37 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 19, 1954, IN PLAT BOOK 28, PAGE 32, AS DOCUMENT NUMBER 749172, IN WILL COUNTY, ILLINOIS.

PASCEL 2: PIN 02-34-313-018

LOT 2 IN UNIT NO. 1 OF MIRIAM'S ROMEO ESTATES, A SUBDIVISION OF PART OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 37 NORTH, RANGE 10 EAST, OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 19, 1954, IN PLAT BOOK 28, PAGE 32, AS DOCUMENT NUMBER 749172, IN WILL COUNTY, ILLINOIS.

PASCEL 3: PIN 02-34-313-010

THAT PART OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 37 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPT THAT PART DEDICATED TO THE COUNTY OF WILL, STATE OF ILLINOIS, FOR PUBLIC ROAD PURPOSES IN DOCUMENT 6965071, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF ROMERO ROAD, DISTANT 125.00 FEET EAST OF THE EAST RIGHT-OF-WAY LINE OF ROUTE #66; THENCE NORTH 01 DEGREES 29 MINUTES 54 SECONDS EAST, 295.00 FEET TO A POINT; THENCE NORTH 89 DEGREES 37 MINUTES 54 SECONDS EAST, FOR A DISTANCE OF 170.20 FEET TO A POINT; THENCE SOUTH 01 DEGREES 29 MINUTES 54 SECONDS WEST, FOR A DISTANCE OF 295.20 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID ROMERO ROAD; THENCE SOUTH 89 DEGREES 37 MINUTES 54 SECONDS WEST, ON THE LAST DESCRIBED LINE, FOR A DISTANCE OF 70.20 FEET TO THE POINT OF BEGINNING, ALL IN WILL COUNTY, ILLINOIS.

PIN 02-34-313-011

# LEGAL DESCRIPTION

PASCEL 4:

THAT PART OF THE SOUTH 1/2 OF SECTION 34, TOWNSHIP 37 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART DEDICATED TO THE COUNTY OF WILL, STATE OF ILLINOIS, FOR PUBLIC ROAD PURPOSES IN DOCUMENT 6965071, WHICH LIES EAST OF THE HIGHWAY KNOWN AS U.S. ROUTE 66, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHERE THE EAST LINE OF U.S. ROUTE 66, DISTANT 30.00 FEET NORTH OF THE NORTH LINE OF THE HIGHWAY KNOWN AS ROMERO ROAD (SAID POINT OF BEGINNING ALSO BEING THE NORTHEAST CORNER OF PARCEL 003 AS SHOWN ON PLAT OF HIGHWAYS, STATE OF ILLINOIS, DEPARTMENT OF TRANSPORTATION JOB R-91-023-95); THENCE CONTINUING NORTH 01 DEGREES 29 MINUTES 54 SECONDS EAST, ALONG THE EAST LINE OF SAID ROUTE 66, FOR A DISTANCE OF 265.20 FEET TO A POINT; THENCE NORTH 89 DEGREES 37 MINUTES 54 SECONDS EAST, FOR A DISTANCE OF 125.00 FEET TO A POINT; THENCE SOUTH 01 DEGREES 29 MINUTES 54 SECONDS WEST, ON A LINE 125.00 FEET EAST OF AND PARALLEL WITH THE EAST RIGHT-OF-WAY LINE OF SAID ROUTE 66, FOR A DISTANCE OF 295.20 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF ROMERO ROAD; THENCE SOUTH 89 DEGREES 37 MINUTES 54 SECONDS WEST, ON THE LAST DESCRIBED LINE, FOR A DISTANCE OF 90.00 FEET TO A POINT DISTANT 35.00 FEET EAST OF THE EAST RIGHT-OF-WAY LINE OF SAID ROUTE 66 (SAID POINT ALSO BEING THE EASTERLY CORNER OF THE AFORESAID PARCEL 003); THENCE NORTH 46 DEGREES 58 MINUTES 44 SECONDS WEST, ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 003, FOR A DISTANCE OF 45.35 FEET TO THE POINT OF BEGINNING, IN WILL COUNTY, ILLINOIS.

LAURIE MCPHILLIPS 10P R 2007146837  
Will County Recorder Page 1 of 10

**COPY**

PC1 Date 10/03/2007 Time 09:13:24  
Recording Fees: 30.75  
IL Rental Hsng Support Prog: 0.00

An Ordinance of the Village of Romeoville, Will County, Illinois, Designating the Romeo Road  
Redevelopment Project Area of said Village a Redevelopment Project Area Pursuant to the Tax  
Increment Allocation Redevelopment Act, as Amended (Romeo Road)

Prepared by and Return to  
Village of Romeoville  
Dawn Caldwell  
13 Montrose Dr.  
Romeoville, IL 60446

WILL COUNTY, ILLINOIS  
COUNTY CLERK  
NOTARY PUBLIC  
2007 OCT -3 AM 9:23

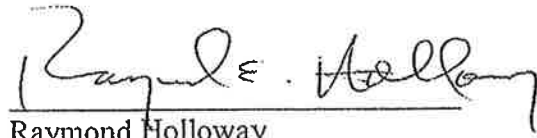
FILED

**VILLAGE OF ROMEOVILLE  
CERTIFICATION**

STATE OF ILLINOIS       )  
                                      )  
COUNTY OF WILL        )       SS.

I, Raymond Holloway, Village Clerk of the Village of Romeoville, Will County, Illinois, do hereby certify that the foregoing is a true and correct copy of Ordinance 07-0588. I, the undersigned, hereby certify that I am the duly qualified Village Clerk of the Village of Romeoville, Will County, Illinois (the Village).

Witness my hand and official seal of said Village the 1st of October, 2007



Raymond Holloway  
Village Clerk

SEAL

**ORDINANCE NO.07-0588**

**AN ORDINANCE OF  
THE VILLAGE OF ROMEOVILLE, WILL COUNTY ILLINOIS  
DESIGNATING THE ROMEO ROAD REDEVELOPMENT PROJECT AREA  
OF SAID VILLAGE A REDEVELOPMENT PROJECT AREA PURSUANT TO THE  
TAX INCREMENT ALLOCATION REDEVELOPMENT ACT, AS AMENDED  
(ROMEO ROAD)**

WHEREAS, it is desirable and for the best interests of the citizens of the Village of Romeoville, Will County, Illinois (the "Village"), for the Village to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*) as amended (the AAct@), for a proposed redevelopment plan and redevelopment project (the APlan@ and AProject@) within the boundaries of the Village and within a proposed redevelopment project area (the AArea@) described in Section 1 of this ordinance; and

WHEREAS, the Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on September 5, 2007, and it is now necessary and desirable to designate the Area as a Redevelopment Project Area pursuant to the Act:

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois, in the exercise of its statutory, home rule and other powers, as follows:

**Section 1:     Area Designated**

The Area, as described in Exhibit AA@ attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a Redevelopment Project Area pursuant to

Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit AB@ attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit AC@ attached hereto and incorporated herein as if set out in full by this reference.

**Section 2:     Invalidity of Any Section**

If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

**Section 3:     Superceded and Effective Date**

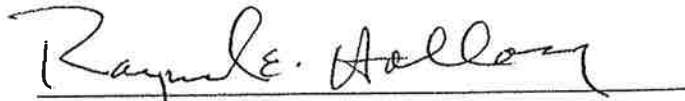
All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect upon its passage by the Corporate Authorities and its approval as provided by law. This Ordinance shall be published in pamphlet form.

**Section 4:     Severability**

This Ordinance, and every provision thereof, shall be considered severable. In the event that any court of competent jurisdiction may find and declare any word, phrase, clause, sentence, paragraph, provision or section or part of a phrase, clause, sentence, paragraph, provision or section of this Ordinance is void or unconstitutional, the remaining words, phrases, clauses, sentences, paragraphs and provisions and parts of phrases, clauses, sentences, paragraphs, provisions and sections not ruled void or unconstitutional shall continue in full force and effect.

**PASSED** this 19<sup>th</sup> day of September, 2007, with 4 members voting aye, 0 members voting nay, the President N/A voting, with 1 members absent or passing, and said vote being:

Trustee Linda S. Palmiter	ABSENT	Trustee Dr. Edward McCartan	AYE
Trustee Andy Goitia	AYE	Trustee John D. Noak	AYE
Trustee Michele Annerino	AYE		


  
VILLAGE CLERK

APPROVED this 19th day of September, 2007.

  
VILLAGE PRESIDENT

(SEAL)

ATTEST:

  
VILLAGE CLERK

## EXHIBIT A

### Legal Description of the Romeo Road TIF 3

Parcel 1: 12-02-34-313-019-0000

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 2: 12-02-34-313-018-0000

Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 3: 12-02-34-313-010-0000

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, state of Illinois, for the public road purposes in Document 698507), bounded and described as follows: Beginning at a point on the North right-of-way line of Romeo Road, distant 125.00 feet East of the East right-of-way line of Route #66; thence continuing North .01 degrees 29 minutes 54 seconds East along the last described line, for a distance of 295.00 feet to a point; thence North 89 degrees 37 minutes 54 seconds East, for a distance of 70.20 feet to a point; thence 5.01 degrees 29 minutes 54 seconds West, for a distance of 295.20 feet to a point on the North right-of-way line of said Romeo Road; thence 5.89 degrees 37 minutes 54 seconds West, on the last described line, for a



distance of 170.20 feet to the point of beginning, all in Will County, Illinois.

Parcel 4:

12-02-34, 313-01)-0000

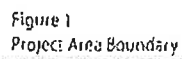
That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, State of Illinois, for public road purposes in Document 698507), which lies East of the Highway known as U.S. Route 66, bounded and described as follows: Beginning at a point where the East line of U.S. Route 66, distant 30.00 feet North of the North line of the highway known as Romeo Road (said point of beginning also being the Northerly corner of Parcel 003 as shown on Plat of Highways, State of Illinois, Department of Transportation Job R-91-023-95); thence continuing North 01 degrees, 29 minutes, 54 seconds East along said East line of said Route 66, for a distance of 265.20 feet to a point; thence north 89 degrees, 37 minutes, 54 seconds East, for a distance of 125.00 feet to a point; thence south 01 degrees, 29 minutes, 54 seconds West, on a line 125.00 feet East of and parallel with the East right-of-way line of said Route 66, for a distance of 295.02 feet to a point on West. on the last described line, for a distance of 90.00 feet to a point distance 35.00 feet East of the East right-of-way line of said Route 66 (said point also being the Easterly corner of the aforesaid Parcel 003) thence North 48 degrees, 58 minutes, 44 seconds West, along the North easterly line of said Parcel 003, for a distance of 45.35 feet to the point of beginning, in Will County, Illinois.

## **EXHIBIT B**

### **Street Location of the Romeo Road TIF 3**

The area contains four (4) parcels at the northeast corner of Romeo Road and Illinois Route 53, Romeoville, Illinois.

## Map of the Romeo Road TIF 3



# *Request for Village Board Action*

**Date:** September 12, 2007

**Description/Title:**

AN ORDINANCE OF THE VILLAGE OF ROMEOVILLE, WILL COUNTY ILLINOIS, DESIGNATING THE ROMEO ROAD REDEVELOPMENT PROJECT AREA OF SAID VILLAGE A REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATIONS REDEVELOPMENT ACT, AS AMENDED (ROMEO ROAD)

**Workshop** X                      **Regular**                      X

**Summary:**

Three Ordinances are needed to form the new Romeo Road TIF. This Ordinance sets the TIF Area boundaries. The area encompasses four parcels (2.4 Acres) located on the northeast corner of Route 53 and Romeo Road (135<sup>th</sup> St.)

The TIF area includes the BP Amoco property located on Route 53 & Romeo Rd (135<sup>th</sup> St). The Romeo Road TIF will allow the Village to provide necessary infrastructure improvements and incentives to have the property developed by the Village in a timely and desirable manner. Developers wish to construct a Walgreens on the site. Additional funds may be exported to the Downtown TIF and used to support Downtown TIF projects.

The Village originally intended to amend the Downtown TIF to include the site. However, it has been determined, due to several factors including increased revenues, increased project flexibility by having two additional years of TIF life, better information pertaining to the benefits achieved by the project and legislative changes pertaining to eminent domain, that the most effective and efficient way to meet the development goals of the Village is to form the new TIF.

There are several steps the Village needs to complete in order to form the new TIF including the public hearing, holding a Joint Review Board Meeting, creating an interested parties register, certifying certain residential information and detailing mailings and notifications.

The Village Board passed an Ordinance 07-0566 to start the process to form the Romeo Road TIF District. The Joint Review Board Meeting was held on August 9<sup>th</sup> and the Public Hearing was held September 5<sup>th</sup>. The Village also has formed the interested parties registration and completed all required certifications, mailings and notifications.

**Recommendation / Comments By Other Boards or Commissions:**

**Action Requested by Village Board:** Approve the Ordinance

---

**Presenter:** Kirk Openchowski

**Dept. Manager:** KAO

**Proofed by:** CR

**Village Manager:** SL

ORD07-0588

Date: 9/19/07

An Ordinance of the Village of Romeoville, Will County, Illinois, Designating the  
Romeo Road Redevelopment Project Area of Said Village a Redevelopment Project Area  
Pursuant to the Tax Increment Allocation Redevelopment Act, as Amended (Romeo  
Road)

Published in Book and Pamphlet Form

This 28th day of September, 2007

By the Corporate Authority of the  
Village Of Romeoville

A handwritten signature in black ink, reading "Raymond E. Holloway". The signature is written in a cursive style with a large, stylized "R" and "H".

---

Raymond E. Holloway  
Village Clerk

LAURIE MCPHILLIPS 68P R 2007146836  
Will County Recorder Page 1 of 68

COPY

PC1 Date 10/03/2007 Time 09:13:24  
Recording Fees: 88.75  
IL Rental Hsng Support Prog: 0.00

An Ordinance of the Village of Romeoville, Will County, Illinois, Approving a Tax Increment  
Redevelopment Plan and Redevelopment Project for the Romeo Road Redevelopment Project Area

Prepared by and Return to  
Village of Romeoville  
Dawn Caldwell  
13 Montrose Dr.  
Romeoville, IL 60446

WILL COUNTY ILLINOIS  
CLERK OF COURTS  
RECEIVED

177 OCT - 3 AM 9:24

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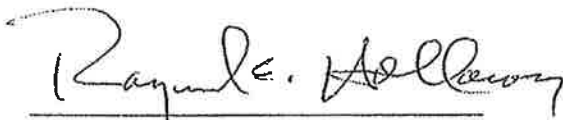
16' e 800'

**VILLAGE OF ROMEOVILLE  
CERTIFICATION**

STATE OF ILLINOIS       )  
                                  )  
COUNTY OF WILL        )     SS.

I, Raymond Holloway, Village Clerk of the Village of Romeoville, Will County, Illinois, do hereby certify that the foregoing is a true and correct copy of Ordinance 07-0586. I, the undersigned, hereby certify that I am the duly qualified Village Clerk of the Village of Romeoville, Will County, Illinois (the Village).

Witness my hand and official seal of said Village the 1st of October, 2007

A handwritten signature in cursive script, reading "Raymond E. Holloway", written over a horizontal line.

Raymond Holloway  
Village Clerk

SEAL

**ORDINANCE NO. 07-0586**

**AN ORDINANCE OF THE VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS,  
APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND  
REDEVELOPMENT PROJECT FOR THE ROMEO ROAD  
REDEVELOPMENT PROJECT AREA**

WHEREAS, the President and Board of Trustees (the ACorporate Authorities@) of the Village of Romeoville, Will County, Illinois (the "Village"), have determined that "Conservation Areas" are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked, that the stable economic and physical development of AConservation Areas@ is endangered by blighting factors, that there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment and unmarketability of property so that the deterioration of these areas impairs the value of private investments and threatens the sound growth and the tax base of the Village and the taxing districts having the power to tax real property in the Village (the ATaxing Districts@) and threatens the health, safety, morals and welfare of the public; and

WHEREAS, the Corporate Authorities have determined that in order to promote and protect the health, safety, morals and welfare of the public, that areas not yet blighted need to be conserved and that redevelopment of the area legally described in Exhibit A hereto (the AProposed Area@) of the Village be undertaken and that to remove and alleviate adverse conditions in the Proposed Area it is necessary to encourage private investment and restore and enhance the tax base of the Village and the Taxing Districts by such redevelopment; and

WHEREAS, the Village has heretofore evaluated various lawfully available programs to provide such assistance and has determined that the use of Tax Increment Allocation Financing pursuant to the Tax Increment Allocation Redevelopment Act, (65 ILCS S/11-74.4-1 *et seq.*) (the



ATIF Act@), is necessary to achieve the redevelopment goals of the Village for the Proposed Area; and

WHEREAS, the Village has heretofore caused to be conducted an eligibility study to determine whether the Proposed Area qualifies as a "Redevelopment Project Area" pursuant to the TIF-Act, which study was conducted by Kane, McKenna and Associates, Inc. ("Kane McKenna") and

WHEREAS, Kane McKenna has a national reputation for expertise in tax increment allocation and redevelopment financing in the State of Illinois; and

WHEREAS, Kane McKenna has heretofore concluded and has advised the Village by means of a written "Eligibility Report" that the Proposed Area qualifies as a "conservation area" under Section 11-74.4-3 of the TIF Act; and

WHEREAS, the Eligibility Report has been made available for public inspection and has been distributed in accordance with the TIF Act.

WHEREAS, the Village has further caused the preparation of and made available for public inspection and distribution a proposed Redevelopment Plan and Project for the Proposed Area (the APlan@ and AProject@); and

WHEREAS, the Plan and Project sets forth in writing the program to be undertaken to accomplish the objectives of the Village and includes estimated redevelopment project costs proposed for the Proposed Area, evidence indicating that the Proposed Area on the whole has not been subject to growth and development through investment by private enterprise, an assessment of the financial impact of the Proposed Area on or any increased demand for services from any taxing district affected by the Plan and any program to address such financial impact or increased demand, the sources of funds to pay costs, the nature and term of the obligations to be issued, the

most recent equalized assessed valuation of the Proposed Area, an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Proposed Area, a commitment to fair employment practices and an affirmative action plan, and all other matters required by the TIF Act and the Plan and Project accordingly complies in all respects with the requirements of the TIF Act; and

WHEREAS, pursuant to Section 11-74.4-5 of the TIF Act, the Corporate Authorities by ordinance called a public hearing (the AHearing@) relative to the Plan and Project and the designation of the Proposed Area as a redevelopment project area under the TIF Act and fixed the date and place for such Hearing, being September 5, 2007, at the Romeoville Village Hall, Romeoville, Illinois; and

WHEREAS, due notice in respect to such Hearing was given pursuant to Section 11-74.4-6 of the TIF Act; said notice, together with a copy of the Plan and Project and the Eligibility Report and the name of a person to contact for further information, being given to taxing districts and to the Department of Economic Opportunity of the State of Illinois by certified mail on approximately July 22, 2007, by publication on August 16 and 17, 2007, and by certified mail to taxpayers within the Proposed Area on August 13, 2007, and on August 13, 2007 by mail to residents within the Proposed Area<sup>(n)</sup>, and on August 2, 2007 to residents within 750' feet thereof, and by mail to all persons whose name appears on the Interested Parties Register; and

WHEREAS, the Village has heretofore convened a joint review board as required by and in all respects in compliance with the provisions of the TIF Act; and

WHEREAS, the joint review board has met at the times and as required by the TIF Act and has reviewed the public record, planning documents and a form of proposed ordinances approving the Plan and Project designating a redevelopment project area and adopting tax

increment allocation financing; and

WHEREAS, the joint review board prepared their report dated August 9, 2007 and presented it to the Village on August 9, 2007; the joint review board report recommended establishing a tax increment financing district in the Proposed Area; and

WHEREAS, the Village held the Hearing on September 5, 2007, at the Romeoville Village Hall, Romeoville, Illinois and was finally adjourned on that date; and

WHEREAS, at the Hearing any interested person or affected taxing district were permitted to file with the Village Clerk written objections and were heard orally in respect to any issues embodied in the notice of said Hearing, and the Village heard all protests and objections at the Hearing; and

WHEREAS, the Plan and Project sets forth in writing the program to be undertaken to accomplish the objectives of the Village, and the Corporate Authorities have reviewed the information concerning such factors presented at the Hearing and have reviewed other studies and are generally informed of the conditions in the Proposed Area which could cause the area to be a "Conservation Area" as defined in the TIF Act; and

WHEREAS, the Corporate Authorities have reviewed evidence indicating that the Proposed Area on the whole has not been subject to growth and development through investment by private enterprise and have reviewed the conditions pertaining to lack of private investment in the Proposed Area to determine whether the Proposed Area would reasonably be anticipated to be developed in accordance with public goals stated in the Plan and Project without the adoption of the proposed Plan and Project; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the Proposed Area to determine whether the Proposed Area is contiguous and that

there exist conditions that cause the Proposed Area to be classified as a Redevelopment Project Area under the TIF Act; and

WHEREAS, the Corporate Authorities have made an assessment of any financial impact of the Proposed Area on or any increased demand for services from any taxing district affected by the Plan and Project and any program to address such financial impact or increased demand; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the comprehensive plan for development of the Village as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the Village; and

WHEREAS, the Corporate Authorities have heretofore, and it hereby expressly is, determined that the Village has in all respects complied with the requirements of the TIF Act in such actions taken to date as hereinabove recited:

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois, in the exercise of its statutory constitutional and home rule powers, as follows:

**Section 1: Findings**

The Corporate Authorities hereby make the following findings:

- (1) The Proposed Area is described in Exhibit AA@ attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit AB@ attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit AC@ attached hereto and incorporated herein as if set out in full by this reference.

- (2) There exist conditions which cause the Proposed Area to be subject to designation as a Redevelopment Project Area under the TIF Act and to be classified as a Conservation Area as defined by the TIF Act.
- (3) The Proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed in accordance with public goals stated in the Plan without the adoption of the Plan.
- (4) The Plan and Project conforms to the Village's Comprehensive Plan ("The Comprehensive Plan").
- (5) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion for the Project is not later than December 31, 2030, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is not later than December 31, 2030.
- (6) The parcels of real property in the Proposed Area are contiguous, and the Proposed Area is not less in the aggregate than 1 and 2 acres.
- (7) All other findings as set forth in the Plan and Project.

**Section 2: Exhibits Incorporated by Reference**

The Plan and Project which were the subject matter of the public hearing held on September 5, 2007 are hereby adopted and approved. A copy of the Plan and Project together with the Eligibility Report are set forth in Exhibit AD@ attached hereto and incorporated herein as if set out in full by this reference.

**Section 3:     Invalidity of Any Section**

If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

**Section 4:     Superseded and Effective Date**

All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect upon its passage by the Corporate Authorities and its approval as provided by law and the annexation of the subject property.

**Section 5:     Severability**

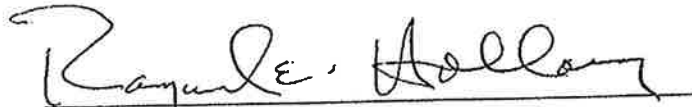
This Ordinance and every provision thereof, shall be considered severable. In the event that any court of competent jurisdiction may find and declare any word, phrase, clause, sentence, paragraph, provision or section or part of a phrase, clause, sentence, paragraph, provision or section of this Ordinance is void or unconstitutional, the remaining words, phrases, clauses, sentences, paragraphs and provisions and parts of phrases, clauses, sentences, paragraphs, provisions and sections not ruled void or unconstitutional shall continue in full force and effect.

**Section 6:     Publication and Effective Date**

This Ordinance shall be published in pamphlet form, and shall be effective upon its passage and approval, as provided by law.

**PASSED** this 19<sup>th</sup> day of September, 2007, with 4 members voting aye, 0 members voting nay, the President N/A voting, with 1 members absent or passing, and said vote being:

Trustee Linda S. Palmiter	ABSENT	Trustee Dr. Edward McCartan	AYE
Trustee Andy Goitia	AYE	Trustee John D. Noak	AYE
Trustee Michele Annerino	AYE		


  
VILLAGE CLERK

APPROVED this 19<sup>th</sup> day of September, 2007.

  
VILLAGE PRESIDENT

(SEAL)

ATTEST:

  
VILLAGE CLERK

### **LIST OF EXHIBITS**

- |           |   |
|-----------|---|
| Exhibit A | Legal Description of the Proposed Area                        |
| Exhibit B | Approximate Street Boundaries of the Proposed Area            |
| Exhibit C | Map of the Proposed Area                                      |
| Exhibit D | Redevelopment Plan and Project (including Eligibility Report) |



## EXHIBIT A

### Legal Description of the Romeo Road TIF

Parcel 1: 12-02-34-313-019-0000

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 2: 12-02-34-38018-0000

Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

Parcel 3: 12-02-34-313-010-000

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, state of Illinois, for the public road purposes in Document 698507), bounded and described as follows: Beginning at a point on the North right-of-way line of Romeo Road, distant 125.00 feet East of the East right-of-way line of Route #66; thence continuing North .01 degrees 29 minutes 54 seconds East along the last described line, for a distance of 295.00 feet to a point; thence North 89 degrees 37 minutes 54 seconds East, for a distance of 70.20 feet to a point; thence 5.01 degrees 29 minutes 54 seconds West, for a distance of 295.20 feet to a point on the North right-of-way line of said Romeo Road; thence 5.89 degrees 37 minutes 54 seconds West, on the last described line, for a

distance of 170.20 feet to the point of beginning, all in Will County, Illinois.

Parcel 4:

12. 02-34-313- 011-0000

That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, State of Illinois, for public road purposes in Document 698507), which lies East of the Highway known as U.S. Route 66, bounded and described as follows: Beginning at a point where the East line of U.S. Route 66, distant 30.00 feet North of the North line of the highway known as Romeo Road (said point of beginning also being the Northerly corner of Parcel 003 as shown on Plat of Highways, State of Illinois, Department of Transportation Job R-91-023-95); thence continuing North 01 degrees, 29 minutes, 54 seconds East along said East line of said Route 66, for a distance of 265.20 feet to a point; thence north 89 degrees, 37 minutes, 54 seconds East, for a distance of 125.00 feet to a point; thence south 01 degrees, 29 minutes, 54 seconds West, on a line 125.00 feet East of and parallel with the East right-of-way line of said Route 66, for a distance of 295.02 feet to a point on West. on the last described line, for a distance of 90.00 feet to a point distance 35.00 feet East of the East right-of-way line of said Route 66 (said point also being the Easterly corner of the aforesaid Parcel 003) thence North 48 degrees, 58 minutes, 44 seconds West, along the North easterly line of said Parcel 003, for a distance of 45.35 feet to the point of beginning, in Will County, Illinois.

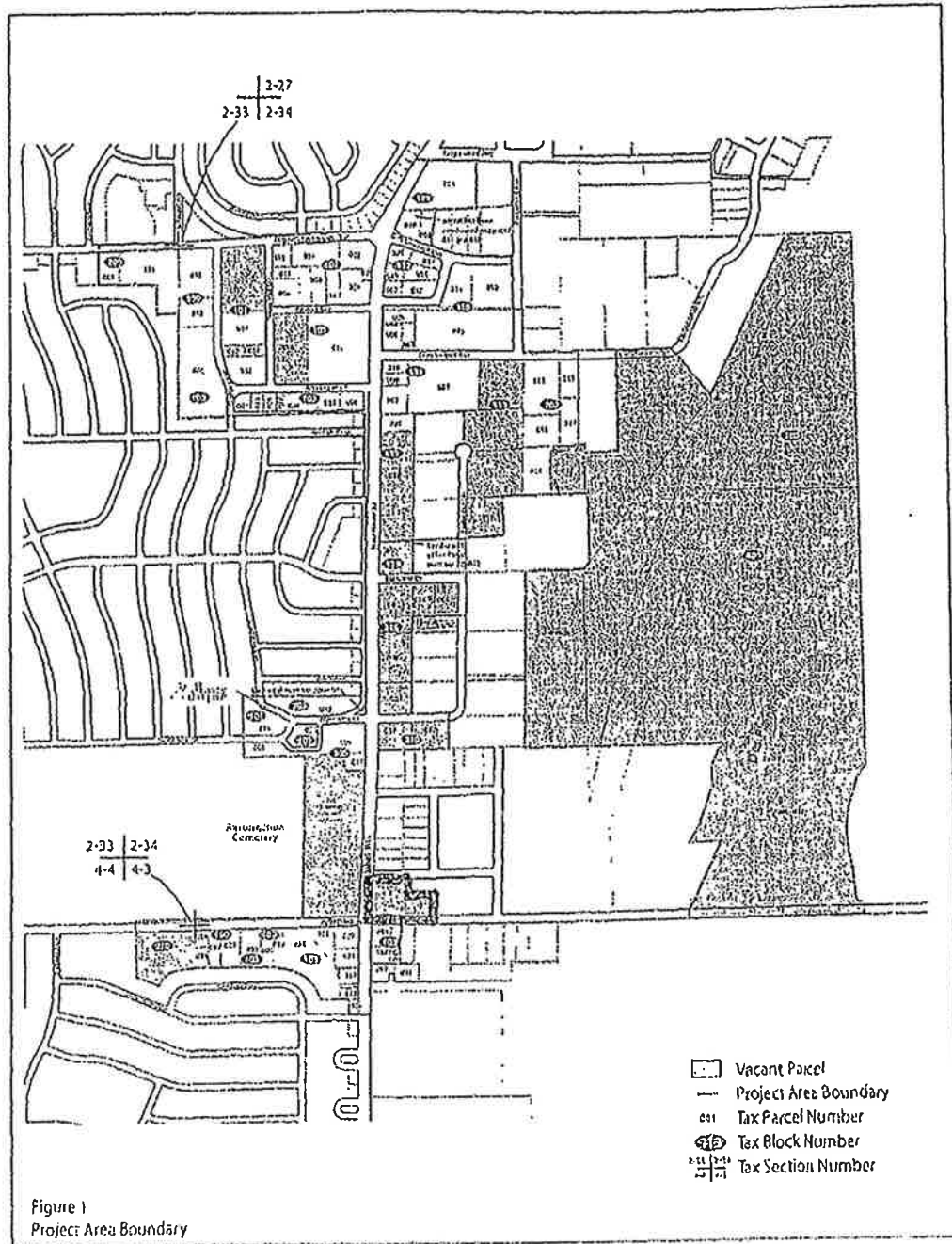
## **EXHIBIT B**

### **Street Location of the Romeo Road TIF**

The area contains four (4) parcels at the northeast corner of Romeo Road and Illinois Route 53, Romeoville, Illinois.

## EXHIBIT C

### Map of the Romeo Road TIF



## EXHIBIT D

PRELIMINARY DRAFT

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# VILLAGE OF ROMEOVILLE REDEVELOPMENT PLAN PROPOSED ROMEO ROAD TIF DISTRICT

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"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Prepared for: Village of Romeoville, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

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July 2007

EXHIBIT D

PRELIMINARY DRAFT

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VILLAGE OF ROMEOVILLE  
REDEVELOPMENT PLAN  
PROPOSED ROMEO ROAD TIF DISTRICT

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"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Prepared for: Village of Romeoville, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

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July 2007

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APPENDIX 1: Legal Description of Project Area  
APPENDIX 2: Boundary Map of Proposed RPA  
APPENDIX 3: Existing Land Use Map of RPA  
APPENDIX 4: Future Land Use Map of RPA  
APPENDIX 5: TIF Qualification Report

## I. INTRODUCTION

The Village of Romeoville (the "Village") is a suburban municipality located in Will County, Illinois, serving a population of nearly 37,000 citizens. It is an established community located approximately 30 miles southwest of the City of Chicago's "Loop."

In this report, the Village proposes a Tax Increment Financing Redevelopment Plan to assist an area in overcoming a number of redevelopment barriers. Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Romeoville to conduct an analysis of the potential qualification and designation of the area as a TIF District, and to assist the Village in drafting this Redevelopment Plan.

**TIF Plan Requirements.** The Village is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, et seq., as amended. To establish a Tax Increment Financing ("TIF") district (otherwise known as the Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest so as to: "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas" (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

**Community Background.** The Village of Romeoville was incorporated in 1895. The municipality developed from a rural village into a growing suburban community of over 21,000 by 2000. Since then the population has reached an estimated 36,837 as of July 2006.

The Village has a number of important assets, including its southern "gateway" location to the Chicago region, proximity to transportation facilities, and industrial capacity. The Village is situated by Interstate 55 (I-55), I-355, and I-80, Metra rail lines, as well as the Chicago Sanitary and Ship Canal. Additionally, several transcontinental pipelines terminate in Romeoville, according to the Village's *Comprehensive Plan*. The Village has a strong industrial base; on a per capita basis, the Village has the second highest amount of industrial property in the State of Illinois.

The Village lies close to three large suburban municipalities: the City of Naperville and Village of Bolingbrook to the north and the City of Joliet to the south.



**The Proposed TIF District.** The proposed RPA is a compact area located in the southern portion of Romeoville. Historically, it has had both commercial and residential uses, with the dominant use a now vacant gas station.

The proposed RPA is located northeast of the intersection of Romeo Road and Illinois Route 53 (Independence Boulevard), a key intersection within the Village. This proposed TIF expansion provides the Village with the possibility of bringing new development to an area that has become obsolete.

The proposed RPA can be generally described as an older area, with deterioration observed among the existing structures and the public sector infrastructure. Refer to Appendix 2 which provides a detailed map of the proposed TIF.

The area proposed as a TIF District is not currently in the Village. Parcels within the area will be annexed into the Village prior to the adoption of any ordinances related to the area becoming a part of the TIF District.

The proposed RPA suffers from a variety of economic development impediments as defined under the TIF Act. As documented in the *TIF Eligibility Report* (see Appendix 5), the RPA exhibits:

- Deterioration
- Obsolescence
- Excess Vacancies
- Environmental Remediation
- Stagnant EAV
- Lack of Community Planning
- Deleterious Layout.

On balance, the combination of these factors limit the opportunities for private reinvestment within and around the RPA. Such factors suppress the value of future residential and commercial development and weaken the potential for business growth – both limiting employment and contributing to the lack of new investment in the area.

Under this Redevelopment Plan, the Village intends to attract and encourage commercial users to locate, upgrade, expand and/or modernize their facilities within the Village as part of its comprehensive economic development planning. The RPA may be suitable for new development if there is coordination of uses and layout by the Village. Through the establishment of the RPA, the Village would continue a program to redevelop key areas within the Village and in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long run.

**Rationale for Redevelopment Plan.** The Village recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment may only be possible if a TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Plan will benefit both the Village and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of the Plan. The Village, with the assistance of KMA, has commissioned this Plan to use TIF in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail and commercial uses surrounding the area.

The designation of the area as an RPA will allow the Village to pursue the following beneficial strategies:

- Coordinating land and/or building assembly and demolition in order to provide sites for more modern redevelopment;
- Entering into redevelopment agreements in order to redevelop blighted property and/or to induce new development to locate within the RPA;
- Enhancing area appearance through construction and rehabilitation of structures and improvements to landscape, streetscape and signage;
- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent current and/or future residential and commercial opportunities, and other Village redevelopments within the RPA and/or surrounding area; and
- Providing infrastructure that supports subsequent redevelopment plans for the RPA.

Through this Plan, the Village will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Myriad benefits will accrue to the area: a stabilized and expanded tax base; retention of existing businesses; entry of new businesses; new employment opportunities; and physical and aesthetic improvements related to the rehabilitation of existing structures. Ultimately, the implementation of the Plan will benefit (a) the Village, (b) the taxing districts serving the RPA, (c) residents and property owners within the RPA, and (d) existing and new businesses.

**Village Findings.** The Village, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;

- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas.
- That public/private partnerships are determined to be necessary in order to achieve development goals
- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved.
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.
- That the Redevelopment Plan conforms to the Romeoville Comprehensive Plan, as detailed in Section III of this report.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA is likely to result in the displacement of 10 or fewer inhabited residential units, and that the RPA contains fewer than 75 inhabited residential units. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1 1/2 acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

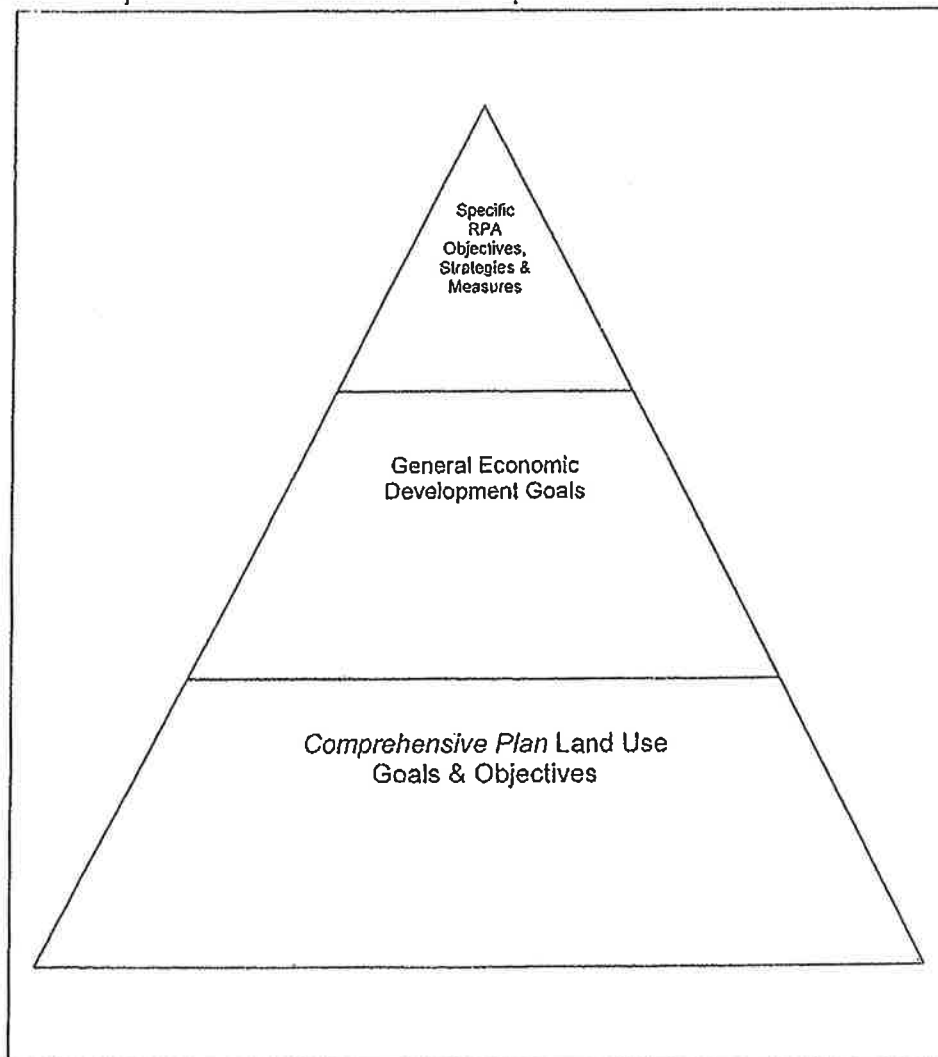
## II. RPA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Appendix 1.

### III. RPA GOALS AND OBJECTIVES

The Village has established a number of economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed Romeo Road TIF District and adjacent districts. These efforts would conform to and promote the achievement of land use objectives in the Village's *Comprehensive Plan*. As indicated in the Exhibit below, the underlying planning document is the *Comprehensive Plan* which describes the overall vision for the Village and is the foundation for Village initiatives such as the proposed Romeo Road TIF District. This overarching planning document influences all other Village planning processes such as the TIF planning process.

Exhibit 1  
Relationship of Land Use and Economic Development Plans



General Economic Development Goals of the Village. Establishment of the proposed Romeo Road RPA supports the following Village-wide goals enunciated in the *Comprehensive Plan* that would either directly determine future economic development activities or influence the parameters of future redevelopment projects. These goals were based upon citizen recommendations collected and incorporated into the *Comprehensive Plan*.

Exhibit 2

Components of *Comprehensive Plan* Applicable to Romeo Road RPA

<b>Economic Development-Related Goals</b>
Encourage transit-capable development along the Weber Road and IL 53 corridors in the Village.
Encourage the design and construction of commercial and industrial development to provide a hospitable pedestrian environment, mixed-use buildings, public amenities, and more visually attractive appearance.
Investigate the community benefits of annexing unincorporated subdivisions in the Village's planning area
Redevelop the IL 53-Joliet Road Corridor, with an eclectic design that facilitates traffic-oriented business.
Develop corridor improvement plans for each of the primary corridors into Romeoville to address building placement, landscaping, signs and general appearance of development and thoroughfare improvements

Source: Village *Comprehensive Plan* as updated in 2003

Specific Objectives and Strategies for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would "drive" the redevelopment activities undertaken within the proposed RPA. TIF designation would allow the Village to pursue the following objectives within the RPA:

- Positive environment – Environment that will contribute more positively to the health, safety and welfare of the Village, and preserve and enhance the value of properties within and adjacent to the TIF District
- Active and vital downtown – New destination locations and anchor components, developments, and improvements
- Mitigate blighting factors – Elimination of factors that qualified the TIF District as a Conservation Area (blighting or potentially blighting factors)
- Tax base - Increased real estate tax base
- Assembly of land – Assembly into sufficient shape and size for redevelopment in accordance with the TIF Plan and Comprehensive Plan and contemporary development standards
- Employment base – New industrial/commercial development to expand the employment base

Note that the Romeo Road TIF objectives share the same objectives as those established for the Downtown Area TIF, which is a contiguous TIF primarily situated to the north of the Romeo Road TIF District. Ultimately, the implementation of the Redevelopment Project would contribute to the economic development of the area and provide new employment opportunities for Village residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the assembly, preparation and marketing of improved and vacant sites, while assisting private developers who would assemble suitable sites for modern development needs;
- Supporting the remediation of environmental problems to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development as well as the rehabilitation of existing properties within the RPA; and
- Facilitating the provision of adequate on- and off-street parking within the RPA;
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

The RPA-specific objectives and strategies outlined above could be facilitated by the adoption of certain performance measures that would help the Village track and monitor the projects eventually undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Exhibit 2 below identifies the types of performance measures the Village may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the Village may pursue within the RPA, with the proviso that specific projects at this point are only conceptual in nature.)

#### Exhibit 3

##### Examples of TIF Performance Measures

Measure	Examples
Input	Public investment (\$) Private investment (\$) Acres of land assembled for TIF Bond proceeds
Output/Workload	Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained
Effectiveness	% change in assessed value (AV) in TIF versus AV in rest of Village % change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development)

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

#### IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

**Evidence of the Lack of Development and Growth within the RPA.** As documented in Appendix 5 of this Plan, the RPA has suffered from the lack of development and would qualify as a "conservation area," as defined by the TIF Act. In recent years, the area has not benefited from significant private investment and/or development, instead suffering physical and economic decline. As a result, the RPA would not likely gain in value without intervention by the Village.

As a conservation area, the proposed RPA exhibits various conditions which, if not addressed by the Village, would eventually result in blight. For example, structures and public improvements reflect economic and functional obsolescence, lack of community planning, and deterioration. In addition, the most prominent structure within the RPA (the former gas station) is vacant. These various conditions discourage private sector investment in business enterprises.

**Assessment of Fiscal Impact on Affected Taxing Districts.** It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the Village to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline in property values, as measured by assessed valuations (AV). In short, the establishment of a TIF district would protect other taxing districts from the downside risk of falling AV (the Village alone would bear the risk of falling AV).

Should the Village achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the Village will consider the declaration of "surplus funds," as defined under the Act. Such funds which are neither expended or obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the Village. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the Village – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act.

An exception to the tax-sharing provision addresses the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units. In such cases, the Village will provide for the cost incurred by eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. (Refer to Section VI of this Report, which describes allowable TIF project costs.)



## V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA

**Findings.** The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the TIF Qualification Report, attached as Appendix 5 in this Plan.

**Eligibility Survey.** Representatives of KMA and Village staff evaluated the RPA during March and April 2007. Analysis was aided by certain reports obtained from the Village, aerial photographs, on-site due diligence and other sources. In KMA's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF district.

## VI. REDEVELOPMENT PROJECT

**Redevelopment Plan and Project Objectives.** As indicated in Section III of this Report, the Village has established a planning process which guides economic development and land use activities throughout the Village. Consistent with the established planning process, the Village proposes to achieve economic development goals and objectives through redevelopment of the Romeo Road RPA and promotion of private investment via public financing techniques (including but not limited to Tax Increment Financing).

The project-specific objectives envisioned for the Romeo Road RPA are as follows:

- 1) Implementing a plan that provides for the attraction of users to redevelop vacant land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
  - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with Village standards for context-sensitive design);
  - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
  - Signalization, traffic control and lighting;
  - Off-street parking (if applicable); and
  - Landscaping and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, and demolition, including grading and excavation (any demolition activities would conform to Village criteria for allowing demolition).
- 5) Exploration and review of job training programs in coordination with any Village, federal, state, and county programs.

**Redevelopment Activities.** Pursuant to the project objectives cited above, the Village will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

### Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

#### Land Assembly

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites.

#### Public Improvements

The Village may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

#### Interest Rate Write-Down

The Village may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

#### Job Training

The Village may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

**General Land Use Plan.** The proposed RPA contains primarily commercial uses at the intersection of Romeo Road and Independence Boulevard. Before closing, the facility at this intersection was operated as a BP Amoco gas station. Adjacent to this parcel are residential buildings immediately to the east.

Existing land uses are shown in Appendix 3, attached hereto and made a part of this Plan. Appendix 4 designates intended land uses in the Redevelopment Project Area. Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

**Additional Design and Control Standards.** The appropriate design standards (including any Planned Unit Developments) as set forth in the Village's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA. This would include any design standards that would apply to infill housing.

**Eligible Redevelopment Project Costs.** Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
  - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
  - Annual administrative costs shall *not* include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
  - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests therein, demolition of buildings, site

preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- (3) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (4) *Public Works* – Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs* – Costs including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
- (7) *Capital Costs* – To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- (8) *School-Related Costs* – For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when

the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually.<sup>1</sup>

- (9) *Relocation Costs* -- To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes;*
- (11) *Other Job Training* -- Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- (12) *Developer Interest Cost* -- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

<sup>1</sup> The calculation is as follows. (A) For foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

- (A) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
- (C) if there are not sufficient funds available in the special tax allocation fund to make the payment then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (D) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
- (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D).
- (F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).<sup>2</sup>

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while

<sup>2</sup> The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.<sup>3</sup>

**Projected Redevelopment Project Costs.** Estimated project costs are shown in Exhibit 5 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described expenditure. Adjustments may be made in line-items within the total, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the "Total Estimated TIF Budget" in Exhibit 5) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

As explained in the following sub-section, incremental property tax revenues from contiguous RPAs may be used to pay eligible costs for the Romeo Road RPA.

#### Exhibit 4 RPA Project Cost Estimates

Program/Actions/Improvements	Estimated Costs
Land Acquisition and Relocation	\$300,000
Site Preparation	\$500,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements)	\$500,000
Rehabilitation of Existing Structures	\$200,000
Interest Costs Pursuant to the Act	\$100,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	\$100,000
Job Training	\$100,000
Agreements with Other Taxing Districts; School District Reimbursements	\$200,000
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$2,000,000</b>

##### Notes:

- (1) All project cost estimates are in year 2007 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above.

**Sources of Funds to Pay Redevelopment Project Costs.** Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from

<sup>3</sup> Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.



incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act, the Village may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs such as the Downtown Area TIF (which is also contiguous with the Marquette TIF). Conversely, incremental revenues from the Romeo Road TIF would be permitted to be allocated to contiguous TIF Districts.

Redevelopment Project Costs specifically authorize those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the Village Council, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2006 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

**Nature and Term of Obligations to Be Issued.** The Village may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the Village pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to

accomplish the Redevelopment Plan. Such surplus funds shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the Village may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

**Most Recent Equalized Assessed Valuation for the RPA.** The most recent equalized assessed valuation for the RPA is based on the 2006 EAV, and is estimated to be approximately \$282,000 ("Base EAV"). It is anticipated the estimated Base EAV for establishment of the RPA will be the 2006 EAV.

**Anticipated Equalized Assessed Valuation for RPA.** Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA will be approximately \$600,000.

## VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project. The Village will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to Village zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken in each phase:

- Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.
- Rehabilitation: The Village may assist in the rehabilitation of buildings or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The Village may also undertake the provision of necessary detention or retention ponds.
- Roadway/Street/Parking Improvements: The Village may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.
- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.
- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

- Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

**Commitment to Fair Employment Practices and Affirmative Action.** As part of any Redevelopment Agreement entered into by the Village and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

**Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs.** This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which the ordinance approving the RPA is adopted. Actual construction activities for expected projects are anticipated to be completed within approximately five (5) to ten (10) years.

## VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

This Plan may be amended pursuant to the provisions of the Act.

**APPENDIX 1**  
**Legal Description of Project Area**

## TIF Amendment Area (BP Property) - Legal Description

### Parcel 1:

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

### Parcel 2:

Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois.

### Parcel 3:

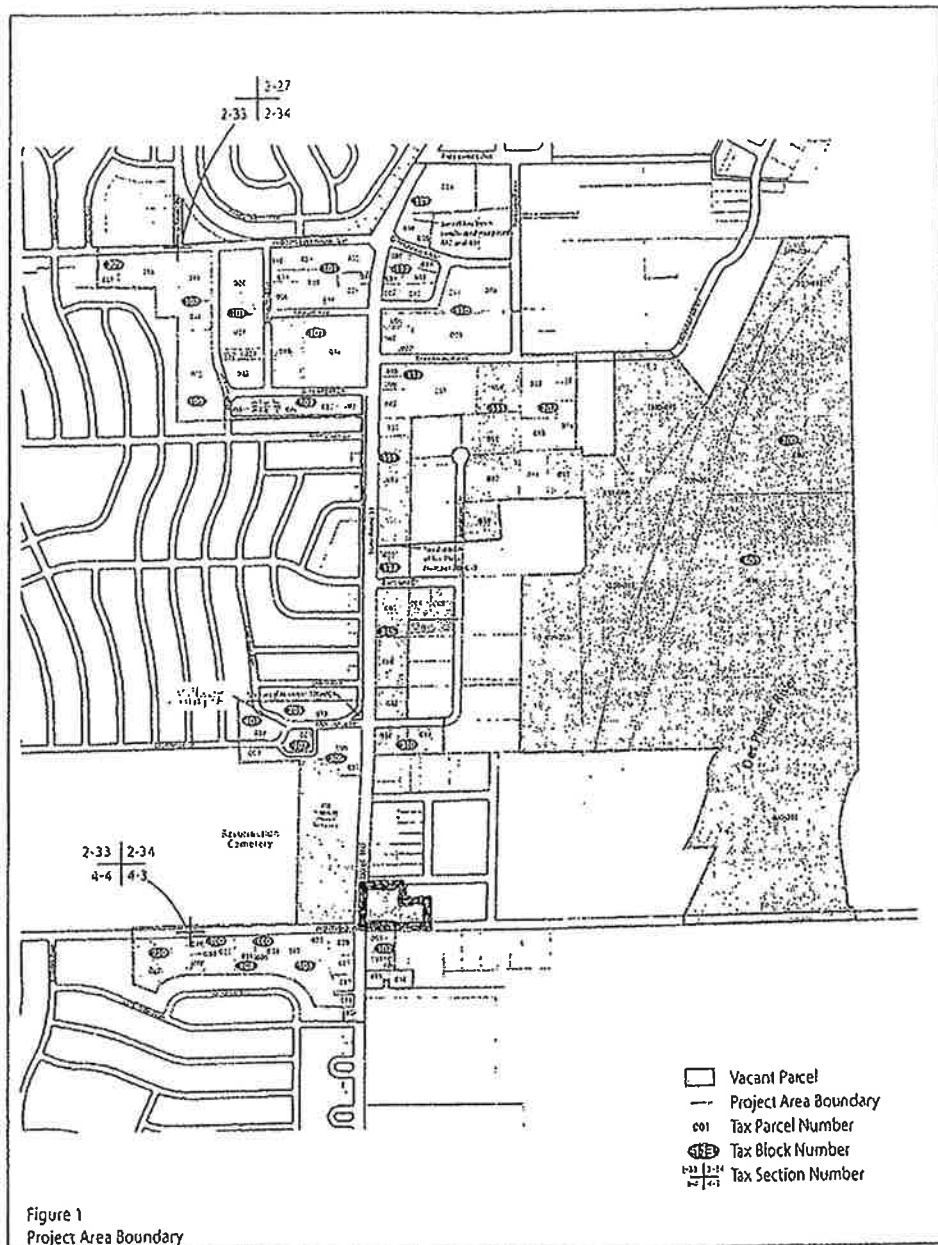
That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, state of Illinois, for the public road purposes in Document 698507), bounded and described as follows: Beginning at a point on the North right-of-way line of Romeo Road, distant 125.00 feet East of the East right-of-way line of Route #66; thence continuing North .01 degrees 29 minutes 54 seconds East along the last described line, for a distance of 295.00 feet to a point; thence North 89 degrees 37 minutes 54 seconds East, for a distance of 170.20 feet to a point; thence 5.01 degrees 29 minutes 54 seconds West, for a distance of 295.20 feet to a point on the North right-of-way line of said Romeo Road; thence 5.89 degrees 37 minutes 54 seconds West, on the last described line, for a distance of 170.20 feet to the point of beginning, all in Will County, Illinois.

### Parcel 4:

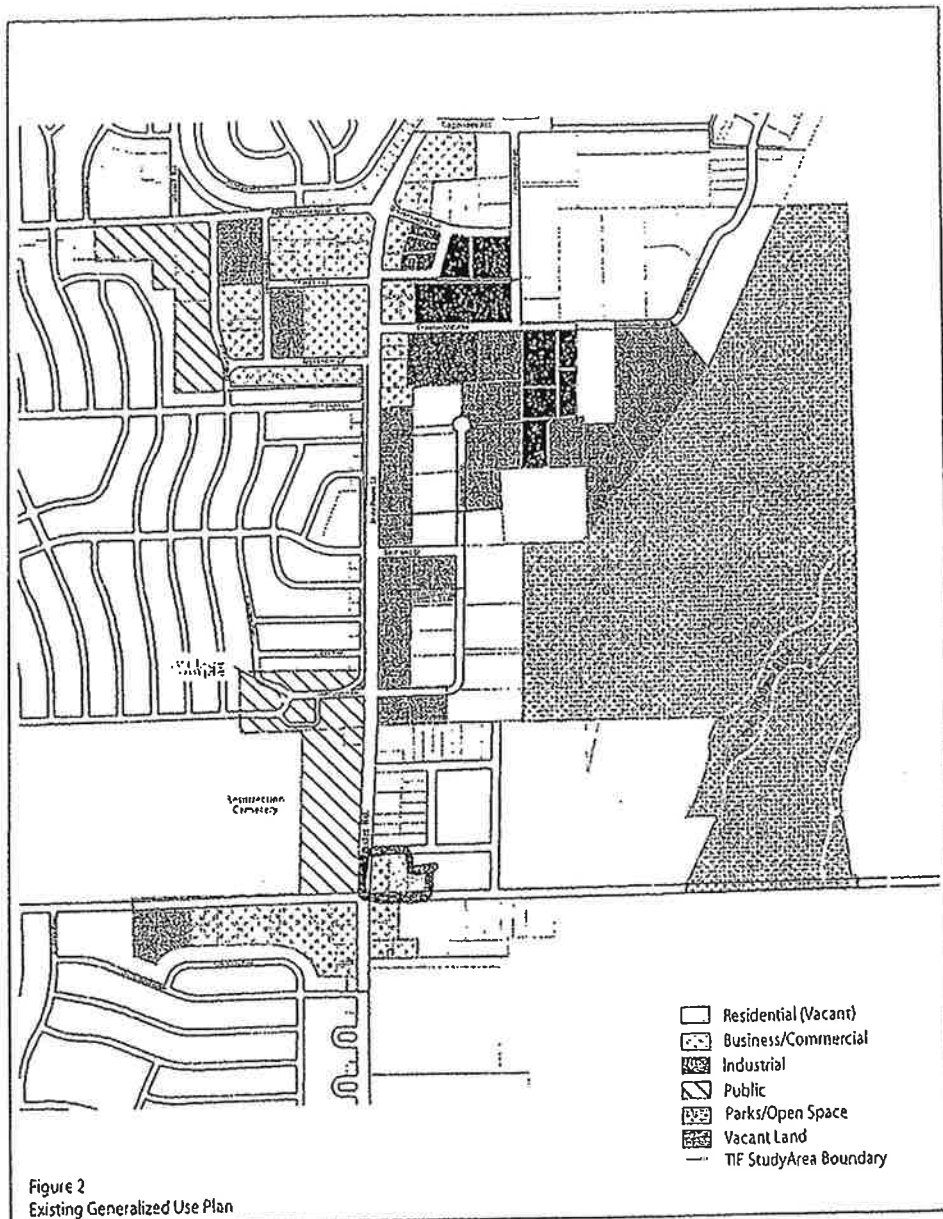
That part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10, East of the Third Principal Meridian (except that part dedicated to the County of Will, State of Illinois, for public road purposes in Document 698507), which lies East of the Highway known as U.S. Route 66, bounded and described as follows: Beginning at a point where the East line of U.S. Route 66, distant 30.00 feet North of the North line of the highway known as Romeo Road (said point of beginning also being the Northerly corner of Parcel 003 as shown on Plat of Highways, State of Illinois, Department of Transportation Job R-91-023-95); thence continuing North 01 degrees, 29 minutes, 54 seconds East along said East line of said Route 66, for a distance of 265.20 feet to a point; thence north 89 degrees, 37 minutes, 54 seconds East, for a distance of 125.00 feet to a point; thence south 01 degrees, 29 minutes, 54 seconds West, on a line 125.00 feet East of and parallel with the East right-of-way line of said Route 66, for a distance of 295.02 feet to a point on West, on the last described line, for a distance of 90.00 feet to a point distance 35.00 feet East of the East right-of-way line of said Route 66 (said point also being the Easterly corner of the aforesaid Parcel 003) thence North 48 degrees, 58 minutes, 44 seconds West, along the North easterly line of said Parcel 003, for a distance of 45.35 feet to the point of beginning, in Will County, Illinois.

**APPENDIX 2**  
**Boundary Map of RPA**

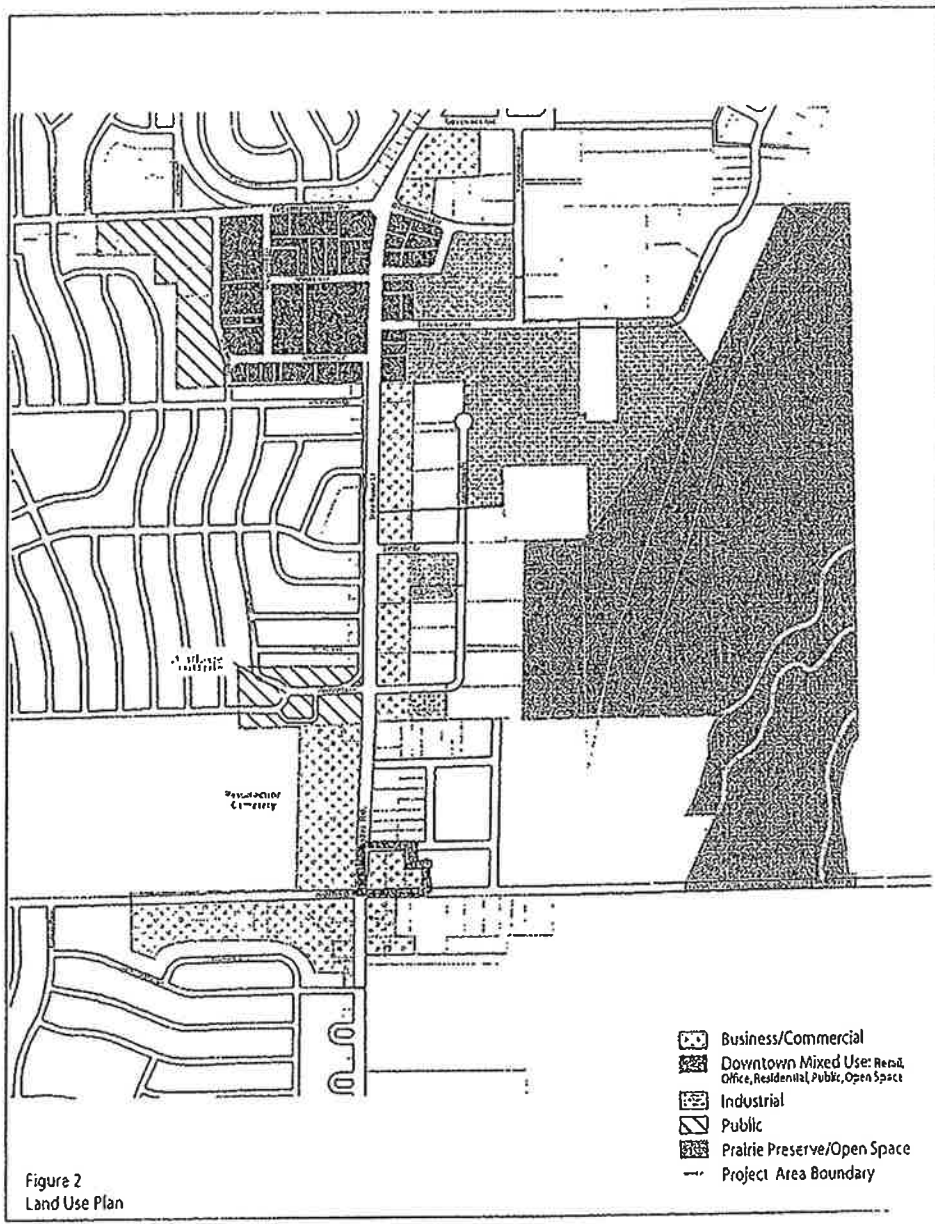




APPENDIX 3  
Existing Land Use Map of RPA



APPENDIX 4  
Future Land Use Map of RPA



APPENDIX 5  
TIF Qualification Report

*Prepared by Kane, McKenna and Associates*

DRAFT SUBJECT TO REVISION

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VILLAGE OF ROMEOVILLE  
TIF ELIGIBILITY REPORT  
PROPOSED ROMEO ROAD TIF

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A study to determine whether all or a portion of an area located in the Village of Romeoville qualifies as a Conservation Area as set forth in the definition in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: Village of Romeoville, Illinois

Prepared Jointly by: Kane, McKenna and Associates, Inc.

and

The Village of Romeoville

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July 2007

# DRAFT SUBJECT TO REVISION

## VILLAGE OF ROMEOVILLE TIF ELIGIBILITY REPORT

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## DRAFT SUBJECT TO REVISION

### EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Romeoville to conduct an analysis of the qualification and designation of an area that would result in the establishment of the Romeo Road Tax Increment Finance (TIF) District. The City is pursuing the creation of the proposed TIF District as part of its strategy to promote the revitalization of key under-utilized properties (the parcels studied and analyzed in this report to be included within the TIF District) located within the Village.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the potential qualification of the TIF District:

- 1) *Conservation Area* – The proposed TIF District qualifies as a Conservation Area under the TIF Act. Overall, the area either has declined, or is in danger of declining, toward a blighted condition. This condition prevents, or threatens to prevent, the healthy economic and physical development of properties in a manner that the community deems essential to its overall economic health. Because the majority of structures (2 of 3) are over 35 years old, the TIF District meets the statutory criteria as a “Conservation Area” TIF.
- 2) *Current conditions impede redevelopment* – The existence of certain blighting conditions found within the proposed TIF District present a serious barrier to the area’s successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in the overall TIF District. Without the use of Village planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed TIF District, there are several parcels which potentially could be redeveloped and thereby produce incremental property tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.
- 4) *TIF designation recommended* – To mitigate blighting conditions, promote private sector investment, and foster the economic viability of the proposed TIF District, KMA recommends that the Village proceed with the formal TIF designation process for the entire area.

Because the Village will NOT be considering the redevelopment of any additional residential parcels, the Village is not obligated to conduct a housing impact study pursuant to the Illinois Tax Increment Allocation Act (ILCS 5/11-74.4-1 et. seq., as amended; hereinafter referred to as the “Act”).

## I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed establishment of the Romeo Road Tax Increment Financing District (the TIF District, "Redevelopment Project Area" or RPA), the Village of Romeoville has initiated the study of parcels within the proposed TIF District to determine whether they qualify for inclusion in the district. Kane, McKenna and Associates, Inc. has agreed to undertake the study of the area.

**Objectives.** The Village's general economic development objectives are to enhance commercial and mixed use opportunities within the Village, including the proposed TIF District. To achieve this overarching objective, the Village has proposed the following guidelines identified in the October 2004 Downtown TIF Plan (the adjacent TIF) that would apply to both the existing Downtown Area TIF District as well as the proposed Romeo Road TIF District. (Refer to Exhibit 1 below.)

Exhibit 1

General Goals for Romeo Road TIF

### **General Redevelopment Goals**

- Positive environment – Environment that will contribute more positively to the health, safety and welfare of the Village, and preserve and enhance the value of properties within and adjacent to the TIF District
- Active and vital downtown – New destination locations and anchor components, developments, and improvements
- Mitigate blighting factors – Elimination of factors that qualified the TIF District as a Conservation Area (blighting or potentially blighting factors)
- Tax base – Increased real estate tax base
- Assembly of land – Assembly into sufficient shape and size for redevelopment in accordance with the TIF Plan and Comprehensive Plan and contemporary development standards
- Employment base – New industrial/commercial development to expand the employment base

Given the Village's goals as well as the conditions described in this report, the Village has made a determination that it is highly desirable to promote the redevelopment of the proposed RPA. Without an implementation plan for redevelopment, Village officials believe adverse conditions will worsen. The Village intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the TIF District, which will not only benefit the community as a whole but also generate additional tax revenues to support municipal services.

Because of the conditions observed in the TIF District and the required coordination for future land uses, the Village is favorably disposed toward supporting redevelopment efforts. The Village has determined that redevelopment should take place through the benefit and guidance of

comprehensive economic planning by the Village. Through this coordinated effort, the TIF District is expected to improve and development barriers to be eliminated.

The Village has further determined that redevelopment currently planned for the TIF District is feasible only with public finance assistance. The creation and utilization of a TIF redevelopment plan is intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the TIF District.

The use of TIF relies upon induced private redevelopment in the RPA to create higher real estate values that would otherwise decline without such investment. By so doing, it would result in increased property taxes compared to the previous land use (or lack of use). In this way, the existing tax base for all tax districts would be protected and a portion of future increased taxes pledged to attract the requisite private investment.

**Current Land Use.** The proposed TIF District is located adjacent to the southern end of the existing Downtown Area TIF District, at the intersection of Romeo Road and Illinois Route 53 (Independence Boulevard). Despite its potentially advantageous location, parcels in the area are economically obsolete. The four parcels in the TIF District, a mix of residential and commercial, are primarily vacant. This proposed TIF expansion provides the Village with the possibility of bringing new development to an area that has been underutilized.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. For example, it suffers from excessive vacancies and deterioration of structures. In addition, Section V of this report identifies other impediments to redevelopment.

Refer to Appendix 1 of the TIF Plan which provides a detailed map of the proposed TIF.

**General Scope and Methodology.** KMA formally began its analysis by conducting a series of meetings and discussions with Village staff, starting in December 2006 and continuing periodically up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for the TIF District and to gather data related to the qualification criteria for properties included in the TIF District. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF District on a parcel-by-parcel basis. The field surveys and data collected have been utilized to test the likelihood that various areas located within the proposed TIF District would qualify for TIF designation.

For the purpose of the study, properties within the proposed TIF District were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant areas). The qualification factors discussed in this report qualify the area as a Conservation Area, as the term is defined pursuant to the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the Village (a) made refinements to the TIF District boundaries and (b) directed KMA to complete this report and to move forward with the preparation of an amended Redevelopment Plan and Project for the TIF District.

For additional information about KMA's data collection and evaluation methods, refer to Section IV of this report.

## II. QUALIFICATION CRITERIA USED

With the assistance of Village staff in 2006 and 2007, Kane, McKenna and Associates, Inc. assessed the proposed TIF District to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a TIF District/Redevelopment Project Area. By definition, a Redevelopment Project Area is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “Conservation Area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

**TIF Qualification Factors for a Conservation Area.** In accordance with the Illinois TIF Act, KMA performed a two-step assessment to determine if the proposed TIF District would qualify as a Conservation Area. First, KMA analyzed the threshold factor of age to determine if a majority of structures were 35 years of age or older.

If a proposed Conservation Area meets the age threshold, then following factors are to be examined to determine TIF qualification:

If a *Conservation Area*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three (3) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas

evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up. The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) Lack of Community Planning. The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) "Stagnant" EAV. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

### III. THE PROPOSED TIF DISTRICT

The proposed TIF District contains four parcels located adjacent to the Downtown Area TIF District. It is located at the northeastern corner of the intersection of Romeo Road and Illinois Route 53 (Independence Boulevard).

The TIF District contains improved land for both residential and commercial purposes. The area's appearance is diminished due to the fact that structures are currently vacant. However, the potentially advantageous location at the intersection of two well-traveled roads is a strong asset which would facilitate any redevelopment efforts undertaken by the Village.

A portion of the TIF District has been vacant since approximately 1995, when a structure was torn down and removed. The currently vacant area constitutes only 20% of the TIF District and as such need not be considered for qualification separate from the remaining portion of the TIF District.<sup>1</sup>

It has been determined that this TIF Eligibility Report will NOT require a Housing Impact Study, pursuant to the Act. This is because the final boundaries selected by the Village will include fewer than ten (10) inhabited residential units that could be subject to removal or relocation during the life of the proposed TIF District.

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<sup>1</sup> Under the TIF Act, a vacant area of a proposed TIF can be analyzed separately from an improved area under the "blighted-vacant" provisions of the Act. This would entail creating separate "sub-areas" for the proposed TIF. As explained above, this would not be necessary due to the small size of the vacant portion of the TIF. Each of the 2 vacant parcels accounts for 10% of the overall square footage of the TIF District (each approximately 11,000 of 109,000 square feet in total).



#### IV. METHODOLOGY OF EVALUATION

In evaluating the TIF District's qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the TIF District were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Site surveys were completed for each block within the proposed TIF District.
- 2) KMA performed EAV trend analysis to ascertain whether EAV growth in the proposed TIF District underperformed EAV growth in the remaining part of the Village.
- 3) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration, and obsolescence. Additionally, KMA reviewed the following data: 2001-2006 tax information from Will County, parcel tax maps, historical series of aerial photos, site data, local history (discussions with Village officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, deleterious land-use and layout, obsolete platting, etc.).
- 4) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria under the TIF Act applied to structures and site conditions on the parcels.
- 5) The TIF District was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Land within the TIF District was examined to determine the applicability of the thirteen (13) different Conservation Area factors for qualification for TIF designation under the Act.

## V. QUALIFICATION FINDINGS FOR PROPOSED TIF DISTRICT

Based upon KMA's evaluation of parcels in the proposed TIF District and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed TIF District as a Conservation Area. These factors are found to be clearly present and reasonably distributed throughout the TIF District, as required under the Act. The factors are summarized in the table below.

### Exhibit 2

#### Summary of Conservation Area Findings

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed TIF District
13	3	7 <ul style="list-style-type: none"><li>• Deterioration</li><li>• Obsolescence</li><li>• Excessive Vacancies</li><li>• Environmental Remediation</li><li>• Stagnant EAV</li><li>• Lack of Community Planning</li><li>• Deleterious Layout</li></ul>

Note: In addition to 5 qualifying factors above, the proposed TIF District meets the statutory age threshold of 35 years.

**Finding as a Conservation Area.** The TIF District is found to qualify as a Conservation Area under the statutory criteria set forth in the TIF Act. As indicated in Section II, KMA performed a two-step assessment, first finding that a majority of parcels within the Conservation Area were over 35 years of age. Based upon DuPage Township Assessor and site survey data, 2 of 3 structures (67%) were over 35 years in age. (This categorizes a garage adjacent to a single-family home as a separate structure.) This statistical data was verified by site survey evaluations of exterior structures.

**Conservation Area Factors.** As a second step, KMA determined reviewed the criteria needed to qualify an area as a Conservation Area, finding that six factors were present:

- 1) Deterioration of Structures and Site Improvements. Various degrees of deterioration were identified throughout the area ranging from minor to severe. Per the TIF Act, deterioration can be evidenced in building defects as well as deterioration of surface improvements. For example, such building defects include, but are not limited to, defects in primary components such as roofs or secondary components such as windows, gutters and doors.

With respect to surface improvements, deterioration was found throughout the TIF District related to driveways and parking areas, evidenced by: surface cracking, potholes,

depressions, and loose paving materials. These indicators of deterioration were found distributed throughout the proposed TIF District.

It was also determined that the site improvements and the structures contained the following signs of deterioration:

- Deteriorated roofing and fascia
- Fencing in disrepair
- Depreciation of the garage adjacent to the single-family home
- Declining condition of the fueling station “island” with rust throughout.

According to a Romeoville Community Development Department memorandum, “the buildings on the site are in extremely poor condition. They do not meet any of the design guidelines [Village Zoning Code, section 159.158], or aesthetic and beautification regulations [section 159.36].” The Community Development Department also finds that the current buildings and site have multiple violations of the property maintenance code [section 151].

Furthermore, the observed deterioration is not ordinary depreciation requiring minor repair. Rather, it is extensive physical decline that requires significant capital infusion to restore to a sound condition. For example, to restore such improvement as sidewalks and parking areas would require a significant investment through the Village’s capital improvement program. These findings of deterioration can be expected in a Conservation Area where the majority of structures (and related infrastructure) are well over 35 years old.

- 2) Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. The area exhibits both economic and functional obsolescence. This is demonstrated through the literal “falling into disuse” of the parcels since becoming vacant.

The deterioration discussed above reflects a combination of economic and functional obsolescence. Partly because the area is an older area (by definition being an area where a majority of structures exceed 35 years in age), the buildings within the proposed TIF District are no longer adequate for their original use. As indicated above, the structures exhibit deterioration, with two being abandoned altogether.<sup>2</sup> These abandoned and deteriorated structures by virtue of their poor physical condition cannot effectively serve their original, basic function – providing inhabitable space in the case of residential units and efficient, “customer-friendly” workspace in the case of retail. Furthermore, these abandoned and deteriorated structures have a disproportionately negative “spill-over” effect on the area and may deter other property owners from reinvesting in their own homes and businesses.

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<sup>2</sup> The vacant gas station was vacated in 199x and the adjacent residence vacated in 199x.

Overall, the obsolete conditions within the area serve to hinder Village goals to promote a more suitable combination of modern residential land uses coordinated with modern mixed land uses.

- 3) Excessive Vacancies. The Act states that this finding is characterized by the presence of unoccupied or under-utilized buildings that represent an adverse influence on the area. All 3 buildings within the TIF District are completely vacant. Moreover, the buildings appear to have been unoccupied for a lengthy duration; that is, they do not appear to be recently vacated pending a real estate transaction, but have remained unoccupied for a period of time.

In addition, the vacant buildings are deteriorated, as noted (see finding #1 above). They appear to suffer from disinvestment whereby the current owners have chosen not to maintain the building in an adequate condition for its original use. As such, they represent an adverse influence on the overall TIF District.

- 4) Environmental Remediation. The Village is able to make a finding of environmental remediation if the proposed area has incurred costs for certain remediation/clean-up activities (either Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs or a study conducted by an independent consultant has determined a need for remediation). This would include (a) the clean-up of hazardous waste, (b) hazardous substances or (c) underground storage tanks required by State or federal law. KMA observes that the area suffers from environmental degradation due to leaking underground storage tanks, has incurred related costs, and has documented environmental problems in certain reports. Furthermore, such remediation costs constitute a major impediment to the redevelopment of the TIF District.

Environmental remediation is documented in the Village's 2004 Tiered Approach to Corrective Action (TACO) Objectives Agreement as well as "Phase I" and "Phase II" reports. The TACO Agreement between the Village and BP Products North America, Inc. indicates soil and groundwater contamination levels exceed "Tier 1" standards as set by the Illinois Pollution Control Board (see p. 2 of the TACO agreement). Additionally, the TACO agreement commits the Village to preventing access to soil and groundwater underneath the affected site requiring environmental remediation, in part by maintaining the existing roadway as an "engineered barrier." The TACO counterparty, BP, is to reimburse the Village for reasonable costs associated with protecting human health and the environment, including maintenance activities associated with the roadway/engineered barrier.

As noted, the Phase I and Phase II reports conclude that there are certain negative environmental impacts. The Phase I report concludes that there are "identified subsurface impacts associated with the historical use of the Property as a gas station" and related underground storage tanks (refer to page 10-1 of the report, "Phase I Environmental Assessment," January 10, 2007, Weaver Boos Consultants North Central, LLC). The Phase II report, which included more extensive soil sampling, confirmed the Phase I conclusions and additionally found releases of benzene in excess of TACO

standards (see page 5-1 of the report, "Phase II Environmental Assessment," January 10, 2007, Weaver Boos Consultants North Central, LLC).

- 5) Declining or Stagnant EAV. The EAV of the TIF District has grown at a rate slower than the Consumer Price Index (CPI) for three (3) of the last five (5) years (refer to chart below). Additionally, TIF District EAV growth lagged Village-wide growth for each of the past five years.

### Exhibit 3

#### EAV Trends for proposed TIF District

	2001	2002	2003	2004	2005	2006
Total EAV for TIF District	\$163,700	\$163,700	\$269,000	\$298,900	\$293,500	\$282,000
EAV Change (%)		0.0%	64.3%	11.1%	-1.8%	-3.9%
CPI		1.6%	2.3%	2.7%	3.4%	3.2%
Citywide EAV (Excluding TIF)	\$469,214,335	\$571,853,319	\$703,283,031	\$782,859,710	\$893,941,608	1,013,751,842
City EAV Change (%)		21.9%	23.0%	11.3%	14.2%	13.4%

Note: Figures in bold for those years in which CPI grew at a faster rate than EAV within proposed TIF District. 2006 data is preliminary.

Source: Will County and U.S. Bureau of Labor Statistics

- 6) Lack of Community Planning. According to the Act, an area suffers from a lack of community planning if the area was developed prior to, or without the benefit of, a community plan. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, overcrowded parcels, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The Village did not have a comprehensive plan in place during the time period that the area was developed: the area developed approximately ~~fifty~~ years ago in an unincorporated area, in the absence of any municipal comprehensive planning process to guide development. The area's lack of community planning is evidenced by the following:

- Insufficient or non-existent buffering and set-backs between commercial and residential uses;
- Parking that does not meet contemporary standards for off-street parking, particularly if it were to be redeveloped for more modern uses (such as modern retail use); and
- Insufficient space for ingress/egress and unloading/loading, particularly along the high-traffic arterial roads that are adjacent to the parcels.

Refer to subsection 7 on deleterious layout (below) for a discussion of the negative effects resulting from the lack of planning. Collectively, these indicators all reinforce the fact that the area was developed without benefit of a modern, comprehensive community plan.

Modern development of the improved areas within the TIF District should discourage the mixing of conflicting land-uses without sufficient land platting, provide buffers between commercial and residential areas, establish appropriate land development ratios, and set other restrictions to prevent problems that arise out of incompatible uses.

- 7) Deleterious Layout. As noted in Section II, a municipality has a finding of deleterious layout or land use when there exists (a) incompatible land-use relationships, (b) buildings occupied by inappropriate mixed-uses or uses considered to be noxious, or (c) uses offensive or unsuitable for the surrounding area. Most of the problems in the area reflect incompatible uses. For example, the buildings lack buffering between commercial and residential uses. According to a Romeoville Community Development Department memorandum, the "current code calls for a transitional yard area when commercial abuts residential [Zoning Code section 159.72 (F)7]. In this case, the rear of the commercial building is much closer to the residential building than code would allow."

Additionally, the Village finds deleterious layout in terms of ingress/egress. The Village reports that "the site currently does not meet IDOT or Village standards for access points. They are located much too close to the intersection which causes unsafe turning movements."

## VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village's potential designation of the proposed TIF District.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed RPA will qualify as a Conservation Area. Further, the Conservation Area factors found in the RPA are present to a meaningful extent and are evenly distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the TIF District for inclusion within the proposed Romeo Road TIF District.

# *Request for Village Board Action*

Date: September 12, 2007

**Description/Title:**

AN ORDINANCE OF THE VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR THE ROMEO ROAD REDEVELOPMENT PROJECT AREA.

Workshop X Regular X

**Summary:**

Three Ordinances are needed to form the new Romeo Road TIF. This Ordinance approves the Village's TIF plan as outlined in the ordinance's Exhibit D. The TIF will last 23 years, has a budget of \$2 million and is contiguous with the Downtown TIF.

The TIF area's four parcels (2.48 acres) include the BP Amoco property located on Route 53 & Romeo Rd (135<sup>th</sup> St). The Romeo Road TIF will allow the Village to provide necessary infrastructure improvements and incentives to have the property developed by the Village in a timely and desirable manner. Developers wish to construct a Walgreens on the site. Additional funds may be exported to the Downtown TIF and used to support Downtown TIF projects.

The Village originally intended to amend the Downtown TIF to include the site. However, it has been determined, due to several factors including increased revenues, increased project flexibility by having two additional years of TIF life, better information pertaining to the benefits achieved by the project and legislative changes pertaining to eminent domain, that the most effective and efficient way to meet the development goals of the Village is to form the new TIF.

There are several steps the Village needs to complete in order to form the new TIF including the public hearing, holding a Joint Review Board Meeting, creating an interested parties register, certifying certain residential information and detailing mailings and notifications.

The Village Board passed an Ordinance 07-0566 to start the process to form the Romeo Road TIF District. The Joint Review Board Meeting was held on August 9<sup>th</sup> and the Public Hearing was held September 5<sup>th</sup>. The Village also has formed the interested parties registration and completed all required certifications, mailings and notifications.

**Recommendation / Comments By Other Boards or Commissions:**

Action Requested by Village Board: Approve the Ordinance

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Presenter: Kirk Openchowski

Dept. Manager: KAO

Proofed by: ER

Village Manager: ST

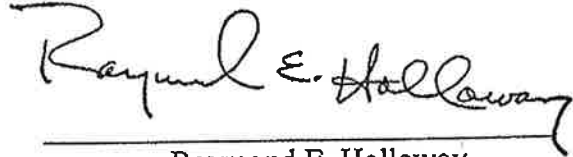


ORD07-0586

Date: 9/19/07

An Ordinance of the Village of Romeoville, Will County, Illinois, Approving a Tax  
Increment Redevelopment Plan and Redevelopment Project for the Romeo Road  
Redevelopment Project Area

Published in Book and Pamphlet Form  
This 28th day of September, 2007  
By the Corporate Authority of the  
Village Of Romeoville

A handwritten signature in black ink, reading "Raymond E. Holloway". The signature is written in a cursive style with a large, looping 'R' and a long, sweeping tail on the 'y'.

---

Raymond E. Holloway  
Village Clerk


# ATTACHMENT B

STATE OF ILLINOIS        )  
                                      ) SS.  
COUNTY OF WILL        )

CERTIFICATE OF COMPLIANCE WITH THE TAX  
INCREMENT ALLOCATION REDEVELOPMENT ACT

I, the undersigned, do hereby certify that I am the duly qualified and acting President of the Village of Romeoville, Will County, Illinois (the "Village"), and as such chief executive officer of the Village, I do hereby further certify to the best of my knowledge, that, according to the records of the Village in my official possession, the Village has now complied, for the fiscal year ended April 30, 2008, with all of the requirements of the Tax Increment Allocation Redevelopment Act, as amended, Division 74.4 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-74.4-1 through 11-74.4-11) for that certain redevelopment project area known as the Romeo Road Redevelopment Project Area. Compliance requirements, if any, brought to the attention of the undersigned have been addressed as of the date of this certificate.

IN WITNESS WHEREOF I have hereunto affixed my official signature at Romeoville, Illinois, this 20 day of June, 2012.

  
\_\_\_\_\_  
President, Village of Romeoville  
Will County, Illinois

ATTEST:

  
\_\_\_\_\_  
Village Clerk

# ATTACHMENT C

# TRACY, JOHNSON & WILSON

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e-mail address: jolietlaw@tracylawfirm.com

Louis R. Bertani (1928-1999)  
Thomas R. Wilson (1929-2001)  
Donald J. Tracy (1926-2003)  
Wayne R. Johnson (1930-2008)  
Richard H. Teas (1930-2008)

June 21, 2012

Mr. Kirk Openchowski  
Village of Romeoville  
1050 W. Romeo Road Drive  
Romeoville, IL 60446


Re: Romeo Road Redevelopment Project Area

Dear Mr. Openchowski:

We, the undersigned, do hereby certify that we are the Village Attorneys for the Village of Romeoville, Will County, Illinois (the "Village"). We have reviewed all the information provided to us by appropriate Village officials, staff, and consultants and to the best of our knowledge and belief, further certify that the Village has now conformed for the fiscal year ended April 30, 2008, with all of the requirements of the Tax Increment Allocation Redevelopment Act, as amended, Division 74.4 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-74.4-1 through 11-74.4-11) as of the date hereof for that certain redevelopment project area known as the Romeo Road Redevelopment Project Area (the "Project").

In rendering this certification, we have relied upon certifications of the Village with respect to certain material facts solely within the Village's knowledge relating to the Project. Compliance requirements, if any, brought to the attention of the undersigned have been addressed as of the date of this certification.

Tracy, Johnson & Wilson

By:   
Village Attorneys  
Village of Romeoville, Will County, Illinois

# ATTACHMENT D

## **STATEMENT OF ACTIVITIES FY 07-08**

The projects meet the Romeoville Road TIF General Economic Development Goals and Comprehensive Plan Land Use Goals and Objectives.

The Romeo Road TIF District project area goals and objectives are attached.

### **WALGREENS DEVELOPER INCENTIVE**

The Village entered into an agreement with Lundgren Dowling 180 Farnsworth LLC regarding the development of a Walgreens at the corner of Route 53 and Rome Rd. (135<sup>th</sup> Street). The site was a former Aamco gas station and requires a large amount of site rehabilitation and improvements to be suitable for a Walgreens including improvements to the water and sewer system. The agreement is attached under Section E of this report. \$116,667 was contributed to the developer in FY 07-08. The total incentive is for \$350,000

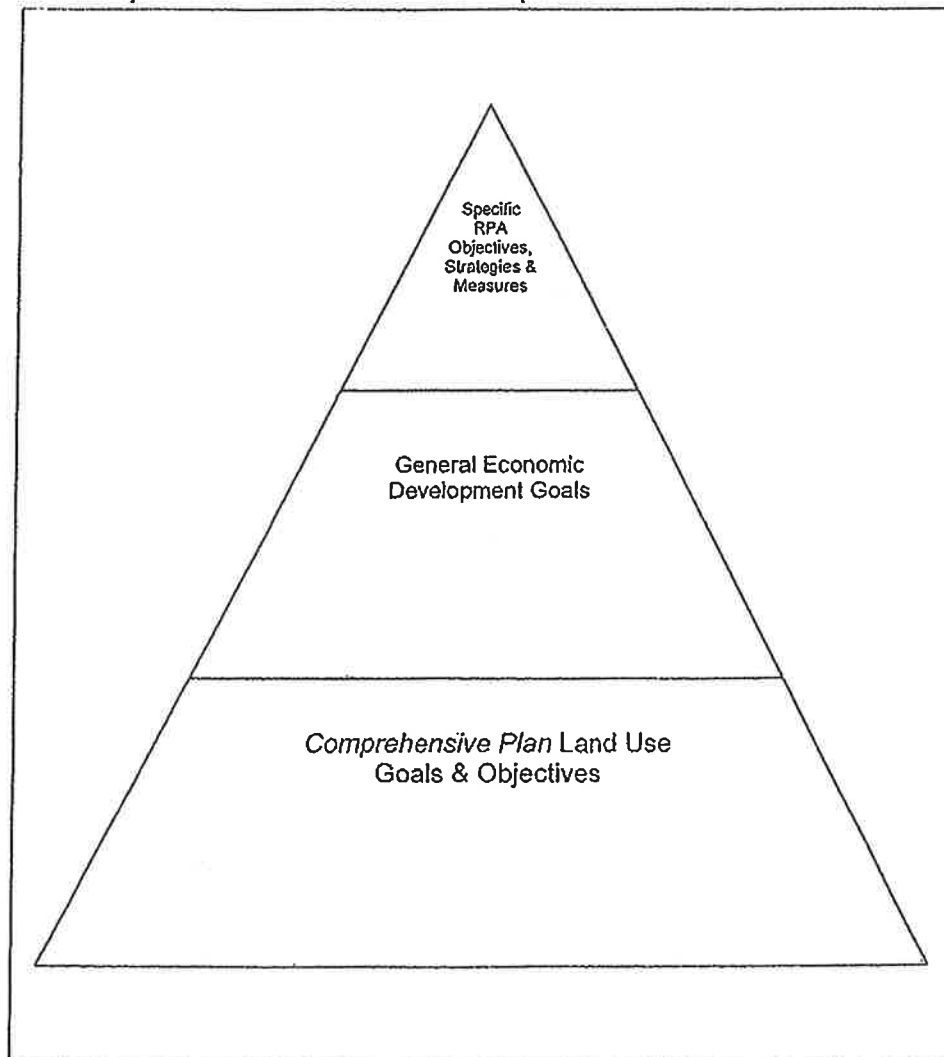
### **TIF FORMULATION/ENGINEERING/ADMINISTRATION**

The Village created the Romeoville Road TIF on September 17, 2007. The applicable ordinances and redevelopment plan are attached under Section F of this report.

### III. RPA GOALS AND OBJECTIVES

The Village has established a number of economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed Romeo Road TIF District and adjacent districts. These efforts would conform to and promote the achievement of land use objectives in the Village's *Comprehensive Plan*. As indicated in the Exhibit below, the underlying planning document is the *Comprehensive Plan* which describes the overall vision for the Village and is the foundation for Village initiatives such as the proposed Romeo Road TIF District. This overarching planning document influences all other Village planning processes such as the TIF planning process.

Exhibit 1  
Relationship of Land Use and Economic Development Plans





General Economic Development Goals of the Village. Establishment of the proposed Romeo Road RPA supports the following Village-wide goals enunciated in the *Comprehensive Plan* that would either directly determine future economic development activities or influence the parameters of future redevelopment projects. These goals were based upon citizen recommendations collected and incorporated into the *Comprehensive Plan*.

Exhibit 2

Components of *Comprehensive Plan* Applicable to Romeo Road RPA

<b>Economic Development-Related Goals</b>
Encourage transit-capable development along the Weber Road and IL 53 corridors in the Village.
Encourage the design and construction of commercial and industrial development to provide a hospitable pedestrian environment, mixed-use buildings, public amenities, and more visually attractive appearance.
Investigate the community benefits of annexing unincorporated subdivisions in the Village's planning area
Redevelop the IL 53-Joliet Road Corridor, with an eclectic design that facilitates traffic-oriented business.
Develop corridor improvement plans for each of the primary corridors into Romeoville to address building placement, landscaping, signs and general appearance of development and thoroughfare improvements

Source: Village *Comprehensive Plan* as updated in 2003

Specific Objectives and Strategies for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would "drive" the redevelopment activities undertaken within the proposed RPA. TIF designation would allow the Village to pursue the following objectives within the RPA:

- Positive environment – Environment that will contribute more positively to the health, safety and welfare of the Village, and preserve and enhance the value of properties within and adjacent to the TIF District
- Active and vital downtown – New destination locations and anchor components, developments, and improvements
- Mitigate blighting factors – Elimination of factors that qualified the TIF District as a Conservation Area (blighting or potentially blighting factors)
- Tax base - Increased real estate tax base
- Assembly of land – Assembly into sufficient shape and size for redevelopment in accordance with the TIF Plan and Comprehensive Plan and contemporary development standards
- Employment base – New industrial/commercial development to expand the employment base

Note that the Romeo Road TIF objectives share the same objectives as those established for the Downtown Area TIF, which is a contiguous TIF primarily situated to the north of the Romeo Road TIF District. Ultimately, the implementation of the Redevelopment Project would contribute to the economic development of the area and provide new employment opportunities for Village residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the assembly, preparation and marketing of improved and vacant sites, while assisting private developers who would assemble suitable sites for modern development needs;
- Supporting the remediation of environmental problems to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development as well as the rehabilitation of existing properties within the RPA; and
- Facilitating the provision of adequate on- and off-street parking within the RPA;
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

The RPA-specific objectives and strategies outlined above could be facilitated by the adoption of certain performance measures that would help the Village track and monitor the projects eventually undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Exhibit 2 below identifies the types of performance measures the Village may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the Village may pursue within the RPA, with the proviso that specific projects at this point are only conceptual in nature.)

### Exhibit 3

#### Examples of TIF Performance Measures

Measure	Examples
Input	Public investment (\$) Private investment (\$) Acres of land assembled for TIF Bond proceeds
Output/Workload	Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained
Effectiveness	% change in assessed value (AV) in TIF versus AV in rest of Village % change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development)

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

# ATTACHMENT E

W0/g/cees

ORDINANCE NO. 07-0591

AN ORDINANCE APPROVING  
A REDEVELOPMENT AGREEMENT  
(ROMEO ROAD TIF)

WHEREAS, it is in the best interest of the Village of Romeoville (the "Village") to enter into a Redevelopment Agreement substantially in the form of Exhibit "A" attached hereto (the "Redevelopment Agreement"); and

WHEREAS, the Village is authorized by the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.1-1 et seq.) to enter into such Agreement.

NOW THEREFORE, BE IT ordained by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois, in the exercise of its authority as a home rule municipality and other constitutional and statutory sources of power and authority as follows:

SECTION 1. APPROVAL AND AUTHORIZATION.

The Redevelopment Agreement be and is hereby approved by the Village. The Village President is hereby authorized and directed to execute such agreement on behalf of the Village and the Village Clerk is authorized and directed to attest to said signature.

SECTION 2. SEVERABILITY.

This Ordinance, and every provision thereof, shall be considered severable. In the event that any court of competent jurisdiction may find and declare any word, phrase, clause, sentence, paragraph, provision or section or part of a phrase, clause, sentence, paragraph, provision or section of this Ordinance is void or unconstitutional, the remaining words, phrases, clauses, sentences, paragraphs and provisions and parts of phrases, clauses, sentences, paragraphs, provisions and sections not ruled void or unconstitutional shall continue in full force and effect.

SECTION 3. REPEALER.

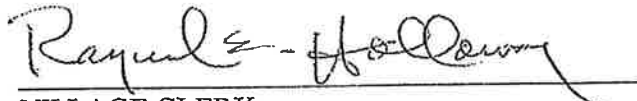
All Ordinances or parts of Ordinances conflicting with any provisions of this ordinance are hereby repealed.

SECTION 4. EFFECTIVE DATE.

This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED this 19<sup>th</sup> day of September, 2007, with 4 members voting aye, 0 members voting nay, the President N/A voting, with 1 members absent or passing, and said vote being:

Trustee Linda S. Palmiter	ABSENT	Trustee Dr. Edward McCartan	AYE
Trustee Andy Goitia	AYE	Trustee John D. Noak	AYE
Trustee Michele Annerino	AYE		

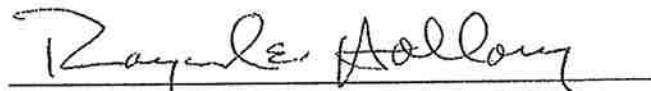
  
VILLAGE CLERK

APPROVED this 19th day of September, 2007.

  
VILLAGE PRESIDENT

(SEAL)


ATTEST:

  
VILLAGE CLERK

VILLAGE OF ROMEOVILLE  
CERTIFICATION

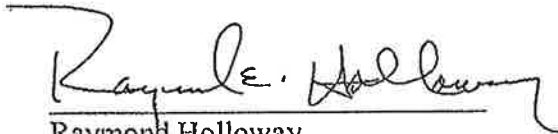
STATE OF ILLINOIS     )  
                                  )  
COUNTY OF WILL        )

SS.

 **R2008045382**  
200804090045382     Receipt # T20080032826  
**LAURIE MCPHILLIPS** Will County Recorder 19P  
L.K     Date 04/09/2008     Time 10:30:31  
Recording Fees:     \$39.75  
IL Rental Hsng. Support Program:     \$0.00

I, Raymond Holloway, Village Clerk of the Village of Romeoville, Will County, Illinois,  
do hereby certify that the foregoing is a true and correct copy of Ordinance 07-0591. I,  
the undersigned, hereby certify that I am the duly qualified Village Clerk of the Village  
of Romeoville, Will County, Illinois (the Village).

Witness my hand and official seal of said Village the 19th Day of February, 2008

  
Raymond Holloway  
Village Clerk

SEAL

**COPY**

## Romeo Road TIF Redevelopment Agreement

Prepared by and Return to  
Village of Romeoville  
Dawn Caldwell  
13 Montrose Dr.  
Romeoville, IL 60446

## REDEVELOPMENT AGREEMENT

THIS AGREEMENT is made as of the 19 day of September, 2007, by and between the VILLAGE OF ROMEOVILLE, an Illinois Home Rule municipality, Will County, Illinois, and Lundgren Dowling 1180 N. Farnsworth LLC, successor in interest to DL Acquisitions, Inc.

## DEFINITION OF GENERAL TERMS

For the purpose of this Agreement, the following terms shall have the meanings as hereinafter indicated:

A. **"Act"**: Shall mean the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5/11-74.4-1 et. seq., including all amendments thereto.

B. **"Agreement"**: Shall mean this Agreement, as amended or supplemented at the time in question.

C. **"Developer"**: Shall mean Lundgren Dowling 1180 N. Farnsworth LLC, 1011 E. Touhy, Suite 290, Des Plaines, Illinois 60018.

D. **"Marquette Redevelopment Project Area"**: Shall mean that tract of land sometimes also hereinafter referred to as the Marquette TIF District as designated, approved and adopted by Ordinance No. 2010-89.

E. **"Marquette Redevelopment Plan"**: Shall mean that certain document entitled "Village of Romeoville, Tax Increment Redevelopment Plan and Project for the Marquette Tax Increment Finance Redevelopment Project Area" approved and adopted pursuant to Ordinance No. 2009-89, as amended by Ordinance No. 05-0237.



F. **"Redevelopment Improvements"**: Shall mean the design, permitting and/or construction of those certain improvements described more fully in Exhibit A hereto, in compliance with the applicable ordinances of the Village, subject to the terms and conditions hereof and the terms and conditions of the annexation agreement by and between Village, Developer and BP Products North America, Inc. approved by Village Ordinance No. 07-0536 (the "Annexation Agreement")

G. **"Downtown Redevelopment Plan"**: Shall mean that certain document entitled "Village of Romeoville, Tax Increment Redevelopment Area Redevelopment Plan and Project for the Downtown Area Redevelopment Project Area" approved and adopted pursuant to Ordinance No. 05-0241, ~~as amended, supplemented or modified by Ordinance No. 07-~~ N/A.

H. **"Downtown Redevelopment Project Area"**: Shall mean that tract of land sometimes also referred to herein as the "Downtown TIF District" as designated, approved and adopted by Ordinance No. 05-0240, ~~as amended, supplemented or modified by Ordinance No. 07-~~ N/A.

I. **"Romeo Road Redevelopment Project Area"**: Shall mean that tract of land also referred to herein as the "Romeo Road TIF" as designated, approved and adopted by Ordinance No.

07-0588

J. **"Romeo Road Redevelopment Plan"**: Shall mean that certain document entitled "[Need to Insert] approved and adopted pursuant to Ordinance No. 07-0586

K. **"Redevelopment Project Costs"**: Shall mean those redevelopment project costs defined in Section 11-74.4-3(q) of the Act.

L. **"Redevelopment Site"**: Shall mean the tract of land legally described in Exhibit B hereto.

M. **"STAF"**: Shall collectively mean and refer to each of the Special Tax Allocation Funds respectively established by the Village in connection with Marquette TIF District, the Downtown TIF District and the Romeo Road TIF District to receive deposits of Tax Increment from each of such TIF Districts, in accordance with the Act.

N. **"Village"**: Shall mean the Village of Romeoville, a home rule municipal corporation located at 13 Montrose Drive, Romeoville, Will County, Illinois.

- PREAMBLE -

DESIGNATION OF REDEVELOPMENT

PROJECT AREA

A. **Adoption and Qualification as a TIF:**

1. **Marquette TIF District.** By Ordinance Nos. 2009-89 and 2010-89, both passed June 6, 1989, (as the same have subsequently been amended, affirmed and/or supplemented by Ordinance Nos. 05-0238 and 05-0237 adopted on January 10, 2005) the Village designated the Marquette TIF District as a Redevelopment Project Area, adopted tax increment allocation financing therein, and directed that the portion, if any, of real property taxes which are attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each property in the Redevelopment Project Area (such portion sometimes referred to herein as "Tax Increment") shall be allocated to and, when collected, shall be paid to the Village Treasurer

who shall deposit said funds in the STAF for the purpose of paying Redevelopment Project costs and obligations incurred in the payment thereof.

2. Downtown TIF District. By Ordinance Nos. 05-0240 and 05-0241, both passed January 10, 2005, ~~as amended, affirmed and/or supplemented by Ordinances Nos. 07-VIA and 07-1A~~, Village designated the Downtown TIF District as a Redevelopment Project Area, adopted tax increment allocation financing therein, and directed that the portion, if any, of real property taxes which are attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each property in the Redevelopment Project Area (such portion sometimes referred to herein as "Tax Increment") shall be allocated to and, when collected, shall be paid to the Village Treasurer who shall deposit said funds in the STAF for the purpose of paying Redevelopment Project costs and obligations incurred in the payment thereof.

3. Romeo Road TIF District.

By Ordinance Nos. 07 - 0587 and 07- 0588, both passed and approved September 13, 2007, the Village designated the Romeo Road TIF District as a Redevelopment Project Area, adopted tax increment allocation financing therein, and directed that the portion, if any, of real property taxes which are attributable to the increase in current equalized assessed valuation of each lot, block, tract or parcel of real property on the Redevelopment Project Area over and above the initial equalized assessed value of each property in the Redevelopment Project Area shall be allocated to and, when collected, shall be paid to the Village Treasurer who shall deposit said funds in the STAF for the purpose of paying Redevelopment Project costs and obligations

incurred in payment thereof.

4. Contiguity of Marquette TIF District, Downtown TIF District and Romeo Road TIF; Payment of Redevelopment Project Costs. The Marquette TIF District and Downtown TIF District are contiguous to one another and the Romeo Road TIF is contiguous with the Downtown TIF, and, in accordance with the Act, Tax Increment received from any TIF may be used to pay Redevelopment Project Costs incurred in the other contiguous TIF, but the total amount of such Tax Increment so used, when added to other amounts used to pay Redevelopment Project Costs within the relevant TIF District, shall not exceed the total Redevelopment Project Costs set forth in the Redevelopment Plan therefore for each respective TIF.

B. Objectives: The reasons for establishing the Downtown Redevelopment Project Area, the Marquette Redevelopment Project Area, and the Romeo Road Redevelopment Project Area are to encourage development in accordance with the Redevelopment Plan for each Area.

C. Incentives: To achieve the aforementioned objectives, and to realize the resultant benefits, the Village will provide specific incentives (as hereinafter described) to the Developer, in exchange for the Developer's acquisition of the Redevelopment Site and completion of the Redevelopment Improvements, all as more fully set forth below.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and representations hereinbefore, and hereinafter, set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I**  
**CONSTRUCTION OF**  
**REDEVELOPMENT IMPROVEMENTS**

1.1 **Developer to Construct Redevelopment Improvements:** In consideration of the incentives provided by the Village as hereinafter described, the Developer shall (i) on or before September 1, 2007, acquire the Redevelopment Site and (ii) on or before April 1, 2009, construct, or cause to be constructed on the Redevelopment Site, the Redevelopment Improvements in substantial conformance with the requirements therefor set forth in that certain annexation agreement by and between Village, Developer and BP Products North America, Inc. approved by Village Ordinance No. 07-0536 (the "Annexation Agreement") all plans and specifications approved by the Village and the otherwise applicable ordinances of the Village and regulations and laws of the State of Illinois. Developer shall complete the Redevelopment Improvements and the structure contemplated to be occupied by Developer's tenant for the conduct of a retail drugstore by a national company on or before April 1, 2009. It is agreed and understood that in the event there is a delay in the issuance of the NFR Letter as contemplated by the Annexation Agreement, and such delay is attributable to the: (a) Village and results in a delay in completing the Redevelopment Improvements beyond April 1, 2009; or (b) Illinois Environmental Protection Agency in issuing the NFR letter; such date shall be extended a reasonable period of time so as to complete the Redevelopment Improvements.

1.2 **Developer to Maintain Redevelopment Improvements in a Safe and Sightly Manner in Conformance with all Applicable Laws and Ordinances:** Developer and its

successors and assigns shall, at all times, operate in and from the Redevelopment Improvements in conformance with all applicable laws, ordinances, and regulations.

## ARTICLE II

### DEVELOPMENT INCENTIVES

2.1 **Redevelopment Project Cost Advancement:** The Village has entered into this Agreement in furtherance of the Romeo Road Redevelopment Plan, and, directly in connection therewith, agrees to pay to Developer from the STAF a portion of the Developer's costs in acquiring the Redevelopment Site and/or constructing those Redevelopment Improvements which are Redevelopment Project Costs in the total amount of Three Hundred and Fifty Thousand and No/100 Dollars (\$350,000.00), as Redevelopment Project Costs thereunder, in the manner hereinafter set forth, but subject at all times to the availability of such amount in the Village's STAF. The Village represents and warrants that as of the date hereof, there are sufficient funds in the Village's STAF to satisfy full payment of all Redevelopment Project costs within the time period set forth below. Such payments shall be made as follows: a) One third of the total payment amount shall be due and payable upon the Developer's presentation of documentation reasonably acceptable to the Village that the Developer has closed on and acquired title to the Redevelopment Site; b) the second third of the total payment amount shall be due and payable upon the Developer's receipt of a permit to construct a building within the Redevelopment Site contemplated to be occupied by Developer's tenant for the conduct of the retail drugstore business and c) the final third of such total payment amount shall be due and payable upon the issuance of a final certificate of occupancy for the building within the Redevelopment Site contemplated to be occupied by

Developer's tenant for the conduct of a retail drugstore business and the actual commencement of operations by such retail drugstore business. Payments shall only be made as reimbursement for the Redevelopment Project Costs. The Developer shall provide such information and documentation as is reasonably necessary to demonstrate to the Village that amounts paid will be used as reimbursement for Redevelopment Project Costs.

### ARTICLE III

#### ADDITIONAL DEVELOPER OBLIGATIONS

3.1 Default by Developer: Payments to be made by Village to Developer hereunder shall be subject to the availability in the STAF of sufficient funds therefor not otherwise required for the payment of Redevelopment Project Costs or other obligations to which the Village has previously committed itself in accordance with the Act; in the event that the funds necessary to make a payment are not available in whole or in part at the time such payment is due, the Village may defer making the remainder of such advancement and any subsequent advancements until such time as sufficient funds may be available within the STAF. Said payments shall cease entirely upon the occurrence of any one or more of the following events (which events shall be deemed a breach of Developer's obligations hereunder);

a. The Developer's Tenant fails to occupy and commence operations in the Redevelopment Improvements for the uses and purposes contemplated hereby on or before April 1, 2009, unless such date is extended pursuant to Article 1.1 ("Occupancy Obligation");

b. The Developer has sold, assigned, or otherwise transferred the Redevelopment Site prior to the satisfaction of the Occupancy Obligation without first having obtained the written

consent of the Village, which consent shall not be withheld unreasonably; or

c. Developer defaults in the performance or in the observance of, or in compliance with any of its covenants, agreements, or obligations, or breaches or violates any of its representations contained in this Redevelopment Agreement prior to satisfaction of the Occupancy Obligation. In the event that the Occupancy Obligation is not fulfilled, then the Developer shall repay to the Village STAF any and all amounts paid to the Developer pursuant to this Agreement.

## ARTICLE IV

### COMPLIANCE WITH LAW

4.1 **Defense of TIF District:** In the event that any court or governmental agency having jurisdiction over enforcement of the Act and the subject matter contemplated by this Agreement shall determine that this Agreement, or payments to be made hereunder are contrary to law, or in the event that the legitimacy of any TIF District of the Village is otherwise challenged before a court or governmental agency having jurisdiction thereof, the Village will defend the integrity of the TIF District, and this Agreement, and the Developer shall support and reasonably cooperate with the Village's efforts to this end. In the event of an adverse lower court or agency ruling, payments shall be suspended during the pendency of any appeal thereof, but such payments shall be reinstated retroactively if such adverse ruling is reversed by the reviewing court or agency. The Village shall not intentionally seek to set aside, or otherwise challenge, its obligations under this Agreement.

4.2 **Opinion of Counsel for Developer:** Prior to adoption of this Agreement by the Village in Ordinance form, Developer shall furnish the Village with an opinion of its counsel stating that to the best of the Developer's knowledge and belief, that the Developer has taken all



legally required actions necessary for the approval of this Agreement, and that the performance of the other terms and provisions contemplated by the Redevelopment Agreement are in compliance with all applicable laws, rules, and regulations, federal, state and local.

4.3 **Information Return:** Developer will be requested to complete an annual TIF Allocation Information Return on a form provided by the Village. This return will assist the Village in administering the TIF District. This return will request such information as the Village shall deem relevant to carrying out the objectives of the Downtown Redevelopment Plan. Timely, truthful, completion and filing of the TIF Allocation Information Return shall be a condition of Developer's receipt of payments hereunder.

4.4 **Prevailing Wage; Non-Discrimination:** In accordance with 820 ILCS 130/1 et. seq., contractors engaged by the Developer shall pay their laborers, mechanics, and other workers the prevailing wage. The prevailing rate of wages means the hourly cash wages plus fringe benefits for health and welfare, insurance, vacations, and pensions paid generally in Will County to employees engaged in work of a similar character on public works. Further, the Developer and all contractors engaged by the Developer shall comply fully with all applicable federal, state and local laws or regulations prohibiting discrimination in employment and promoting equal opportunity in employment.

## ARTICLE V

### NOTICE

5.1 **Form:** All notices and demands required hereunder shall be in writing and shall be deemed given when delivered personally or three (3) days after deposit in the United States Mail,

postage prepaid, certified, with return receipt requested, addressed to the parties as follows:

If to the Village:	Village of Romeoville 13 Montrose Drive Romeoville, Illinois 60446 Attn: Village Manager
With a copy to:	Raymond E. Meader Tracy, Johnson & Wilson 2801 Black Road Joliet, Illinois 60435
If to the Developer:	DL Acquisitions Inc. 1011 E. Touhy Suite 290 Des Plaines, IL 60018 Attn.: Gary Lundgren or Geoff Dowling
With a copy to:	Brown & Brown PC 513 Central, Fifth Floor Highland Park, IL 60035 Attn.: Kenneth H. Brown Esq.

## ARTICLE VI

### GENERAL

6.1 **Curative Period:** If the Developer shall default in the performance or observance of, or in compliance with, any of its covenants, agreements, and obligations, or breach or violate any of its representations contained in this Agreement, then Developer shall have a sixty (60) day period ("Developer's Curative Period") after the date of notice of default from the Village within which time to correct or cure such default, breach, or violation. If, within Developer's Curative Period, Developer cannot cure or correct such default, breach, or violation, then the

Village shall be relieved of making any further payments hereunder, in addition to all other remedies available to the Village under the law or otherwise under this Agreement.

6.2 **Incorporation of Recitals:** The definitions and recitals set forth in the Definition of General Terms and Preamble are hereby specifically incorporated into this Agreement.

6.3 **Entire Agreement:** The terms and conditions set forth in this Agreement and the Annexation Agreement and their Exhibits supersede all prior oral and written understandings and constitute the entire agreement between the Village and Developer.

6.4 **Binding Upon Successors in Interest; Term:** This Agreement shall be binding upon the parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest, for a term commencing on the date first above named, and ending contemporaneously with the termination of the Romeo Road TIF District.

6.5 **Titles of Paragraphs:** Titles of the several parts, paragraphs, sections, or articles of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provision.

6.6 **Insurance.**

A. **Insuring the Construction of the Improvements.** The Developer shall cause the Village to be named as a primary, noncontributory additional insured party on any insurance policy or policies issued or an endorsement to such policy(ies), to provide builder's risk, general liability and Workers' Compensation coverage for the construction of the Redevelopment Improvements with an insurer reasonably acceptable to the Village. Each of these insurance policies shall be issued with limits, which are economically appropriate for the size and scope of

the Improvements and commercially reasonable and acceptable to the Village. Each of these insurance policies shall provide for not less than thirty (30) days written notice to the Village in the event of cancellation. The Developer shall provide the Village with certified copies of such policies and Certificates of Insurance for such policies naming the Village as primary, non-contributory additional insured prior to commencement of construction of the Redevelopment Improvements.

Prior to commencement of construction of the Redevelopment Improvements the Developer shall deliver to the Village all required certificates of insurance which shall be subject to approval by the Village with regard to the carrier, amounts and coverages.

B. Insurance Covering the Improvements. Throughout the term of this Agreement, the Developer or its successor, assignee or designee shall maintain an insurance policy or policies insuring the Redevelopment Site (and structures and improvements located thereon), against loss by fire or other hazard, in an amount equal to the cost of reconstruction, with an insurer reasonably acceptable to the Village. The Developer shall provide the Village with copies of such policies and Certificates of Insurance for such policies within thirty (30) days after completion of the Redevelopment Improvements. In the event the Developer fails to procure the insurance required by this Section 6.6, after thirty (30) days notice the Village may procure such insurance at the Developer's expense.

Notwithstanding the foregoing, it is agreed and understood that the Developer's Tenant has the right to self-insure the Redevelopment Improvements. Accordingly, so long as the Redevelopment Improvements are occupied by Developer's Tenant for the conduct of a retail

drug store by a national drug store company, Developer's obligations under this Section 6.6.B. shall be deemed satisfied by Developer's Tenant providing a web-based memorandum of insurance or letter verifying said Tenant's self-insurance program.

6.7 **Conflict of Interest Disclosure.** Pursuant to Section 5/11 74-4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the Village or of any Village commission or committee exercising authority over the Redevelopment Project Area or the Redevelopment Plan, or any consultant hired by the Village, in connection with the planning and preparation of the Redevelopment Plan or Project, owns or controls, has owned, controlled or will own or control any interest in the Developer, the Redevelopment Site or the Redevelopment Improvements.

6.8 **Recording.** This Agreement shall be recorded with the Will County Recorder of Deeds.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, this Agreement is executed as of the date first written above.

VILLAGE OF ROMEOVILLE

By: \_\_\_\_\_

Fred Dewald,  
Village President

Attest: \_\_\_\_\_

Raymond Holloway,  
Village Clerk

Lundgren Dowling 1180 N. Farnsworth LLC

By: \_\_\_\_\_

Its President \_\_\_\_\_

Attest: \_\_\_\_\_

Its Secretary

Parcel 1

Lot 1 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of Part of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10 East of the Third Principal Meridian, According to the Plat Thereof Recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois

PIN-12-02-34-313-019-0000

Parcel 2

Lot 2 in Unit No. 1 of Mikan's Romeo Estates, a Subdivision of Part of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10 East of the Third Principal Meridian, According to the Plat Thereof Recorded April 19, 1954, in Plat Book 28, Page 32, as Document Number 748172, in Will County, Illinois

PIN-12-02-34-313-018-0000

Parcel 3

That Part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10 East of the Third Principal Meridian (Except that Part Dedicated to the County of Will, State of Illinois, for Public Road Purposes in Document 698507), Bounded and Described as Follows: Beginning at a Point on the North Line of Romeo Road, Distant 125.00 Feet East of the East Right-of-Way Line of Route #66; Thence North 01 Degrees 29 Minutes 54 Seconds East, 295.00 Feet to a Point; Thence North 89 Degrees 37 Minutes 54 Seconds East, for a Distance of 170.20 Feet to a Point; Thence South 01 Degrees 29 Minutes 53 Seconds West, for a Distance of 295.20 Feet to a Point on the North Right-of-Way Line of Said Romeo Road; Thence South 89 Degrees 37 Minutes 54 Seconds West, on the Last Described Line, for a Distance of 70.20 Feet to a Point of Beginning, all in Will County, Illinois

PIN-12-02-34-313-010-0000

Parcel 4

That Part of the South  $\frac{1}{2}$  of the South  $\frac{1}{2}$  of Section 34, Township 37 North, Range 10 East of the Third Principal Meridian (Except that Part Dedicated to the County of Will, State of Illinois, for Public Road Purposes in Document 698507), Which Lies East of the Highway Known as US Route 66, Bounded and Described as Follows: Beginning at a Point Where the East Lin of US Route 66, Distant 30.00 Feet North of the North Line of the Highway Known as Romeo Road (Said Point of Beginning also Being the Northerly Corner of Parcel 003 as Shown on Plat of Highways, State of Illinois, Department of Transportation Job R91-023-95); Thence Continuing North 01 Degrees 29 Minutes 54 Seconds East, Along the East Line of Said Route 66, for a Distance of 265.20 Feet to a Point; Thence North 89 Degrees 37 Minutes 54 Seconds East, for a Distance of 125.00

Feet to a Point; Thence South 01 Degrees 29 Minutes 54 Seconds West, on a Line 125.00 Feet East of and Parallel with the East Right-of-Way Line of Said Route 66, for a Distance of 295.20 Feet to a Point on the North Right-of-Way of Romeo Road; Thence South 89 Degrees 37 Minutes 54 Seconds West, on the Last Described Line for a Distance of 90.00 Feet to a Point Distant 35.00 Feet East of the East Right-of-Way Line of Said Route 66 (Said Point also Being the Easterly Corner of the Aforesaid Parcel 003); Thence North 48 Degrees 58 Minutes 44 Seconds West, Along the Northeasterly Line of Said Parcel 003, for a Distance of 45.35 Feet to the Point of Beginning, in Will County, Illinois

PIN-02-34-313-011-0000



## Request for Village Board Action

Date: September 12, 2007

Description/Title:

AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT (ROMEO ROAD TIF)

Workshop X Regular X

### Summary:

The agreement is between the Village and the owners DL Acquisitions, Inc. of the 4 parcels (2.48 acres) in the Romeo Road TIF. The site includes the former BP Amoco site located on Route 53 and Romeo Road (135<sup>th</sup> ST). The owners plan on developing the site into a Walgreens. The site requires extensive remediation and infrastructure improvements. The Village has agreed to contribute \$350,000 to pay for a portion of the improvements.

The payments will be made in three installments of approximately \$116,667. The first payment is due when the site has been acquired, the second payment will be due when the building permit is issued and the third payment will be due when the certificate of occupancy is issued.

The agreement includes provisions that payments will only be made if TIF funds are available and that payments must be refunded if the Walgreens is not open for business before a certain date (still to be determined).

The infrastructure projects include reimbursement to the Village for the extension of water infrastructure from the east side of Route 53 to the Northwest Corner across from the site, extending water infrastructure along Mikan Lane, sanitary infrastructure from 135<sup>th</sup> to north of the property, improvements to Mikan Lane and dedication of Right-of-Way to IDOT along Route 53.

A draft copy of the agreement is attached. Final details are under discussion.

Recommendation / Comments By Other Boards or Commissions:

Action Requested by Village Board: Approve the Ordinance

Presenter: \_\_\_\_\_

Dept. Manager: KAQ

Proofed by: CR

Village Manager: SH

# ATTACHMENT I

*New Issue*

Date of Sale:

Wednesday, November 7, 2007

Series 2007A Bonds: Between 9:45 and 10:00 A.M., C.S.T.

Series 2007B Bonds: Between 10:15 and 10:30 A.M., C.S.T.

(Open Auction Internet Sales)

Investment Rating:

Moody's Investors Service ... Aaa

Fitch Ratings ... AAA

(XLCA Insured)

## Official Statement

*Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion.*

### VILLAGE OF ROMEOVILLE

Will County, Illinois

**\$4,980,000\* General Obligation Refunding Bonds, Series 2007A**

**\$12,900,000\* General Obligation Refunding Bonds, Series 2007B**

**Dated November 15, 2007**

**Book-Entry**

**Due Serially as Detailed Herein**

The \$4,980,000\* General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds") and the \$12,900,000\* General Obligation Refunding Bonds, Series 2007B (the "Series 2007B Bonds") (collectively, the "Bonds") are being issued by the Village of Romeoville, Will County, Illinois (the "Village"). Interest on the Bonds is payable semiannually on June 30 and December 30 of each year, commencing June 30, 2008. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Series 2007A Bonds will mature on December 30 as detailed herein. The Series 2007B Bonds will mature on December 30 as detailed herein.

### OPTIONAL REDEMPTION

The Series 2007A Bonds are **not** subject to optional redemption prior to maturity.

The Series 2007B Bonds are callable in whole or in part on any date on or after December 30, 2016, at a price of par and accrued interest. If less than all the Series 2007B Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

### BOND INSURANCE

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued by XL Capital Assurance Inc., ("XLCA") simultaneously with the delivery of the Bonds. See APPENDIX C herein. The cost for the bond insurance premium and the related rating fees of Moody's Investors Service and Fitch Ratings will be paid by the Village.

### PURPOSE, LEGALITY AND SECURITY

The Series 2007A Bond proceeds will be used to currently refund the Village's outstanding General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A and to pay the costs of issuing the Series 2007A Bonds. See "PLAN OF FINANCING - Series 2007A Bonds" herein.

The Series 2007B Bond proceeds will be used to currently refund the Village's outstanding General Obligation Short-Term Variable Rate Bonds, Series 2006, to pay costs related to construction of a new Village Hall and fire station and to pay the costs of issuing the Series 2007B Bonds. See "PLAN OF FINANCING - Series 2007B Bonds" herein.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Series 2007A Bonds are deemed "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS - SERIES 2007A BONDS" herein.

The Village **does not** intend to designate the Series 2007B Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Official Statement is dated October 25, 2007, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Sales Calendar". Additional copies may be obtained from Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446, or from the Independent Public Finance Consultants to the Village:

Established 1954

**Speer Financial, Inc.**

INDEPENDENT PUBLIC FINANCE CONSULTANTS

ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602

Telephone: (312) 346-3700; Facsimile: (312) 346-8833



\*Subject to change.

[www.speerfinancial.com](http://www.speerfinancial.com)

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notices of Sale and the Official Bid Forms, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors. The following descriptions apply equally to the 2007A Bonds and the 2007B Bonds. Other terms specific to each series are provided separately herein.

<b>Issuer:</b>	Village of Romeoville, Will County, Illinois.
<b>Dated Date:</b>	November 15, 2007.
<b>Interest Due:</b>	Each June 30 and December 30, commencing June 30, 2008.
<b>Authorization:</b>	By vote of the Village Board; the Village is a home-rule unit and under the 1970 Illinois Constitution has no debt limitation.
<b>Security:</b>	The Bonds are valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
<b>Ratings/Insurance:</b>	Moody's Investors Service and Fitch Ratings have assigned their municipal bond ratings of "Aaa" and "AAA", respectively, to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of the principal of and interest on the Bonds will be issued by XLCA. See APPENDIX C herein. The cost for the bond insurance premium and the related rating fees of Moody's Investors Service and Fitch Ratings will be paid by the Village. The Village's outstanding general obligation bond ratings are "A2" from Moody's Investors Service and "A+" from Fitch Ratings. Reviews for the Bonds have been requested.
<b>Tax Exemption:</b>	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under "TAX EXEMPTION" in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>Bond Registrar/Paying Agent/ Escrow Agent:</b>	Amalgamated Bank of Chicago, Chicago, Illinois.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Financial Advisor:</b>	Speer Financial, Inc., Chicago, Illinois.

## SERIES 2007A BONDS

**Issue:** \$4,980,000\* General Obligation Refunding Bonds, Series 2007A.

**Principal Due:** Serially each December 30, commencing December 30, 2009 through 2017, as detailed below.

**Optional Redemption:** The Series 2007A Bonds are **not** subject to optional redemption prior to maturity.

**Purpose:** The Series 2007A Bond proceeds will be used to currently refund the Village's outstanding General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A and to pay the costs of issuing the Series 2007A Bonds. See **"PLAN OF FINANCING – Series 2007A Bonds"** herein.

**Bank Qualification:** The Series 2007A Bonds are deemed "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS – SERIES 2007A BONDS"** herein.

### AMOUNTS\*, MATURITIES, INTEREST RATES AND PRICES OR YIELDS

Principal Amount*	Due Dec. 30	Interest Rate	Yield or Price	Principal Amount*	Due Dec. 30	Interest Rate	Yield or Price
\$ 10,000	..... 2009	_____ %	_____ %	\$630,000	..... 2014	_____ %	_____ %
540,000	..... 2010	_____ %	_____ %	660,000	..... 2015	_____ %	_____ %
560,000	..... 2011	_____ %	_____ %	680,000	..... 2016	_____ %	_____ %
580,000	..... 2012	_____ %	_____ %	715,000	..... 2017	_____ %	_____ %
605,000	..... 2013	_____ %	_____ %				

*Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

\*Subject to change.

## SERIES 2007B BONDS

**Issue:** \$12,900,000\* General Obligation Refunding Bonds, Series 2007B.

**Principal Due:** Serially each December 30, commencing December 30, 2017 through 2020, as detailed below.

**Optional Redemption:** The Series 2007B Bonds are callable in whole or in part on any date on or after December 30, 2016, at a price of par and accrued interest. If less than all the Series 2007B Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See “**OPTIONAL REDEMPTION**” herein.

**Purpose:** The Series 2007B Bond proceeds will be used to currently refund the Village’s outstanding General Obligation Short-Term Variable Rate Bonds, Series 2006, to pay costs related to construction of a new Village Hall and fire station and to pay the costs of issuing the Series 2007B Bonds. See “**PLAN OF FINANCING – Series 2007B Bonds**” herein.

**Bank Qualification:** The Series 2007B Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### AMOUNTS\*, MATURITIES, INTEREST RATES AND PRICES OR YIELDS

Principal Amount*	Due Dec. 30	Interest Rate	Yield or Price	Principal Amount*	Due Dec. 30	Interest Rate	Yield or Price
\$2,000,000	.....2017	_____ %	_____ %	\$3,925,000	.....2019	_____ %	_____ %
2,225,000	.....2018	_____ %	_____ %	4,750,000	.....2020	_____ %	_____ %

\*Subject to change.

## **VILLAGE OF ROMEOVILLE**

**Will County, Illinois**

**Fred Dewald**  
*Village President*

### **Board of Trustees**

**Linda S. Palmiter**  
**Andy Goitia**

**Dr. Edward McCartan**

**John Noak**  
**Michele Annerino**

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### **Officials**

**Steve Gulden**  
*Village Manager*

**Raymond E. Holloway**  
*Village Clerk*

**Kirk Openchowski**  
*Finance Director/Treasurer*

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**Raymond E. Meader**  
*Corporation Counsel*

**Speer Financial, Inc.**  
*Financial Advisor*

## **THE VILLAGE**

The Village of Romeoville (the "Village"), incorporated in 1895, is located in Will County (the "County"), approximately 26 miles southwest of Chicago. The Village encompasses approximately 17 square miles and is bordered by the Village of Bolingbrook to the north, unincorporated Will County to the west, south and east; and the City of Lockport to the southeast. Recent annexations have totaled over 2,000 acres, with an expected 1,200 new housing units over five years. Population at the time of the 2000 Census was 21,153, a 50% increase from the 1990 report of 14,101. In 2006, a Special Census was conducted and the population increased 73% from 2000, now totaling 36,709.

### **Home Rule**

The Village acquired home rule status in 2003 when its population exceeded 25,000. Pursuant to the authority granted by Article VII of the 1970 Constitution of the State of Illinois, any municipality which, according to the most recent official U.S. Census, has a population of more than 25,000 is a home rule unit. The Village may exercise broad powers pertaining to its government and affairs.



## Village Organization and Services

The Village has a President and Board of Trustees/Manager form of government. The Village Board is composed of the Village President and six trustees who are elected at large for staggered four year terms. At present there is one vacancy on the Board of Trustees. The Village has an elected Clerk who is elected to a four year term at the same time as the Village President.

The Village provides police, fire, and paramedic service; water and sewer system services; public works; refuse collection; road and bridge maintenance; and general administrative services. The Village employs approximately 403 persons providing the following services:

	<u>Full-time</u>	<u>Part-time</u>
Police.....	91	27
Fire.....	24	54
Administrative and Other.....	119	88
Total.....	234	169

Of the 91 full-time staff of the Police Department, 69 are sworn officers. Fire department staff includes approximately 72 firefighters, of which 70 are firefighter/paramedics.

Northern Illinois Gas Company and Commonwealth Edison provide gas and electric service for the Village, respectively. The Village provides water and sewer services.

Library services are provided by Fountaindale, Des Plaines Valley, and Plainfield Library Districts. Fountaindale maintains a library facility within the Village.

## Transportation

The Village has accessibility via highway, rail, water and air transportation, serving its residents and its large industrial base. It is situated along Illinois 53. Directly to the north is Interstate 55, which leads to Chicago; three full interchanges serve the Village. The completion of Interstate 355 to Interstate 55 has improved access to the northern and western suburbs. Interstate 355 is being extended south. Six miles to the south is Joliet and Interstate 80, leading to Indiana to the east and Iowa to the west.

Mass transit services include the Metra Heritage Corridor line in nearby Lockport and Joliet. Passenger service is also available via Amtrak in Joliet and Chicago. The Village is currently working with Metra to obtain a location for a station in Romeoville. The Santa Fe, Elgin and Eastern and the Illinois Central Gulf Railroads supply rail freight service.

The Chicago Shipping Canal provides water transportation to Chicago harbors, the Great Lakes and the Illinois-Mississippi River waterways. The Joliet Regional Port District operates the Canal. Air transportation service is available at Chicago's O'Hare International Airport (25 miles) and Midway Airport (15 miles). In addition, the Lewis University Airport, which is located within the Village, is owned and operated by the Joliet Regional Port District and has plans for further expansion.

## **Community Life**

The Village provides recreation opportunities. O'Hara Woods is an 100-acre nature center with a fishing lake and hiking trails and an adjoining 30 acre recreation center complex with a health club, lighted tennis courts, outdoor ice skating rinks and ball fields. The Village provides a total of 26 parks with 26 playgrounds. Total park space is over 276 acres. The Lockport Township Park District and the Plainfield Township Park District serve part of the Village. Also, in or near the Village are the Romeoville Prairie Nature Preserve (120 acres), Veteran Woods (77 acres) and the Isle a la Cache Museum (40 acres), which are maintained by the Will County Forest Preserve District.

## **Education**

The Village's public education needs are met by School Districts 92, 202-U, 365-U and High School District Number 205. The Village is located within Community College District Number 525, the Joliet Community College. Lewis University, a privately owned higher educational institution, is located in Romeoville.

## **Current Economic Development Programs**

The Village is aggressively pursuing economic development to expand its already diverse tax base and to attract jobs for its residents. Key strengths of the Village in attracting development are its location advantages and land availability. The Village is using these strengths to market itself to light manufacturers and small and medium wholesale and service industries.

Interstate 55 with three interchanges, along with Interstate 355, makes the Village accessible to Chicago and its southern and western suburbs by road as well as by rail, water and air transportation as outlined above. The Village was instrumental in gaining cooperation among area governments and developers to fund part of the construction and in succeeding in getting the Illinois Department of Transportation to accelerate the scheduling for the construction of one of these interchanges as part of its list of planned highway improvements.

## **Industrial Development Activity**

Several industrial developments have reached the point of maturity over the last five years while a few more are just beginning to take shape. The northwestern border of the Village houses Windham Lakes Business Center which is located on the north side of I-55. Most of its construction was finished with the completion of the Offices of Windham Lakes in September 2000. Windham Lakes Southwest Quad on the south side of I-55 has had a very busy year. Sears Logistics opened an 812,000 square foot Midwestern distribution center on Normantown Road joining the \$12 Million Huskies Ice Center's 108,000 square foot private recreation facility and the 415,000 square foot distribution facility occupied by Dandee Display and Kimberly Clark as co-tenants.

In the center of the Village, Duke Realty developed two 650-725,000 square foot facilities, one of which became home to Kimberly Clark's massive supply of Kleenex, Huggies and soft goods. The Ryan Companies sold a 735,000 square foot spec building in 2006 and Prologis developed a 640,000 square foot distribution facility that is currently available.

Land and Lakes Development built two twin 458,000 square foot distribution facilities in the last 36 months in Bluff Point Business Park on the east side of the Village near I-55. The first building was sold to the Wrigley Companies for \$48 million while the second structure was recently leased to Prairie Packaging.

In the Pinnacle Business Park by Pizzuiti, Wilton expanded by 225,000 square feet for a total of 610,000, Home Depot had a 460,000 square foot construction and expansion finished, and OHL purchased a 480,000 square foot distribution center with Sony televisions as the primary tenant.

Pizzuiti also sold Triumph Development 50 acres of its 800 acre park on which it built two speculative buildings of 38,000 and 42,000 square feet respectively. In 2007, First American purchased 72 acres of Pizzuti's holdings and began development of the Paragon Business Center projected to contain twelve buildings totaling over 700,000 square feet and ranging in size from 25,000 to 150,000 square feet. The first two structures of 38,000 and 44,000 square feet are in construction as well as the new 36 foot wide Belmont Avenue being built by Pizzuiti to connect the Pinnacle and Paragon Centers.

TCB Development has begun mass grading its newly annexed 80 acre Corporate Center of Romeoville on the south side of Taylor Road opposite First American's Paragon Center. Much like the First American project, TCB's center will contain 13 buildings totaling nearly 600,000 square feet of sizes similar to the Paragon Center.

With nearly 4 million square feet still planned for Pinnacle Business Park, Pizzuiti has its Pinnacle 23 facility under construction. With nearly 625,000 square feet covering 30 acres and parking for 200 plus semi-trailers, this facility blends the Paragon Corporate Corridors and South Creek Business Parks together at the intersection of Taylor Road and South Creek Parkway.

The South Creek Business Park by Carlson Brothers began development in 2004. Besides assisting with the construction of the \$6 million dollar South Creek Parkway that connects to Airport Road and eventually the new I-55 interchange, Carlson Brothers brought the headquarters and flagship manufacturing plant for Chicago Tube and Iron ("CTI") here. CTI's new 368,000 square foot state of the art steel forming facility opened late in 2005 with 250 employees. Pollman N A, an OEM auto parts manufacturer, opened its 38,000 square foot North American headquarters in 2006. Currently, Great Kitchens is building a 140,000 square foot food processing facility between CTI and Pollman. Great Kitchen's expected 221 new employees will prepare 32,000 twelve inch pizzas during each eight hour shift. With four lots left in the South Creek Park, the Carlson Brothers are preparing to build a 48,000 square foot facility for a metal manufacturing firm in the spring of 2008.

With nearly 23,000,000 square feet of the Village's expected 38,000,000 square feet built in the last seven years, the 27 facilities mentioned here represent well in excess of \$500,000,000 of taxable assets which allow the Village to plan and grow at a manageable and stable pace. With only 50% of Pizzuiti's 800 acres developed, and Duke, Prologis, and Land of Lakes on schedule to build at least one 500,000 plus square foot facility each in the next year (2008), jobs, construction and assessed value in the Village should experience increases.

With the addition since 1999 of new large employers and 4,000 homes, the need to develop commercial projects grew in 2006. With only 333,000 square feet of retail development in place at the beginning of 2006 (and approximately 100,000 of that occurring between 2004 and 2006) over 1,350,000 square feet of retail is planned, under construction, or open at the intersection of Airport and Weber Roads. In October 2007, the Target Center opened its 128,000 square foot Target store and the 50,000 adjacent square feet of the Shops of Romeoville is scheduled to open in the near future. A 90,000 square foot Kohl's has started construction anticipating a summer 2008 opening.

The second largest Wal-Mart in North America, a 208,000 square foot modern design structure, will open its doors in January 2008. In addition, the rest of Romeoville Crossings will contain at least three restaurants, a 30,000 square foot medical facility and another medium big box store. The Village is currently evaluating 14 "strip centers" that will contain another 300,000 square feet of retail space.

The Village is actively attempting to attract sit down restaurants to complement the ones that are currently located here. Also, several specialty facilities such as the American Sales 60,000 square foot recreation store, Brunswick Zone's 55,000 square foot recreational center, the 108,000 square foot International Ice Center and the 21,000 square foot Crème de la Crème (a children's learning center) opened in the last year.

The Village's housing stock is becoming more varied and increasing in value. With only approximately 1000 homes to be built before the Village reaches total build-out of 42,000 persons and 13,500 houses, the development of higher end housing is a sign of the area's maturity and stabilization. In 2006 Misty Ridge by Beechen and Dill commenced construction of 168 single family homes. With 58 homes closed to date, the average closure price is approximately \$400,000. This is nearly double the median price for the Village. Similarly, Stone Bluff by Charles Sharp sold its first home in 2005 and they are comparable in both size and pricing to Misty Ridge

Late in 2007, Midwest Living by Dete Development of Monona, Wisconsin, will begin development of a 500 unit senior citizens complex (offering a complete continuum of care for elderly adults) at Grand Haven Boulevard and Weber Roads. This development will be in three phases covering approximately three years.

The Village, in January of 2005, formed a Downtown Area Tax Increment Financing (TIF) Redevelopment Project and Plan. The redevelopment area, 421 acres in size, is in the central part of the Village that radiates from the intersection of Normantown Road and Illinois Route 53. The area contains a mix of uses including the Spartan Square Shopping Center, Romeo Center Plaza and other retail and commercial businesses, industrial uses east of Route 53 and south of Marquette Center Industrial Park, the Village municipal complex, Robert C. Hill Elementary School and the Fountaindale Public Library. The goal of the Downtown TIF District is to revitalize the Village's first commercial and residential district. Revitalization projects, funded solely through TIF dollars and/or tax increment bonds may include storm water improvements, land acquisition, streetscape improvements, road improvements, economic incentive and building renovations. The Village also plans to construct a Community Center in the Downtown Area. The Downtown TIF is contiguous to the Marquette TIF. The Village will be allowed to export funds from the Marquette TIF to the Downtown TIF.

## SOCIOECONOMIC INFORMATION

### Employment

Substantial employment is available in surrounding communities and throughout the Chicago metropolitan area. Numerous employers are located within the Village and in surrounding communities.

The following employment data shows a consistently diverse and strong growth trend for employment in Will County. This data is **NOT** comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

### Will County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

	(Data as of March for each Year)				
	2002	2003	2004	2005	2006
Farm and Forestry.....	457	426	409	N/A	318
Mining and Construction.....	13,374	13,050	13,434	13,664	14,987
Manufacturing.....	18,695	18,461	18,630	18,632	19,422
Transportation, Communications, Utilities.....	9,534	9,464	11,427	10,404	11,606
Wholesale Trade.....	7,085	7,818	8,611	9,048	9,483
Retail Trade.....	19,125	19,564	19,933	21,876	23,582
Finance, Insurance, Real Estate.....	4,610	4,832	5,553	6,036	6,167
Services(2).....	47,250	47,259	50,360	53,125	59,657
Total.....	120,130	120,922(2)	128,357	133,432(2)	145,222(2)
Percent Change.....	0.93%(3)	0.66%	6.15%	3.95%	8.84%

- Notes: (1) Source: Illinois Department of Employment Security.  
(2) Includes unclassified establishments.  
(3) Percent increase based on 119,021 employment in 2001.

Following are lists of large employers located in the Village and the surrounding areas. Additional employment opportunities are available to Village residents throughout the Chicago metropolitan area.

### Major Village Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Valley View Community School District Number 365U .....	Elementary and Secondary Education .....	2,300
Lockport Township High School District Number 205 .....	Secondary Education .....	500
Village of Romeoville .....	Government .....	331
Lewis University .....	University .....	320
Marquette Property Investment .....	Real Estate Development and Management .....	300
Ultra Salon Cosmetics Fragrance, Inc. ....	Salon Cosmetics and Fragrances Corporate Office .....	250
Florstar Sales, Inc. ....	Wholesale Floor Covering Distributor .....	220
Panduit Corp. ....	Cable Tie Tools .....	210
Kennedy Transportation Co. ....	National Trucking Transportation and Logistics Services ..	208
Fleetwood, Inc. ....	Material Handling and Mechanical Conveyors .....	200
Sharp Electronics Corp. ....	Wholesale Electronics .....	200
Pactiv Corp. ....	Warehouse Distribution Center .....	200
Midwest Generation, Will County Station .....	Coal Fired Electric Generation .....	175
Chicago Tube and Iron Co. ....	Company Headquarters; Tubing; Valves .....	160
Sato Labeling Solutions .....	Pressure-sensitive & Bar Code Labels & Tags .....	150

Note: (1) Source: 2007 Illinois Manufacturers Directory, 2007 Illinois Services Directory and a selected telephone survey.

### Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Aurora/Naperville .....	Caterpillar, Inc. ....	Heavy Tractors and Earth Moving Equipment .....	6,000
Naperville .....	Lucent Technologies .....	Telecommunications .....	5,000
Argonne .....	Argonne National Laboratory .....	Research and Development .....	2,300
Joliet .....	Provena St. Joseph Medical Center .....	Regional Medical Center .....	2,430
Joliet .....	State of Illinois(2) .....	State Government Offices .....	2,350
Naperville .....	Nicor Gas .....	Gas Transmission and Distribution .....	2,264
Joliet .....	Empress Casino .....	Casinos, Hotels, Resorts and Riverboats .....	2,000
Naperville .....	Tellabs .....	Computer Related Services .....	2,000
Joliet .....	Silver Cross Hospital .....	General Hospital .....	1,800
Naperville .....	BP Naperville Complex .....	Chemical and Petrochemical Research .....	1,600
Joliet .....	Will County .....	County Government .....	1,600
Naperville .....	Office Max, Inc. ....	Stationary and Office Supplies .....	1,500
Aurora .....	Rush Copely Medical Center .....	Hospital .....	1,400
Naperville .....	Nalco Co. ....	Research and Development .....	1,200
Aurora .....	Dreyer Medical Clinic .....	Medical Services .....	1,000
Naperville .....	Castrol Industrial North America, Inc. ....	Corporate Headquarters and Lubricating Oil .....	1,000

Notes: (1) Source: 2007 Illinois Manufacturers Directory, 2007 Illinois Services Directory and a selective telephone survey.  
(2) Includes all of Will County.

The following tables show employment by industry and by occupation for the Village, Will County and the State of Illinois as reported by the 2000 Census.

### Employment By Industry(1)

Classification	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting, and Mining.....	57	0.50%	966	0.39%	66,481	1.14%
Construction.....	664	5.84%	20,209	8.20%	334,176	5.73%
Manufacturing.....	2,003	17.62%	38,068	15.45%	931,162	15.96%
Wholesale Trade.....	538	4.73%	10,521	4.27%	222,990	3.82%
Retail Trade.....	1,442	12.69%	29,429	11.94%	643,472	11.03%
Transportation and Warehousing, and Utilities.....	1,035	9.11%	18,441	7.48%	352,193	6.04%
Information.....	373	3.28%	7,049	2.86%	172,629	2.96%
Finance, Insurance, Real Estate, Rental and Leasing.....	990	8.71%	19,727	8.01%	462,169	7.92%
Professional, Scientific, Management, Administrative, and Waste Management Services.....	989	8.70%	23,207	9.42%	590,913	10.13%
Educational, Health and Social Services.....	1,796	15.80%	43,396	17.61%	1,131,987	19.41%
Arts, Entertainment, Recreation, Accommodation and Food Services.....	703	6.18%	16,597	6.73%	417,406	7.16%
Other Services (Except Public Administration).....	527	4.64%	10,384	4.21%	275,901	4.73%
Public Administration.....	250	2.20%	8,437	3.42%	231,706	3.97%
Total.....	11,367	100.00%	246,431	100.00%	5,833,185	100.00%

Note: (1) Source: U. S. Bureau of the Census.

### Employment By Occupation(1)

Classification	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Management, Professional and Related Occupation.....	3,246	28.56%	83,446	33.86%	1,993,671	34.18%
Service Occupations.....	1,235	10.86%	29,471	11.96%	813,479	13.95%
Sales and Office.....	3,581	31.50%	70,006	28.41%	1,609,939	27.60%
Farming, Fishing and Forestry.....	0	0.00%	369	0.15%	17,862	0.31%
Construction, Extraction, and Maintenance.....	1,243	10.94%	27,607	11.20%	480,418	8.24%
Production, Transportation, and Material Moving.....	2,062	18.14%	35,532	14.42%	917,816	15.73%
Total.....	11,367	100.00%	246,431	100.00%	5,833,185	100.00%

Note: (1) Source: U.S. Bureau of the Census.

### Unemployment Rates

Unemployment rates are not available for the Village but are available for Will County and the State of Illinois as shown below.

#### Annual Average Unemployment Rates(1)

Calendar Year	Will County	State of Illinois
1997.....	4.4%	4.7%
1998.....	4.2%	4.5%
1999.....	3.9%	4.3%
2000.....	4.0%	4.4%
2001.....	5.2%	5.4%
2002.....	6.4%	6.5%
2003.....	6.9%	6.7%
2004.....	5.9%	6.2%
2005.....	5.5%	5.7%
2006.....	4.3%	4.5%
2007(2).....	5.3%	5.2%

Notes: (1) Source: Illinois Department of Employment Security.  
(2) Preliminary rate for the month of July 2007.

## Building Permits

Residential building permits have averaged in excess of \$93,000 over the last three full years in the Village, excluding the value of land.

### Village Building Permits(1) (Excludes the Value of Land)

Calendar Year	Single-Family		Multi-Family		Miscellaneous Value	Total Value
	Units	Value	Units	Value		
1997	377	32,822,950	346	23,266,138	14,108,910	70,197,998
1998	523	48,530,716	192	9,731,250	4,400,559	62,662,525
1999	932	80,629,232	0	0	27,628,742	108,257,974
2000	1,205	96,430,720	0	0	44,892,548	141,323,268
2001	1,088	106,833,070	0	0	34,694,311	141,527,381
2002	510	50,078,001	0	0	7,268,378	57,346,379
2003	691	58,412,266	0	0	6,953,715	65,365,981
2004	430	38,259,480	0	0	10,297,147	48,556,627
2005	190	17,307,111	0	0	12,552,185	29,859,296
2006	123	13,588,194	0	0	1,929,765	15,517,959

Note: (1) Source: LaSalle Bank FSB Survey of Building/Bell Federal Savings, and the Village.

## Housing

The 2000 Census reported that the median value of the Village's owner-occupied homes was \$118,100, which compares with \$154,300 for the County and \$130,800 for the State. The 2000 value of specified owner-occupied units for the Village, Will County and the State were as follows:

### Specified Owner-Occupied Units(1)

Value	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	25	0.44%	1,766	1.39%	230,049	9.31%
\$50,000 to \$99,999	1,712	30.15%	21,318	16.76%	651,605	26.38%
\$100,000 to \$149,999	2,144	37.75%	37,351	29.37%	583,409	23.62%
\$150,000 to \$199,999	1,408	24.79%	31,383	24.68%	429,311	17.38%
\$200,000 to \$299,999	338	5.95%	24,066	18.92%	344,651	13.95%
\$300,000 to \$499,999	52	0.92%	9,533	7.50%	163,254	6.61%
\$500,000 to \$999,999	0	0.00%	1,628	1.28%	55,673	2.25%
\$1,000,000 or more	0	0.00%	135	0.11%	12,386	0.50%
Total	5,679	100.00%	127,180	100.00%	2,470,338	100.00%

Note: (1) Source: U.S. Bureau of the Census.

## Income

### Per Capita Personal Income for the Ten Highest Income Counties in the State(1)

Rank	2000
1	Lake County ..... \$32,102
2	DuPage County ..... 31,315
3	McHenry County ..... 26,476
4	Kendall County ..... 25,188
5	Will County ..... 24,613
6	Kane County ..... 24,315
7	Cook County ..... 23,227
8	Sangamon County ..... 23,173
9	Monroe County ..... 22,954
10	Grundy County ..... 22,591

Note: (1) Source: U.S. Bureau of the Census.

The following shows a ranking of median family income for the Chicago metropolitan area among the 102 Illinois counties from the 2000 Census.

### Ranking of Median Family Income(I)

Ill. County	Family Income	Ill. Rank
DuPage County	\$79,314	1
Lake County	76,424	2
McHenry County	71,553	3
Will County	69,608	4
Kendall County	69,383	5
Kane County	66,558	6
Cook County	53,784	15

Note: (1) Source: U.S. Bureau of the Census.

According to the 2000 Census, the Village had a median family income of \$63,320. This compares to \$69,608 for Will County and \$55,545 for the State. The following table represents the distribution of family incomes for the Village, Will County and the State at the time of the 2000 Census.

### Median Family Income(I)

Income	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	33	0.61%	2,866	2.18%	156,205	5.00%
\$10,000 to \$14,999	48	0.89%	2,107	1.60%	105,747	3.38%
\$15,000 to \$24,999	174	3.21%	6,366	4.83%	273,712	8.76%
\$25,000 to \$34,999	425	7.85%	9,542	7.25%	331,907	10.62%
\$35,000 to \$49,999	956	17.66%	17,542	13.32%	506,429	16.20%
\$50,000 to \$74,999	1,991	36.78%	35,024	26.60%	736,897	23.58%
\$75,000 to \$99,999	979	18.08%	25,725	19.54%	445,390	14.25%
\$100,000 to \$149,999	663	12.25%	22,832	17.34%	356,068	11.39%
\$150,000 to \$199,999	123	2.27%	5,565	4.23%	101,955	3.26%
\$200,000 or more	22	0.41%	4,105	3.12%	111,008	3.55%
Total	5,414	100.00%	131,674	100.00%	3,125,318	100.00%

Note: (1) Source: U.S. Bureau of the Census.

According to the 2000 Census, the Village had a median household income of \$60,737. This compares to \$62,238 for Will County and \$46,590 for the State. The following table represents the distribution of household incomes for the Village, Will County and the State at the time of the 2000 Census.

### Median Household Income(I)

Income	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	92	1.36%	6,422	3.83%	383,299	8.35%
\$10,000 to \$14,999	108	1.60%	5,034	3.00%	252,485	5.50%
\$15,000 to \$24,999	344	5.08%	12,262	7.32%	517,812	11.27%
\$25,000 to \$34,999	513	7.58%	14,751	8.80%	545,962	11.89%
\$35,000 to \$49,999	1,279	18.89%	23,838	14.22%	745,180	16.23%
\$50,000 to \$74,999	2,444	36.11%	41,658	24.86%	952,940	20.75%
\$75,000 to \$99,999	1,149	16.97%	28,499	17.00%	531,760	11.58%
\$100,000 to \$149,999	695	10.27%	24,652	14.71%	415,348	9.04%
\$150,000 to \$199,999	123	1.82%	5,978	3.57%	119,056	2.59%
\$200,000 or more	22	0.33%	4,508	2.69%	128,898	2.81%
Total	6,769	100.00%	167,602	100.00%	4,592,740	100.00%

Note: (1) Source: U.S. Bureau of the Census.



## Retail Activity

The table below shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the Illinois Department of Revenue from retailers within the Village. The table indicates the level of retail activity in the Village.

### Retailers' Occupation, Service Occupation and Use Tax(1)

State Fiscal Year Ending June 15	State Sales Tax Distributions(2)	Annual Percent Change + (-)
1997 .....	\$1,290,720	(7.34%)(3)
1998 .....	1,392,910	7.92%
1999 .....	1,638,769	17.65%
2000 .....	2,019,096	23.21%
2001 .....	2,092,017	3.61%
2002 .....	2,402,476	14.84%
2003 .....	2,606,147	8.48%
2004 .....	3,040,327	16.66%
2005 .....	3,606,587	18.62%
2006 .....	3,484,081	(3.40%)
Growth from 1997 to 2006 .....		169.93%

- Notes: (1) Source: Illinois Department of Revenue.  
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village. Less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.  
(3) The 1997 percentage is based on a 1996 sales tax of \$1,392,935.

## PLAN OF FINANCING

### Series 2007A Bonds

The Series 2007A Bond proceeds will be used to currently refund the Village's outstanding General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A bonds, as listed below:

### General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A

Refunded Maturities	Outstanding Amount	Amount Refunded	Redemption Price(s)	Redemption Date(s)
12/30/2010	\$525,000	\$525,000	100.00%	12/30/2007
12/30/2011	550,000	550,000	100.00%	12/31/2007
12/30/2012	575,000	575,000	100.00%	12/30/2007
12/30/2013	605,000	605,000	100.00%	12/30/2007
12/30/2014	635,000	635,000	100.00%	12/30/2007
12/30/2015	670,000	670,000	100.00%	12/30/2007
12/30/2016	700,000	700,000	100.00%	12/30/2007
12/30/2017	740,000	740,000	100.00%	12/30/2007

Series 2007A Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of and call premium, if any, on the Refunded Bonds on their respective redemption dates. The remaining bond proceeds will be used to pay the costs of issuing the Series 2007A Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") dated as of November 15, 2007, between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

#### **Series 2007B Bonds**

The Series 2007B Bond proceeds will be used to currently refund the Village's outstanding General Obligation Short-Term Variable Rate Bonds, Series 2006, maturing December 30, 2007, on December 30, 2007 at par and to pay costs related to construction of a new Village Hall and fire station.

## DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$6,260,000 principal amount of general obligation alternate revenue debt and \$52,915,000\* principal amount of general obligation debt.

### General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Total Alternate Bonds Outstanding	Less: Refunded Series 1997A	Total Alternate Bonds	Total G.O. Bonds Outstanding	The Bonds		Total G.O. Bonds(2)	Total Bonded Debt(2)	Cumulative Principal(2)	
					Series 2007A(2) Ref. 1997A	Series 2007B(2) Pay 2006			Amount	Percent
2007	\$ 660,000	0	\$ 660,000	\$ 2,025,000	0	0	\$ 2,025,000	\$ 2,685,000	\$ 2,685,000	4.54%
2008	725,000	0	725,000	2,125,000	0	0	2,125,000	2,850,000	5,535,000	9.35%
2009	0	0	0	3,020,000	10,000	0	3,030,000	3,030,000	8,565,000	14.47%
2010	855,000	(525,000)	330,000	2,380,000	540,000	0	2,920,000	3,250,000	11,815,000	19.97%
2011	875,000	(550,000)	325,000	2,670,000	560,000	0	3,230,000	3,555,000	15,370,000	25.97%
2012	905,000	(575,000)	330,000	2,890,000	580,000	0	3,470,000	3,800,000	19,170,000	32.40%
2013	955,000	(605,000)	350,000	3,195,000	605,000	0	3,800,000	4,150,000	23,320,000	39.41%
2014	1,010,000	(635,000)	375,000	3,195,000	630,000	0	3,825,000	4,200,000	27,520,000	46.51%
2015	1,070,000	(670,000)	400,000	3,175,000	660,000	0	3,835,000	4,430,000	31,955,000	51.15%
2016	1,435,000	(700,000)	735,000	3,015,000	680,000	0	3,695,000	4,865,000	36,820,000	72.23%
2017	1,515,000	(740,000)	775,000	3,070,000	715,000	2,000,000	5,785,000	4,750,000	42,745,000	80.46%
2018	1,255,000	0	1,255,000	1,385,000	0	2,225,000	3,610,000	3,925,000	51,535,000	87.09%
2019	0	0	0	0	0	3,925,000	3,925,000	4,750,000	56,285,000	95.12%
2020	0	0	0	0	0	4,750,000	4,750,000	1,340,000	57,625,000	97.38%
2021	0	0	0	1,340,000	0	0	1,340,000	0	57,625,000	97.38%
2022	0	0	0	0	0	0	0	0	57,625,000	97.38%
2023	0	0	0	0	0	0	0	0	57,625,000	97.38%
2024	0	0	0	0	0	0	0	0	57,625,000	97.38%
Total	\$11,260,000	\$(5,000,000)	\$6,260,000	\$35,035,000	\$4,980,000	\$12,900,000	\$17,980,000	\$59,175,000	\$59,175,000	100.00%

Notes: (1) Source: the Village.  
(2) Subject to change.

\*Subject to change.

### General Obligation Bonded Debt – By Issue(1)

Issue	Amount	Source of Debt Service Payments
Series 1997B .....	\$ 450,000	Property Taxes
Series 1999(2) .....	4,875,000	Water and Sewer Revenues, Property Taxes
Series 2000A .....	3,445,000	Property Taxes
Series 2001A(2) .....	635,000	Motor Fuel Taxes, Property Taxes
Series 2001B(2) .....	750,000	Water and Sewer Revenues, Property Taxes
Series 2002A .....	1,890,000	Property Taxes
Series 2002B .....	2,295,000	Property Taxes
Series 2004 .....	21,525,000	Property Taxes
Series 2005 .....	5,430,000	Property Taxes
The Bonds-Series 2007A(2)(3) .....	4,980,000	Water and Sewer Revenues, Property Taxes
The Bonds-Series 2007B(3) .....	12,900,000	Property Taxes
Total Outstanding(3)(4) .....	\$59,175,000	

- Notes: (1) Source: the Village.  
(2) The Series 1999, Series 2001A and Series 2001B are alternate revenue source bonds and the debt service levy for such bonds is expected to be abated annually and not extended.  
(3) Subject to change.  
(4) Does not include \$5,000,000 Series 1997A bonds which are to be refunded by Series 2007A or the \$8,250,000 Series 2006 bonds which will be repaid by the Series 2007B bonds.

### Detailed Overlapping Bonded Debt(1)

	Outstanding Debt(2)	Applicable to Village Percent(3)	Amount
<b>Schools:</b>			
School District Number 88-A .....	\$ 24,540,000	19.22%	\$ 4,716,588
School District Number 92 .....	10,247,759	9.83%	1,007,355
School District Number 202 .....	328,578,000	9.25%	30,393,465
School District Number 365-U .....	168,889,871	24.99%	42,205,579
High School District Number 205 .....	18,103,582	4.96%	897,938
Community College District Number 525 .....	1,265,000	5.68%	71,852
Total Schools .....			\$79,292,776
<b>Others:</b>			
Will County (Public Building Commission) .....	\$ 4,075,000	5.52%	\$ 224,940
Will County Forest Preserve District .....	154,207,909	5.52%	8,512,277
Plainfield Public Library District .....	705,000	8.40%	59,220
Lemont Park District .....	1,500,000	0.05%	750
Plainfield Park District .....	7,420,000	6.36%	471,912
Total Others .....			\$ 9,269,099
Total Schools and Other Overlapping Bonded Debt .....			\$88,561,875

- Notes: (1) Source: Will County Clerk.  
(2) As of May 3, 2007.  
(3) Overlapping debt percentages based on 2006 EAV, the most current available.

### Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2006 Census 36,709)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2006.....	\$1,013,751,842	100.00%	33.33%	\$27,615.89
Estimated Actual Value, 2006.....	\$3,041,255,526	300.00%	100.00%	\$82,847.68
Total Direct Debt(2)(3).....	\$ 59,175,000	5.84%	1.95%	\$ 1,612.00
Less: Non-Tax Supported(4).....	(6,260,000)	(0.62%)	(0.21%)	(170.53)
Net Direct Debt.....	\$ 52,915,000	5.22%	1.74%	\$ 1,441.47
Overlapping Bonded Debt(5):				
Schools.....	\$ 79,292,776	7.82%	2.61%	\$ 2,160.04
Other.....	9,269,099	0.91%	0.30%	252.50
Total Overlapping Bonded Debt.....	\$ 88,561,875	8.73%	2.91%	\$ 2,412.54
Total Net Direct and Overlapping Bonded Debt(3)....	\$ 141,476,875	13.96%	4.65%	\$ 3,854.01

- Notes: (1) Source: Will County Clerk and the Village.  
(2) Does not include Series 2006 and Series 1997A which will be refunded by the Bonds.  
(3) Subject to change.  
(4) Includes Series 1999, Series 2001A, and Series 2001B.  
(5) As of May 3, 2007.

### Default History

The Village has never issued any obligations to avoid default; nor has the Village ever defaulted in the payment of any of its corporate obligations.

### PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2006 levy year, the Village's EAV is comprised of approximately 67% residential, 26% industrial, 7% commercial, and less than 1% farm and railroad property valuations.

### Village Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2002	2003	2004	2005	2006
Residential.....	\$371,253,135	\$465,037,175	\$520,707,656	\$605,668,990	\$ 674,036,827
Farm.....	1,581,019	663,158	490,759	1,540,686	308,888
Commercial.....	41,984,356	54,397,814	58,305,845	64,905,424	73,094,888
Industrial.....	157,025,905	183,293,163	203,508,801	221,990,396	266,180,102
Railroad.....	172,604	160,721	145,549	129,612	131,137
Total.....	\$572,017,019	\$703,552,031	\$783,158,610	\$894,235,108	\$1,013,751,842
Percent Change +(-).....	21.87%(2)	22.99%	11.31%	14.18%	13.37%

- Notes: (1) Source: Will County Clerk.  
(2) Percentage change based on 2001 EAV of \$469,378,035.

### Representative Tax Rates(1) (Per \$100 EAV)

	Levy Years				
	2002	2003	2004	2005	2006
<b>Village Rates:</b>					
Corporate.....	\$0.1886	\$0.1781	\$0.1746	\$0.1925	\$0.2163
Street & Bridge.....	0.0256	0.0252	0.0246	0.0235	0.0232
Special Recreation.....	0.0092	0.0296	0.0324	0.0300	0.0300
Police Protection.....	0.0568	0.0536	0.0527	0.0504	0.0494
Fire Protection.....	0.0546	0.0512	0.0478	0.0446	0.0420
Ambulance.....	0.1031	0.0964	0.0899	0.0886	0.0891
Recreation.....	0.0574	0.0542	0.0555	0.0665	0.0706
Audit.....	0.0072	0.0069	0.0069	0.0068	0.0065
Garbage Disposal.....	0.0534	0.0505	0.0569	0.0543	0.0533
Social Security.....	0.1324	0.1249	0.1224	0.1158	0.1135
Police Pension.....	0.0777	0.0733	0.0994	0.1028	0.1013
Insurance.....	0.1540	0.1452	0.1423	0.1348	0.1224
Bonds & Interest.....	0.1431	0.1272	0.1160	0.1038	0.0937
Firemen Pension.....	0.0143	0.0134	0.0216	0.0256	0.0277
Total Village Rates(2).....	\$1.0774	\$1.0297	\$1.0430	\$1.0400	\$1.0390
<b>Will County.....</b>					
Will County Forest Preserve District.....	0.6061	0.5814	0.5708	0.5380	0.5154
Romeoville Mosquito Abatement District.....	0.1315	0.1266	0.1235	0.0613	0.1369
DuPage Township(3).....	0.0105	0.0124	0.0120	0.0115	0.0113
Fountaindale Public Library.....	0.0788	0.0668	0.0705	0.0682	0.0658
Unit School District 365-U.....	0.3549	0.3217	0.3133	0.3032	0.2900
Community College District 525.....	5.1083	4.8579	4.9719	4.3066	4.7837
Total Rates(4).....	0.2209	0.2108	0.2142	0.2094	0.1936
	\$7.5884	\$7.2073	\$7.3192	\$6.5382	\$7.0357

- Notes: (1) Source: Will County Clerk.  
(2) As a home rule unit, the Village does not have limits on its levies.  
(3) Includes Town Funds, Road Funds and General Assistance.  
(4) Representative tax rates for other government units are from DuPage Township tax code 1208, which represents the largest portion of the Village's 2006 EAV.

### Village Tax Extensions and Collections(1) (Includes Road and Bridge Levy)

Levy Year	Coll. Year	Taxes Extended(2)	Current Collections		Total Collections(3)	
			Amount	Percent	Amount	Percent
2001.....	2002.....	\$4,626,333	\$4,598,213	99.39%	\$4,599,917	99.43%
2002.....	2003.....	5,325,138	4,889,433	91.82%	5,313,662	99.78%
2003.....	2004.....	6,111,756	6,100,831	99.82%	6,100,703	99.82%
2004.....	2005.....	7,119,888	7,108,905	99.85%	7,109,019	99.85%
2005.....	2006.....	8,099,775	8,072,844	99.67%	8,072,958	99.67%
2006.....	2007.....	9,164,958	----- In Collection -----			

- Notes: (1) Source: Will County Treasurer and unaudited financial statements of the Village.  
(2) Tax extensions have been adjusted for abatements.  
(3) Total collections include back taxes, taxpayer refunds, interest, etc.

### Principal Village Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2006 EAV(2)</u>
PDV Midwest Refining(3)	Refinery-Petroleum Products	\$50,138,500
Prologis-Illinois LLC	Real Property	16,067,015
Prudential Ins. Co. of America	Insurance	13,647,835
Pactiv Corp.	Real Property	11,006,200
RREEF Amer REIT II Corp.	Industrial Properties	8,796,000
JRC Remington/Et Al LLC's	Real Property	8,776,805
Sharp Electronics Corporation	Wholesale Electronics	7,318,000
J & J Romeoville Property	Real Property	6,909,896
Amerisource Bergen Drug Corp.	Real Property	6,620,000
Allianz Life Ins. Co. N America	Real Property	6,539,408
Total		\$135,819,659
Ten largest as a percent of the Village's 2006 EAV (\$1,013,751,842)		13.40%

- Notes: (1) Source: Will County Clerk.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2006 EAV is the most current available.  
 (3) Previously Citgo.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

### Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

## Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$4,500 for taxable years prior to tax year 2004 in counties with 3,000,000 or more inhabitants, and \$3,500 in all other counties, and a maximum reduction of \$5,000 for taxable year 2004 and thereafter (the "General Homestead Exemption").

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the EAV on a senior citizen's home for taxable years prior to 2004 by \$2,000 in counties with less than 3,000,000 inhabitants. For taxable years 2004 through 2005, the maximum reduction was \$3,000 in all counties. For taxable years 2006 and thereafter, the maximum reduction is \$3,500 in all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$35,000 or less prior to taxable year 1999, \$40,000 or less in taxable years 1999 through 2003, \$45,000 or less in taxable years 2004 and 2005, and \$50,000 or less in taxable year 2006 and thereafter. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. Through taxable year 2005, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For taxable year 2006 and thereafter, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying that answer by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Lastly, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

## Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law (the "Limitation Law") limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the Village, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the Village, the limitations set forth therein will not apply to any taxes levied by the Village to pay the principal of and interest on the Bonds.



## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

## **FINANCIAL INFORMATION**

### **General**

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governments. The Village accounts for its financial resources on the basis of funds or account groups, each of which is considered a separate accounting entity. The General Fund is the general operation fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expandable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Enterprise Funds are established to account for the financing of self-supporting activities of the Village which render services of a commercial nature on a user-charge basis to the general public. An enterprise fund is used to account for water and sewer service of the Village.

Trust and Agency Funds are established for the purpose of accounting for money and property held by the Village as trustee, custodian or agent.

### **Cash Management**

The Village is authorized by State statute to invest in the following: obligations of the U.S. Treasury, U.S. Government Agencies and instrumentalities and Certificates of Deposit and deposit accounts of banks and savings and loan associations covered by federal depository insurance, and money market accounts.

The Village President and Board of Trustees designate depositories on an annual basis. The Village invests operating funds in certificates of deposits and money market accounts. Each individual fund is responsible for its own businesses.

### **Budgetary Procedures**

The President and Board of Trustees adopt an annual appropriation ordinance for the fiscal year. The appropriation ordinance includes proposed expenditures and the means of financing them for the upcoming year along with estimates for the current year and actual data for the preceding year. In addition, more detailed line item budgets are included for administrative control. The level of control for the detail budgets is at the department head/function level. The budget is prepared on a cash basis.

Monthly reports are issued to the President and Board of Trustees to monitor revenues and expenditures. The Village Manager and department heads receive monthly reports. Department heads may transfer funds between line items within their budgets with the approval of the Village Manager and Treasurer. The President and Board of Trustees may authorize supplemental appropriations or restrict departmental expenditures during the fiscal year. Appropriations lapse at the end of the fiscal year.

## Operating Results and Fund Balances

The Village follows a modified accrual basis of accounting for all governmental funds and expendable trust funds. All proprietary, non-expendable trust and pension trust funds are accounted for using the accrual basis for accounting. See **APPENDIX A** herein.

## Financial Reports

The Village's financial statements are audited annually by certified public accountants. The Village's financial statements for governmental funds are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

## Investment Policy

The Village deposits and invests all its monies in investments allowed by State Statutes. The Statutes authorize the Village to make deposits in commercial banks, savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurers' Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, mutual funds, stocks and life insurance company contracts.

The overall direction of the Village's investment program may be found in the following objectives:

Safety of principal is the foremost objective of the Village. Each investment transaction shall seek first to insure that capital losses are avoided, whether they be from securities default or the erosion of market values.

Liquidity is considered most important to enable the Village to meet all operating requirements.

Maximum rate of return. The Village's investment portfolio shall be designed with the purpose of regularly exceeding the average rate of return on the six month United States Treasury bills. The investment program shall seek to augment returns above this threshold consistent with constraints imposed by its safety objective, cash flow considerations and State statutes.

Diversification. In order to further guarantee asset safety, investments shall be diversified to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions.

Public confidence. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. Investment shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs.

Responsibility. In accordance with 65 ILCS 5/3.1-35-50 the responsibility for conducting investment transactions resides with the Village Treasurer. The Treasurer shall direct the investment transactions program operations consistent with this policy and will identify those staff positions having investment responsibility. No person may engage in an investment transaction except as provided under the terms of this policy and procedures developed by the Treasurer. The Treasurer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate staff members.

The standard of prudence to be used by the Village officials and employees responsible for the investment of public funds shall be the "prudent person" standard. Investments shall be made with judgment and care under circumstances then prevailing, which persons knowledgeable on investment practices, and persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the possible income to be derived.

## Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See APPENDIX A for excerpts of the Village's 2006 fiscal year audit.

### Statement of Activities Governmental Activities

#### Net (Expense) Revenue and Changes in Net Assets

	Audited Years Ended April 30		
	2004	2005	2006
Functions/Programs(1):			
General Government.....	\$ (3,266,492)	\$ (4,983,858)	\$ (6,948,334)
Public Safety.....	(10,807,656)	(11,244,335)	(11,483,373)
Public Works.....	(4,168,540)	2,355,761	(981,329)
Culture and Recreation.....	(1,613,235)	(1,100,966)	(1,559,705)
Interest and Fees.....	(1,071,373)	(1,618,774)	(1,591,771)
Amortization of Costs.....	0	(6,792)	(20,378)
Total Governmental Activities.....	<u>\$(20,927,296)</u>	<u>\$(16,598,964)</u>	<u>\$(22,584,890)</u>
General Revenues:			
Taxes:			
Property.....	\$ 7,909,603	\$ 9,295,716	\$ 10,545,435
Other.....	9,505,144	14,373,742	17,567,426
Interest.....	149,317	371,156	1,093,578
Miscellaneous.....	49,169	568,035	78,517
Amortizations of Bond Premiums.....	0	9,522	28,566
Transfers.....	1,339,878	1,941,200	2,020,000
Total General Revenues and Transfers.....	<u>\$ 18,953,111</u>	<u>\$ 26,559,371</u>	<u>\$ 31,333,522</u>
Change in Net Assets.....	(1,974,185)	9,960,407	8,748,632
Net Assets - Beginning.....	239,429,687	237,455,502	247,415,908
Net Assets - Ending.....	<u>\$237,455,502</u>	<u>\$247,415,909</u>	<u>\$256,164,540</u>

Note: (1) Expenses less program revenues of Charges for Services and Operating Grants and contributions.

## Statement of Net Assets Governmental Activities

	As of April 30		
	2004	2005	2006
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents.....	\$ 7,539,574	\$ 20,467,648	\$ 27,269,498
Investments.....	1,283,046	1,842,557	237,448
Receivables:			
Property Taxes.....	6,640,395	7,473,219	8,487,777
Accounts.....	613,823	564,069	1,590,607
Other.....	498,921	1,006,470	1,044,345
Prepays.....	0	0	31,685
Internal Balances.....	(3,719,829)	(3,585,160)	(3,719,829)
Due from Other Governmental Units.....	3,038,410	2,572,496	2,291,969
Total Current Assets.....	\$ 15,894,340	\$ 30,341,299	\$ 37,233,500
Noncurrent Assets:			
Internal Balances.....	0	(1,027,409)	0
Unamortized Bond Costs and Discounts.....	0	400,756	380,378
Capital Assets, Not Being Depreciated.....	160,442,926	155,454,727	157,919,687
Capital Assets, Net of Accumulated Depreciation.....	91,974,527	102,806,930	103,228,891
Total Assets.....	<u>\$268,311,793</u>	<u>\$287,976,303</u>	<u>\$298,762,456</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Current Liabilities:			
General Obligation Bonds.....	\$ 335,000	\$ 374,362	\$ 684,362
Alternative Revenue Bonds.....	335,000	375,000	385,000
Accounts Payable.....	1,170,774	1,333,437	1,754,196
Accrued Liabilities.....	546,173	574,214	537,261
Accrued Interest.....	0	0	383,100
Deposits.....	417,085	1,338,343	1,306,896
Compensated Absences.....	145,498	143,000	147,637
Deferred Revenue.....	6,805,670	7,450,683	8,656,952
Total Current Liabilities.....	<u>\$ 9,755,200</u>	<u>\$ 11,589,039</u>	<u>\$ 13,855,404</u>
Noncurrent Liabilities:			
General Obligation Bonds.....	\$ 6,520,000	\$ 22,079,070	\$ 21,394,708
Alternative Revenue Bonds.....	11,950,000	3,315,000	2,930,000
Unamortized Bond Premium.....	0	561,791	533,225
Capital Leases.....	0	0	580,646
Pension Obligation.....	1,068,224	1,383,777	1,420,674
Compensated Absences.....	1,562,867	1,631,691	1,883,259
Total Noncurrent Liabilities.....	<u>\$ 21,101,091</u>	<u>\$ 28,971,329</u>	<u>\$ 28,742,512</u>
Total Liabilities.....	<u>\$ 30,856,291</u>	<u>\$ 40,560,368</u>	<u>\$ 42,597,916</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt.....	\$233,277,453	\$231,957,163	\$235,173,862
Restricted for Other Purposes.....	7,566,478	16,209,411	10,454,082
Unrestricted (Deficit).....	(3,388,429)	(750,666)	10,536,596
Total Net Assets.....	<u>\$237,455,502</u>	<u>\$247,415,908</u>	<u>\$256,164,540</u>
Total Liabilities and Net Assets.....	<u>\$268,311,793</u>	<u>\$287,976,276</u>	<u>\$298,762,456</u>

## General Fund Balance Sheet

	Audited as of April 30				
	2002	2003	2004	2005(1)	2006(1)
<b>ASSETS:</b>					
Cash and Cash Equivalents.....	\$ 9,782,189	\$ 5,007,004	\$ 2,226,507	\$ 4,808,279	\$11,734,857
Investments.....	0	0	0	1,614,735	839
Receivables:					
Property Taxes.....	3,355,529	4,694,069	5,415,364	6,181,560	7,026,102
Accounts.....	599,715	539,278	396,412	385,879	442,256
Other.....		0	477,114	986,654	1,015,212
Due From Other Governmental Units.....	1,013,018	2,867,003	2,608,028	2,241,103	2,214,377
Prepays.....	0	0	0	0	31,685
Due From Other Funds.....	530,184	1,185,442	1,185,442	0	569,898
Advanced to Other Funds.....	0	0	0	1,162,599	601,412
Total Assets.....	<u>\$15,280,635</u>	<u>\$14,292,796</u>	<u>\$12,308,867</u>	<u>\$17,380,809</u>	<u>\$23,636,638</u>
<b>LIABILITIES:</b>					
Accounts Payable.....	\$ 985,182	\$ 2,246,747	\$ 805,733	\$ 1,008,383	\$ 913,867
Accrued Expenses.....	212,832	351,530	485,145	507,565	479,486
Due to Other Funds.....	0	3,680,118	5,632,105	5,956,716	5,347,962
Deposits.....	1,137,881	334,778	417,085	1,338,343	1,306,847
Deferred Revenue.....	4,691,310	4,601,574	5,580,639	6,162,000	7,195,277
Total Liabilities.....	<u>\$ 7,027,205</u>	<u>\$11,214,747</u>	<u>\$12,920,707</u>	<u>\$14,973,007</u>	<u>\$15,243,439</u>
<b>FUND EQUITY:</b>					
Reserved.....	\$ 0	\$ 0	\$ 472,279		
Unreserved.....	8,253,430	3,078,049	(1,084,119)		
Total Fund Equity.....	<u>\$ 8,253,430</u>	<u>\$ 3,078,049</u>	<u>\$ (611,840)</u>		
Total Liabilities and Fund Equity.....	<u>\$15,280,635</u>	<u>\$14,292,796</u>	<u>\$12,308,867</u>		
<b>Fund Balances(1):</b>					
Reserved for:					
Advances.....				\$ 1,162,599	\$ 601,412
Prepays.....				0	31,685
Unreserved (Deficits).....				1,245,203	7,760,102
Total Fund Balances.....				<u>\$ 2,407,802</u>	<u>8,393,199</u>
Total Liabilities and Fund Balances.....				<u>\$17,380,809</u>	<u>\$23,636,638</u>

Note: (1) Reporting format changed to fund balances from fund equity.

## General Fund Revenues and Expenditures

	Audited Years Ending April 30				
	2002	2003	2004	2005	2006
<b>REVENUES:</b>					
Property Taxes .....	\$ 3,532,929	\$ 4,207,692	\$ 4,919,611	\$ 5,814,154	\$ 6,629,402
Other Taxes .....	5,461,509	6,303,642	7,425,142	11,519,420	13,885,818
Interest Income .....	399,155	313,155	107,263	147,601	509,555
Fines, Licenses, Permits, and Fees .....	3,909,032	2,563,581	2,048,275	1,357,861	2,086,803
Charges for Services .....	0	2,997,194	2,643,191	2,799,273	3,731,574
Intergovernmental .....	0	5,257,660	2,631,860	2,962,412	3,008,954
Other .....	3,571,930	1,481,749	554,504	1,055,625	1,360,875
Total Revenues .....	\$16,874,555	\$23,124,673	\$20,329,846	\$25,656,346	\$31,212,981
<b>EXPENDITURES:</b>					
General Government .....	\$ 3,524,756	\$ 4,249,322	\$ 5,129,039	\$ 5,714,031	\$ 6,615,749
Public Safety .....	7,659,859	8,778,544	9,015,974	9,960,417	10,820,900
Public Works .....	5,444,384	8,775,539	3,923,685	3,693,080	5,275,414
Principal and Interest .....	459,968	459,615	468,345	0	194,169
Capital Outlay .....	0	0	5,295,001	3,611,192	3,051,051
Total Expenditures .....	\$17,088,967	\$22,263,020	\$23,832,044	\$22,978,720	\$25,957,283
Excess of Revenues Over (Under) Expenditures \$	(214,412)	\$ 861,653	\$(3,502,198)	\$ 2,677,626	\$ 5,255,698
<b>Other Financing Sources (Uses):</b>					
Capital Lease Proceeds .....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 756,199
Operating Transfers (In) .....	1,290,518	175,000	1,339,878	1,942,433	2,047,000
Operating Transfers (Out) .....	(690,000)	(6,212,034)	(1,527,569)	(1,600,417)	(2,073,500)
Excess of Revenues and Other Sources Over (Under) Expenditures .....	\$ 386,106	\$(5,175,381)	\$(3,689,889)	\$ 3,019,642	\$ 5,985,397
Beginning Fund Balance .....	7,867,324	8,253,430	3,078,049	(611,840)	2,407,802
Ending Fund Balance .....	\$ 8,253,430	\$ 3,078,049	\$ (611,840)	\$ 2,407,802	\$ 8,393,199

### General Fund Budget Financial Information

	Budget Twelve Months Ending 4/30/2006	Unaudited Twelve Months Ending 4/30/2006	Budget Twelve Months Ending 4/30/2007	Unaudited Twelve Months Ending 4/30/2007	Budget Twelve Months Ending 4/30/2008
<b>REVENUES:</b>					
Property Taxes.....	\$ 6,625,300	\$ 6,629,401	\$ 7,088,800	\$ 7,520,330	\$ 8,010,100
Other Taxes.....	15,185,700	16,599,113	18,251,000	16,530,524	19,957,500
Interest Income.....	100,000	509,526	400,000	952,543	900,000
Fines, Licenses, Permits, and Fees.....	4,502,300	5,826,712	5,621,100	6,915,294	6,546,300
Grants.....	61,000	220,533	243,000	209,916	187,000
Other.....	3,798,900	3,403,553	3,858,600	3,811,453	4,065,700
Total Revenues.....	\$30,273,200	\$33,188,838	\$35,462,500	\$35,940,060	\$39,666,600
<b>EXPENDITURES:</b>					
General Government.....	\$ 8,191,000	\$ 6,893,784	\$ 7,550,400	\$7,454,882	\$ 8,627,000
Public Safety.....	12,240,500	11,433,065	13,329,900	12,969,023	14,911,900
Public Works.....	7,768,200	6,953,661	10,125,900	10,305,331	10,792,700
Other.....	2,073,500	2,073,500	4,456,300	3,574,837	5,335,000
Total Expenditures.....	\$30,273,200	\$27,354,010	\$35,462,500	\$34,304,073	\$39,666,600
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$ 0	\$ 5,834,828	\$ 0	\$ 1,635,987	\$ 0

### PENSION AND RETIREMENT OBLIGATIONS

See **APPENDIX A** herein.

### REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the 15th day of the month in which an interest payment date occurs on such Bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.



The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the Village as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

#### **QUALIFIED TAX-EXEMPT OBLIGATIONS – SERIES 2007A BONDS**

Subject to the Village's compliance with certain covenants, in the opinion of Bond Counsel, the Series 2007A Bonds are deemed "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

#### **CONTINUING DISCLOSURE**

The Village will enter into a continuing disclosure undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **"THE UNDERTAKING"**.

The Village represents that it is in compliance with each and every undertaking previously entered into it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **"THE UNDERTAKING - Consequences of Failure of the Village to Provide Information"**. A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

## THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

### Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") then recognized by the Securities and Exchange Commission for purposes of the Rule and to the repository, if any, designated by the State of Illinois as the state information depository (the "SID") and recognized as such by the Commission for purposes of the Rule. Annual Financial Information will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the Village's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

"Annual Financial Information" means:

1. The table under the heading of **Retailers' Occupation, Service Occupation and Use Tax** within this Official Statement;
2. All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Official Statement;
3. All of the tables under the heading **DEBT INFORMATION** within this Official Statement; and
4. All of the tables under the heading **FINANCIAL INFORMATION** within this Official Statement.

"Audited Financial Statements" means the financial statements of the Village as audited annually by independent certified public accountants. Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

### Material Events Disclosure

The Village covenants that it will disseminate to each NRMSIR or to the Municipal Securities Rulemaking Board (the "MSRB") and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) with respect to the Bonds that is material, as materiality is interpreted under the Securities Exchange Act of 1934, as amended. The "Events" are:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to the rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities; and
11. Rating changes.

## **Contact Person**

Financial Information and Notices of material Events can be obtained from: Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446; telephone (815) 886-7200.

## **Consequences of Failure of the Village to Provide Information**

The Village shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

## **Amendment; Waiver**

Notwithstanding any other provision of the Undertaking, the Village, by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted;
- (b) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds as determined by parties unaffiliated with the Village (such as Bond Counsel), at the time of the amendment.

## **Termination of Undertaking**

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The Village shall give notice to each NRMSIR or MSRB and the SID, if any, in a timely manner if this paragraph is applicable.

## **Additional Information**

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

## **Dissemination Agent**

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

So long as such method continues to be approved by the Commission for purposes of the Rule, the Village may satisfy its obligations for all purposes of the Undertaking to provide information or notice to each NRMSIR and to the SID, if any, by sending such information or notice to Disclosure USA (at, as of the date of this Official Statement [www.DisclosureUSA.org](http://www.DisclosureUSA.org)) for submission to each NRMSIR and to the SID, if any.

## **OPTIONAL REDEMPTION**

### **Series 2007A Bonds**

The Series 2007A Bonds are **not** subject to optional redemption prior to maturity.

### **Series 2007B Bonds**

The Series 2007B Bonds are callable in whole or in part on any date on or after December 30, 2016, at a price of par and accrued interest. If less than all the Series 2007B Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Series 2007B Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2007B Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mail to any registered owner of the Series 2007B Bonds (or portion thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of other Series 2007B Bonds (or portions thereof). All Series 2007B Bonds (or portions thereof) so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

## **LITIGATION**

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "*Bond Counsel*") who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village supplied the information under the headings "**TAX EXEMPTION**," "**QUALIFIED TAX-EXEMPT OBLIGATIONS - SERIES 2007A BONDS**" and "**CERTAIN LEGAL MATTERS**".

## OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

## INVESTMENT RATINGS

Fitch Ratings and Moody's Investors Service, have assigned ratings of "AAA" and "Aaa", respectively, to the Bonds, with the understanding that, upon delivery of the Bonds, a bond insurance policy will be issued by XLCA. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004 and Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## DEFEASANCE

The Bonds are subject to legal defeasance by the irrevocable deposit of full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America (collectively, the "Government Obligations") with a bank or trust company acting as escrow agent. Any such deposit must be of sufficient amount that the receipts from the Government Obligations plus any cash on deposit will be sufficient to pay debt service on the Bonds when due or as called for redemption.

## UNDERWRITING

### Series 2007A Bonds

The Series 2007A Bonds were offered for sale by the Village at a public, competitive sale on November 7, 2007. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the "Series 2007A Underwriter"). The Village awarded the contract for sale of the Series 2007A Bonds to the Series 2007A Underwriter at a price of \$ \_\_\_\_\_. The Series 2007A Underwriter has represented to the Village that the Series 2007A Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

### Series 2007B Bonds

The Series 2007B Bonds were offered for sale by the Village at a public, competitive sale on November 7, 2007. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the "Series 2007B Underwriter"). The Village awarded the contract for sale of the Series 2007B Bonds to the Series 2007B Underwriter at a price of \$ \_\_\_\_\_. The Series 2007B Underwriter has represented to the Village that the Series 2007B Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

## FINANCIAL ADVISOR

The Village has engaged Speer Financial, Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Financial Advisor obligated by the Village's continuing disclosure undertaking.

## CERTIFICATION

We have examined this Official Statement dated October 25, 2007, for the \$4,980,000\* General Obligation Refunding Bonds, Series 2007A and the \$12,900,000\* General Obligation Refunding Bonds, Series 2007B, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **KIRK OPENCHOWSKI**  
*Finance Director*  
**VILLAGE OF ROMEOVILLE**  
Will County, Illinois

/s/ **FRED DEWALD**  
*Village President*  
**VILLAGE OF ROMEOVILLE**  
Will County, Illinois

\*Subject to change.

**APPENDIX A**

**VILLAGE OF ROMEOVILLE  
WILL COUNTY, ILLINOIS**

**EXCERPTS OF FISCAL YEAR 2006 AUDITED FINANCIAL STATEMENTS**



Village of Romeoville, Illinois  
Statement of Net Assets  
April 30, 2006

Assets	Governmental Activities	Business-Type Activities	Total
<b>Current Assets</b>			
Cash and cash equivalents	\$ 27,288,488	\$ 31,355,081	\$ 58,627,573
Investments	237,448	-	237,448
Receivables:			
Property taxes	8,487,777	-	8,487,777
Accounts	1,590,607	2,653,122	4,243,729
Other	1,044,345	-	1,044,345
Prepays	31,885	-	31,885
Internal balances	(3,719,829)	3,719,829	-
Due from other governmental units	2,291,989	-	2,291,989
<b>Total current assets</b>	<b>37,233,500</b>	<b>37,731,032</b>	<b>74,964,532</b>
<b>Non-Current Assets</b>			
Unamortized bond costs and discounts	380,378	243,869	624,247
Capital assets not being depreciated	157,918,687	4,313,792	162,232,479
Capital assets being depreciated, net	103,228,881	85,020,860	188,249,741
<b>Total non-current assets</b>	<b>261,528,956</b>	<b>89,578,521</b>	<b>351,107,477</b>
<b>Total assets</b>	<b>\$ 298,762,456</b>	<b>\$ 127,309,553</b>	<b>\$ 426,071,809</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
General obligation bonds	\$ 684,362	\$ 1,070,638	\$ 1,755,000
Alternate revenue bonds	385,000	380,000	745,000
Accounts payable	1,754,195	1,822,876	3,577,072
Accrued liabilities	537,281	84,943	622,224
Accrued interest	383,100	333,599	716,699
Deposits	1,306,896	113,891	1,420,787
Developer advances	-	1,639,337	1,639,337
Compensated absences	147,637	105,123	252,760
Unearned revenue	8,656,952	-	8,656,952
<b>Total current liabilities</b>	<b>13,855,404</b>	<b>5,530,407</b>	<b>19,385,811</b>
<b>Long-term Liabilities, net of current maturities</b>			
Deferred gain on refunding	-	42,746	42,746
General obligation bonds	21,384,708	11,345,292	32,740,000
Alternate revenue bonds	2,930,000	10,675,000	13,605,000
Notes payable	-	4,295,895	4,295,895
Capital leases	580,846	-	580,846
Unamortized bond premium	533,223	-	533,223
Pension obligation	1,420,674	-	1,420,674
Compensated absences	1,893,259	-	1,893,259
<b>Total long-term liabilities</b>	<b>28,742,512</b>	<b>26,309,933</b>	<b>55,052,445</b>
<b>Total liabilities</b>	<b>42,597,916</b>	<b>31,839,340</b>	<b>74,437,256</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	235,173,862	61,837,527	296,811,489
Restricted for other purposes	10,454,082	-	10,454,082
Unrestricted	10,538,596	33,832,386	44,369,982
<b>Total net assets</b>	<b>256,166,540</b>	<b>95,670,013</b>	<b>351,836,553</b>
<b>Total liabilities and net assets</b>	<b>\$ 298,762,456</b>	<b>\$ 127,309,553</b>	<b>\$ 426,071,809</b>

See Notes to Basic Financial Statements.

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Village of Romeoville, Illinois

Statement of Activities  
Year Ended April 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes In Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 9,682,034	\$ 2,733,700	\$ -	\$ -	\$ (6,948,334)	\$ -	\$ (6,948,334)
Public safety	13,243,482	1,631,370	128,739	-	(11,483,373)	-	(11,483,373)
Public works	7,865,545	2,735,065	1,026,069	3,122,482	(981,329)	-	(981,329)
Culture and recreation	2,817,146	881,018	-	376,423	(1,559,705)	-	(1,559,705)
Interest and fees	1,591,771	-	-	-	(1,591,771)	-	(1,591,771)
Amortization of costs	20,378	-	-	-	(20,378)	-	(20,378)
Total governmental activities	35,220,356	7,981,753	1,154,808	3,498,905	(22,584,890)	-	(22,584,890)

Business-type activities:

Water and sewer	12,312,224	14,940,819	-	975,270	-	3,603,865	3,603,865
Total	\$ 47,532,580	\$ 22,922,572	\$ 1,154,808	\$ 4,474,175	(22,584,890)	3,603,865	(18,981,025)

General revenues

Taxes:							
Property	10,546,435						10,546,435
Sales	6,303,412						6,303,412
Income	2,674,230						2,674,230
Utility	5,641,548						5,641,548
Other	2,948,236						2,948,236
Interest	1,093,578				870,102		1,963,680
Miscellaneous	76,517				591,350		667,867
Amortization of bond premiums	28,566				-		28,566
Transfers	2,020,000				(2,020,000)		-
Total general revenues, amortization and transfers	31,333,522				(658,548)		30,774,974

Change in net assets

Net assets:							
May 1, 2005	247,415,908				92,424,698		339,840,604
April 30, 2006	\$ 256,184,540				\$ 95,470,013		\$ 351,654,553

See Notes to Basic Financial Statements.

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Village of Romeoville, Illinois

Balance Sheet  
Governmental Funds  
April 30, 2006

Assets	General Fund	Recreation Fund	Marquette Center TIF Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,734,857	\$ 1,125,046	\$ 8,255,981	\$ 6,148,604	\$ 27,269,488
Investments	839	236,609	-	-	237,448
Receivables:					
Property taxes	7,026,102	570,879	-	890,796	8,487,777
Accounts	442,256	108,256	-	1,040,095	1,590,607
Other	1,015,212	29,133	-	-	1,044,345
Due from other funds	569,888	-	2,328,133	5,799	2,903,830
Prepays	31,685	-	-	-	31,685
Advances to other funds	601,412	-	-	-	601,412
Due from other governmental units	2,214,377	-	-	77,592	2,291,969
<b>Total assets</b>	<b>\$ 23,636,638</b>	<b>\$ 2,073,923</b>	<b>\$ 10,585,124</b>	<b>\$ 8,162,886</b>	<b>\$ 44,458,571</b>
<b>Liabilities and Fund Balances</b>					
Liabilities					
Accounts payable	\$ 913,867	\$ 190,458	\$ 517,621	\$ 132,250	\$ 1,754,196
Accrued liabilities	479,466	51,350	-	6,425	537,261
Deposits	1,308,847	49	-	-	1,308,896
Due to other funds	5,347,962	1,261,187	-	14,510	6,623,659
Advances from other funds	7,195,277	601,412	-	-	8,000,952
Deferred revenue	15,243,439	2,675,335	517,621	1,043,981	19,480,376
<b>Total liabilities</b>					
Fund balances:					
Reserved for:					
Advances	601,412	-	-	-	601,412
Prepays	31,685	-	-	-	31,685
Unreserved (deficit):					
General fund	7,760,102	(601,412)	-	-	7,158,690
Special revenue funds	-	-	-	1,179,803	1,179,803
Debt service funds	-	-	-	35,453	35,453
Capital projects funds	-	-	10,667,503	5,903,849	16,571,352
<b>Total fund balances</b>	<b>\$ 8,393,189</b>	<b>\$ (601,412)</b>	<b>\$ 10,667,503</b>	<b>\$ 7,118,905</b>	<b>\$ 24,978,195</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,636,638</b>	<b>\$ 2,073,923</b>	<b>\$ 10,585,124</b>	<b>\$ 8,162,886</b>	<b>\$ 44,458,571</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
April 30, 2006

Total fund balances-governmental funds	\$	24,978,195
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		281,148,578
Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.		380,378
Premium on bonds that is other financing use in the fund financial statements is a liability that is amortized over the life of the bonds in the government-wide financial statements.		(533,225)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:		
Accrued interest		(383,100)
General obligation bonds		(22,079,070)
Alternative revenue bonds		(3,315,000)
Pension obligations		(1,420,674)
Compensated absences		(2,030,686)
Capital lease		(580,848)
<b>Net assets of governmental activities</b>	<b>\$</b>	<b>255,184,540</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended April 30, 2006

	General Fund	Recreation Fund	Marquette Corner TIF Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 6,829,402	\$ 433,975	\$ 2,575,010	\$ 907,048	\$ 10,545,435
Other taxes	13,885,818	801,383	-	-	14,687,211
Interest	509,555	18,561	281,700	283,782	1,093,578
Fines	422,347	-	-	-	422,347
Licenses and permits	1,684,456	-	-	-	1,684,456
Charges for services	3,731,514	723,188	-	-	4,454,702
Intergovernmental	3,005,954	-	-	1,026,089	4,032,043
Developer contributions	-	376,423	-	1,466,993	1,843,416
Other	1,360,875	157,830	-	-	1,518,705
<b>Total revenues</b>	<b>31,212,881</b>	<b>2,511,370</b>	<b>2,856,710</b>	<b>3,683,862</b>	<b>40,264,823</b>
<b>Expenditures:</b>					
Current:					
General government	6,615,749	-	548,099	794,801	7,958,648
Public safety	10,820,900	-	-	-	10,820,900
Public works	5,275,414	-	-	607,698	5,883,112
Culture and recreation	-	2,377,060	-	-	2,377,060
Debt service:					
Principal	175,553	-	-	749,362	924,915
Interest and fees	18,516	-	-	1,190,055	1,208,571
Capital outlay	3,051,051	448,033	-	4,009,950	7,509,034
<b>Total expenditures</b>	<b>25,957,233</b>	<b>2,825,093</b>	<b>548,099</b>	<b>7,351,698</b>	<b>36,682,140</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,255,648</b>	<b>(313,723)</b>	<b>2,310,612</b>	<b>(3,667,804)</b>	<b>3,584,783</b>
<b>Other financing sources (uses):</b>					
Capital lease proceeds	756,199	-	-	-	756,199
Transfers in	2,047,000	1,058,300	-	2,699,700	5,805,000
Transfers (out)	(2,073,500)	(8,500)	(1,675,000)	(27,000)	(3,785,000)
<b>Total other financing sources (uses)</b>	<b>729,699</b>	<b>1,049,800</b>	<b>(1,675,000)</b>	<b>2,672,700</b>	<b>2,776,199</b>
<b>Net change in fund balances</b>	<b>5,985,347</b>	<b>735,077</b>	<b>635,612</b>	<b>(995,104)</b>	<b>6,360,982</b>
<b>Fund balances (deficits):</b>					
May 1, 2005	2,407,802	(1,338,489)	9,431,881	8,114,009	18,617,213
April 30, 2006	\$ 8,393,199	\$ (601,412)	\$ 10,067,503	\$ 7,118,905	\$ 24,978,195

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended April 30, 2006

Net change in fund balances—total governmental funds	\$	6,360,982
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital assets exceeded depreciation expense in the current period.	\$	6,236,570
Capital Outlays		1,655,499
Developer contributions of capital assets		2,886,948
Depreciation expense		(6,005,121)
Some capital additions were financed through the issuance of capital leases. In governmental funds, capital leases are considered other financing sources, but in the Statement of Net Assets, debt is reported as a liability. In the current period, proceeds were received from:		(758,199)
Capital lease		
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the discount is recorded as an asset in the Statement of Net Assets which is amortized over the life of the bonds. These are the amounts in the current period.	\$	374,362
General obligation bonds		375,000
Alternative revenue bonds		175,553
Capital lease		924,915
Discount on bonds is recorded as other financing uses in the fund financial statements, but the discount is recorded as an asset in the Statement of Net Assets which is amortized over the life of the bonds. These are the amounts in the current period.		28,566
Amortization premium on bonds		
Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the Statement of Net Assets which is amortized over the life of the bonds. These are the amounts in the current period.		(20,378)
Amortization bond issuance costs		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Accrued interest		(383,100)
Increase in pension obligations		(36,897)
Increase in compensated absences		(256,205)
Change in net assets of governmental activities	\$	8,748,632

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Net Assets

Enterprise Fund  
April 30, 2006

Assets	Business-type Activities
Current Assets	
Cash and cash equivalents	\$ 31,388,081
Accounts receivable	2,853,122
Due from other funds	3,719,829
Total current assets	37,961,032
Non-Current Assets	
Unamortized bond costs	243,869
Capital assets not being depreciated	4,313,792
Capital assets being depreciated, net	85,020,860
Total non-current assets	89,578,521
Total assets	\$ 127,539,553
Liabilities and Net Assets	
Current Liabilities	
General obligation bonds	\$ 1,070,638
Alternate revenue bonds	380,000
Accounts payable	1,822,876
Accrued liabilities	84,943
Accrued interest	333,589
Deposits	113,881
Developer advances	1,638,337
Compensated absences	105,123
Total current liabilities	5,530,407
Long-term Liabilities, net of current maturities	
Deferred gain on refunding	42,746
General obligation bonds	11,345,292
Alternate revenue bonds	10,625,000
Note payable	4,295,895
Total long-term liabilities	26,308,933
Total liabilities	31,839,340
Net Assets	
Invested in capital assets, net of related debt	61,637,627
Unrestricted	33,822,266
Total net assets	95,470,013
Total liabilities and net assets	\$ 127,309,353

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Revenues, Expenses and Changes in Net Assets

Enterprise Fund  
Year Ended April 30, 2006

	Business-type Activities
Operating revenues:	
Charges for services	\$ 11,626,449
Fines and fees	2,242,963
Developer contributions	880,922
Reimbursements	180,485
Other	591,350
Total operating revenues	15,532,169
Operating expenses:	
Water and sewer	7,095,486
Depreciation	2,927,459
Amortization	1,036,863
Total operating expenses	11,059,808
Operating income	4,472,361
Non-operating income (expense):	
Interest income	870,102
Interest expense	(1,137,984)
Loss on sale of capital assets	(114,432)
Total non-operating income (expense)	(382,314)
Income before contributions and transfers	4,090,047
Capital contributions	975,270
Transfers out	(2,020,000)
Change in net assets	3,045,317
Net assets:	
May 1, 2005	92,424,696
April 30, 2006	\$ 95,470,013

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2006

	Business-Type Activities
Cash Flows from Operating Activities	
Cash received from customers	\$ 13,115,478
Cash received from developers	894,418
Payments to employees	(2,591,916)
Payments to suppliers	(4,143,599)
Net cash provided by operating activities	7,274,381
Cash flows from non-capital financing activities	
Increase in due from other funds	(134,609)
Decrease in advances to other funds	1,027,408
Transfer out	(2,020,000)
Net cash used in non-capital financing activities	(1,127,201)
Cash flows from capital and related financing activities	
Additions to capital assets	(7,944,677)
Proceeds from sale of capital assets	5,200
Proceeds from general obligation bonds	6,480,000
Proceeds from note payable	4,295,896
Principal payments, general obligation bonds	(20,638)
Principal payments, alternative revenue bonds	(7,600,000)
Insurance costs paid on general obligation bonds issued	(100,270)
Gain on refunded alternative revenue bonds	45,330
Interest paid	(1,203,485)
Net cash used in capital and related financing activities	(6,042,645)
Cash flows from investing activities	870,102
Cash receipts from interest income	974,578
Net increase in cash and cash equivalents	
Cash and equivalents:	
May 1, 2005	30,383,503
April 30, 2006	\$ 31,358,091

(continued)

Village of Romeoville, Illinois

Statement of Cash Flows - Enterprise Funds - (Continued)  
Year Ended April 30, 2006

	Business-Type Activities
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 4,472,361
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,927,459
Amortization	1,036,863
Changes in assets and liabilities	
Accounts receivable	(1,525,769)
Accounts payable	345,426
Accrued liabilities	14,543
Deposits	3,496
Total adjustments	2,802,020
Net cash provided by operating activities	\$ 7,274,381
Supplemental Schedule of Non-Cash Capital Activities	
Water and sewer line developer contributions	\$ 975,270
See Notes to Basic Financial Statements.	

Village of Romeoville, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2006

<b>Assets</b>	
Cash and cash equivalents	\$ 777,963
Investments:	
U.S. government and agency obligations	6,912,632
Local government bonds	67,218
Money market funds	756,593
Mutual funds	142,825
Annuity contracts	\$ 622,197
<b>Total assets</b>	<b>\$ 15,281,328</b>

**Liabilities and Net Assets**

Liabilities:	
accrued liabilities	\$ 1,462
<b>Net assets held in trust for employees' benefits</b>	<b>15,279,866</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,281,328</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2006

<b>Additions</b>	
Contributions:	
Employer	\$ 894,048
Employee	408,502
<b>Total contributions</b>	<b>1,302,550</b>
Investment income:	
Net appreciation in fair value of investments	167,642
Interest	178,793
<b>Total investment income</b>	<b>346,435</b>
<b>Total additions</b>	<b>1,649,085</b>
Deductions:	
Benefits	507,253
Administrative expense	12,417
<b>Total deductions</b>	<b>519,670</b>
<b>Change in net assets</b>	<b>1,129,315</b>
<b>Net assets held in trust for employees' pension benefits:</b>	
May 1, 2005	14,150,551
April 30, 2006	<b>\$ 15,279,866</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of Romeoville, Illinois, is located in Will County, Illinois and was first incorporated in 1895 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board administrator form of government. The Village Board consists of seven elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency medical), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Romeoville conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

Government-wide and Fund Financial Statements

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Recreation Fund and Marquette Center TIF Fund. All remaining governmental funds are aggregated and reported as non-major governmental funds. The Village has the following major enterprise fund - Water and Sewer Fund.

The Village administers the following major governmental funds:

**General Fund** - This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

**Recreation Fund** - Accounts for revenue resources that are legally restricted for recreation purposes.

**Marquette Center TIF Fund** - This fund is used to account for all other capital projects transactions of the Village not financed through proprietary funds or other capital projects funds.

The Village administers the following major proprietary fund:

**Water and Sewer Fund** - accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.



Notes to Basic Financial Statements

**Note 1. Summary of Significant Accounting Policies (Continued)**  
**Measurement Focus and Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenses generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

**Assets, Liabilities, and Net Assets or Equity**

**Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

**Investments**

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value, which approximates fair value.

Notes to Basic Financial Statements

**Note 1. Summary of Significant Accounting Policies (Continued)**  
**Assets, Liabilities, and Net Assets or Equity (continued)**

**Interfund Receivables, Payables and Activity**

The Village has the following types of transactions between funds:

**Loans**—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

**Services provided and used**—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

**Reimbursements**—payments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers**—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers without making transfers and as a separate category after non-operating revenues and expenses.

**Capital Assets**

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$25,000, and an estimated useful life of greater than three years. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Buildings and property	40 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 20 years
Vehicles	5 years
Infrastructure	15 - 50 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Compensated Absences

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. The General Fund is typically used to liquidate those liabilities.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using an effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits these funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

Fund Balance Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Elimination and Reclassification

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

New Accounting Pronouncements

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*. This Statement amends certain provisions of Statement No. 3.

# Village of Romeoville, Illinois

## Notes to Basic Financial Statements

### Nota 1. Summary of Significant Accounting Policies (Continued)

Effective May 1, 2006, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires the Village to report the effect of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

### Nota 2. Budgets

#### Budgetary Information

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Director submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Village to obtain taxpayer comments.
- Subsequently, the budget is legally enacted through passage of an ordinance.
- Formal budgetary integration is employed as a management control device during the year for the general, special revenue, certain debt service, and certain capital project funds.
- Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- Budgetary authority lapses at the year-end.

State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.

- Budget amounts are as originally adopted.

#### Deficit Fund Balances

As of April 30, 2006, the following funds had deficit fund balances:

Fund	Amount	Intended Financing
Recreation Fund	\$ 801,412	Program revenue

The non-major governmental 2004A General Obligation Bond fund over-expanded its budget by \$5,160 for the year ended April 30, 2006.

# Village of Romeoville, Illinois

## Notes to Basic Financial Statements

### Nota 3. Cash and Investments

As of April 30, 2006, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3.

#### Deposits

##### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2006, \$9,939,497 of deposits were exposed to custodial credit risk due to being uninsured and uncollateralized.

#### Investments

As of April 30, 2006, the Village had the following investments and maturities:

	Fair Value	Less Than 1 Year	Investment Maturities (in Years)			
			1-5	6-10	More Than 10	
U.S. Treasury Notes	\$ 2,976,657	\$ 463,182	\$ 2,388,788	\$ 124,687	\$ -	
U.S. Treasury Strips	24,053	-	-	-	24,053	
U.S. agencies - FFCB	139,816	-	139,816	-	-	
U.S. agencies - FHLB	1,216,217	-	238,948	547,129	432,140	
U.S. agencies - FHLMC	660,805	-	181,908	12,647	466,250	
U.S. agencies - FNMA	1,282,303	-	107,836	1,174,467	-	
U.S. agencies - GNMA	612,681	-	-	57,532	612,681	
Local Government Bonds	67,218	-	-	-	-	
Illinois Funds *	33,681,917	33,681,917	-	-	-	
Illinois Metropolitan Investment Fund *	8,034,664	8,034,664	-	-	-	
Money Market Funds *	758,593	758,593	-	-	-	
Total	\$ 49,434,924	\$ 42,918,356	\$ 3,094,982	\$ 1,916,462	\$ 1,535,124	

\* Weighted average maturity is less than one year.

**Interest Rate Risk**- The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Illinois Metropolitan Investment Fund (I.M.E.T.) is a not-for-profit investment fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T. is not registered with the SEC as an investment company. Investments in I.M.E.T. are valued at I.M.E.T.'s share price, which is the price the investment could be sold for.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 3. Cash and Investments (continued)

**Credit Risk** - State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. The Village's investment policy does not address credit risk.

As of April 30, 2006, investments in Illinois Funds were rated AAA by Standard and Poor's. The FFCB and FHLB were rated Aaa by Moody's Investors Services. The FHLMC, FNMA, and Local Government Bonds were rated Aaa - Aa3 by Moody's Investors Services and AAA by Standard and Poor and Fitch Ratings Services. The Illinois Metropolitan Investment Fund and Money Market Funds are not rated.

**Concentration of Credit Risk** - The Village's investment policy does not restrict the amount of investments in any one issuer. More than 5% of the Village's investments are in Annuities. The investment is 11.8% of the Village's total investments.

**Custodial Credit Risk** - For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes and Strips, U.S. agency securities, local government bonds and annuity contracts are held by the Village's agent in the Village's name. The Illinois Funds, Illinois Metropolitan Investment Fund, Mutual Funds, and Money Market Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

Note 4. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Will County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village.

The 2004 property tax assessment, which was levied in December 2004, is to finance the budget for the fiscal year beginning May 1, 2005 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. Property taxes accounted for in the enterprise fund are recognized as revenue at the time they are levied. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies.

Property taxes are billed and collected by the County Treasurer of Will County, Illinois.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2006, is as follows:

	Balance May 1, 2005	Additions	Deletions	Balance April 30, 2006
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 154,015,357	\$ -	\$ -	\$ 154,015,357
Construction in progress	1,439,370	4,408,402	1,943,442	3,904,330
Total capital assets being depreciated	155,454,727	4,408,402	1,943,442	157,919,687
Capital assets being depreciated:				
Buildings and property	20,279,008	105,454	-	20,384,462
Machinery and equipment	1,832,412	370,715	45,811	2,157,316
Furniture and fixtures	1,457,970	134,473	-	1,592,443
Vehicles	3,504,510	784,759	-	4,289,269
Infrastructure	124,955,914	4,031,708	-	128,987,622
Total capital assets being depreciated	152,029,814	5,427,109	45,811	157,411,112
Less accumulated depreciation for:				
Buildings and property	6,867,276	512,848	-	7,180,124
Machinery and equipment	589,902	163,399	45,811	707,490
Furniture and fixtures	507,358	89,175	-	596,533
Vehicles	2,423,485	383,371	-	2,816,856
Infrastructure	39,034,890	3,848,328	-	42,883,218
Total accumulated depreciation	49,222,911	5,005,121	45,811	54,182,221
Total capital assets being depreciated, net	102,806,903	421,988	-	103,228,891
Governmental activities capital assets, net	\$ 258,281,630	\$ 4,830,390	\$ 1,943,442	\$ 261,148,578

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2006, is as follows:

	Balance May 1, 2005	Additions	Deletions	Balance April 30, 2006
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ 9,328	\$ -	\$ 9,328
Construction in progress	3,716,239	7,743,263	7,155,058	4,304,484
<b>Total capital assets</b>	<b>\$ 3,716,239</b>	<b>7,752,611</b>	<b>7,155,058</b>	<b>4,313,792</b>
<b>Capital assets being depreciated:</b>				
Building including permanent fixtures	37,693	-	24,731	12,962
Machinery and equipment	7,207,550	-	270,558	6,936,994
Vehicles	574,816	119,364	-	694,180
Infrastructure	97,946,517	8,203,030	-	106,149,547
Other equipment	1,070,031	-	25,773	1,044,258
<b>Total capital assets being depreciated</b>	<b>106,836,607</b>	<b>8,322,394</b>	<b>321,360</b>	<b>114,837,641</b>
<b>Less accumulated depreciation for:</b>				
Building including permanent fixtures	17,064	1,570	19,018	(384)
Machinery and equipment	4,150,080	369,674	169,887	4,359,867
Vehicles	357,199	39,840	-	397,039
Infrastructure	22,049,910	2,476,531	-	24,526,441
Other equipment	516,997	39,844	22,823	534,018
<b>Total accumulated depreciation</b>	<b>27,091,250</b>	<b>2,927,459</b>	<b>201,728</b>	<b>29,816,981</b>
<b>Total capital assets being depreciated, net</b>	<b>79,745,357</b>	<b>5,394,935</b>	<b>119,632</b>	<b>85,020,660</b>
<b>Business-type activities</b>				
<b>Capital assets, net</b>	<b>\$ 83,481,598</b>	<b>\$ 13,147,546</b>	<b>\$ 7,274,690</b>	<b>\$ 89,334,452</b>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,472,878
Public safety	2,003,139
Public works	1,089,068
Culture and recreation	440,036
<b>Total depreciation expense - governmental activities</b>	<b>\$ 5,005,121</b>
Business-type activities:	
Water and Sewer	\$ 2,927,459

Note 5. Long-Term Obligations

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
General obligation bonds	\$ 22,453,432	\$ -	\$ 374,362	\$ 22,079,070	\$ 684,362
Alternative revenue bonds	3,690,000	-	375,000	3,315,000	385,000
Capital leases	-	756,199	175,553	580,646	-
Compensated absences	1,774,691	1,213,117	956,912	2,030,896	147,637
Pension obligation *	1,383,777	36,897	-	1,420,674	-
	<b>\$ 29,301,900</b>	<b>\$ 2,005,213</b>	<b>\$ 1,881,827</b>	<b>\$ 29,426,286</b>	<b>\$ 1,216,999</b>

\*The General Fund resources are used to liquidate this liability.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2008:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2008	Due within one year
General obligation bonds	\$ 5,956,588	\$ 6,480,000	\$ 20,638	\$ 12,415,930	\$ 1,070,638
Alternative revenue bonds	18,585,000	-	7,600,000	10,985,000	360,000
Note payable	-	4,295,895	-	4,295,895	-
Deferred gain on refunding	-	45,330	2,584	42,746	-
Unamortized bond issue costs	(1,183,046)	(100,270)	(1,039,447)	(243,969)	-
	<u>\$ 23,359,522</u>	<u>\$ 10,720,955</u>	<u>\$ 6,893,776</u>	<u>\$ 27,495,702</u>	<u>\$ 1,430,638</u>

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved September 26, 2005 and provides for a repayment period of 20 years commencing May 11, 2008. The outstanding balance is reported as long-term in the Statement of Net Assets - Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$25,663,790 at an interest rate of 2.50%. In addition, the loan accrues interest of 2.5% that is calculated monthly. As of April 30, 2007, the total outstanding principal and interest is \$4,285,895 and \$10,036, respectively.

On September 27, 2005 the Village issued \$8,480,000 in General Obligation bonds, Series 2005 with an average interest rate of 3.24% to current refund \$8,442,392 of outstanding General Obligation (Alternative Revenue Source) bonds, Series 1998B with an average interest of 5.16%. The proceeds of \$6,497,332 (including premium of \$17,332) were used to purchase \$6,397,052 in U.S. government securities and pay \$100,270 in bond issuance costs. The U.S. government securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the refunded bonds. On December 15, 2005, the bonds were called and paid in full. The refunding resulted in an economic gain of \$535,553 and had the net effect of maintaining the life of the bonds while decreasing Village's future debt service by \$1,472,470.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Outstanding debt as of April 30, 2008, consists of the following:

General Obligation Bonds:

General Obligation Bonds, Series 2000A, dated June 30, 2000, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$215,000 in 2007, \$255,000 in 2008, \$305,000 in 2009, \$365,000 in 2010, \$430,000 in 2011, \$445,000 in 2012, \$540,000 in 2013, \$585,000 in 2014 and \$520,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 5.1% to 8.1%.

\$ 3,860,000

General Obligation Refunding Bonds, Series 1997B, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$45,000 in 2007, \$50,000 in 2008, \$50,000 in 2009, \$55,000 in 2010, \$55,000 in 2012, \$55,000 in 2012, \$60,000 in 2013, \$60,000 in 2014, and \$65,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 4.8% to 5.0%.

495,000

General Obligation Refunding Bonds, Series 2002A, dated September 15, 2002, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$130,000 in 2007, \$135,000 in 2008, \$145,000 in 2009, \$150,000 in 2010, \$160,000 in 2011, \$165,000 in 2012, \$175,000 in 2013, \$185,000 in 2014, \$190,000 in 2015, \$200,000 in 2016, \$210,000 in 2017, \$175,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.1% to 5.0%.

2,020,000

General Obligation Refunding Bonds, Series 2004, dated September 15, 2004, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$315,000 in 2007, \$320,000 in 2008, \$335,000 in 2009, \$1,080,000 in 2010, \$1,280,000 in 2011, \$1,710,000 in 2012, \$1,810,000 in 2013, \$2,050,000 in 2014, \$2,095,000 in 2015, \$2,120,000 in 2016, \$2,205,000 in 2017, \$2,235,000 in 2018, \$1,385,000 in 2019, \$425,000 in 2020, \$445,000 in 2021, \$470,000 in 2022, \$490,000 in 2023, \$515,000 in 2024, \$545,000 in 2025. Interest is due on June 30 and December 30 of each year at rates varying from 2.5% to 5.0%. \$5,935,930 of this balance has been pledged to be repaid by revenue from the water and sewer operations.

21,840,000

General Obligation Refunding Bonds, Series 2005, dated September 15, 2005, provide for the serial retirement of bonds on December 15 of each year in annual amounts of \$1,050,000 in 2007, \$1,175,000 in 2008, \$1,175,000 in 2009, \$1,225,000 in 2010, \$285,000 in 2011, \$295,000 in 2012, \$305,000 in 2013, \$315,000 in 2014, \$325,000 in 2015, \$330,000 in 2016. Interest is due on June 15 and December 15 of each year at rates varying from 3.0% to 3.5%.

6,480,000

Deferred gain on refunding

42,746

Unamortized bond issuance costs

(150,465)

Total General Obligation Bonds

34,987,280

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Alternate Revenue Bonds:

General Obligation Bonds (Alternate Revenue Bonds), dated February 2, 1999, provide for the serial retirement of certificates on December 30 of each year in amounts of \$330,000 in 2011, \$325,000 in 2012, \$330,000 in 2013, \$350,000 in 2014, \$375,000 in 2015, \$400,000 in 2016, \$735,000 in 2017, \$775,000 in 2018 and \$1,255,000 in 2019. Interest is due on June 30 and December 30 of each year at rates varying from 4.3% to 4.7%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

\$ 4,875,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001A provide for the serial retirement of certificates on December 30 of each year in the amounts of \$295,000 in 2007, \$310,000 in 2008, and \$325,000 in 2009. Interest is due on June 30 and December 30 of each year at rates varying from 4.0% to 4.25%. The Village has pledged revenue from motor fuel tax for the repayment of these bonds.

930,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001B provide for the serial retirement of certificates on December 30 of each year in the amounts of \$380,000 in 2007, \$350,000 in 2008, and \$400,000 in 2009. Interest is due on June 30 and December 30 of each year at rate of 4.13%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

1,110,000

General Obligation Bonds (Alternate Revenue Bonds), Refunding Bond Series 1997A provides for the serial retirement of certificates on December 30 of each year in amounts of \$625,000 in 2011, \$550,000 in 2012, \$575,000 in 2013, \$605,000 in 2014, \$635,000 in 2015, \$670,000 in 2016, \$700,000 in 2017 and \$740,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.9% to 5.2%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

5,000,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

General Obligation Bonds (Alternate Revenue Bonds), Series 2002B, dated September 15, 2002, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$90,000 in 2007, \$90,000 in 2008, \$115,000 in 2009, \$135,000 in 2010, \$170,000 in 2011, \$225,000 in 2016, \$600,000 in 2017, \$680,000 in 2018. Interest is due on June 30 and December 30 of each year varying from 3.0% to 4.3%.

\$ 2,385,000

(93,403)

14,206,597

Unamortized bond issuance costs

Total Alternate Revenue Bonds

Capital Leases:

Capital Lease, dated June 25, 2005, provide for the retirement of principal on May 7 of each year in annual amounts of \$49,918 in 2006, \$51,491 in 2009, \$53,114 in 2010, \$54,788 in 2011, and \$59,514 in 2012. Interest is due on May 7 of each year at 3.15%. Lease is collateralized by equipment with a net book value of \$343,107 at April 30, 2006.

265,825

Capital Lease, dated June 25, 2005, provides for the retirement of principal on May 7 of each year in annual amounts of \$34,734 in 2008, \$35,983 in 2009, \$37,235 in 2010, \$38,552 in 2011, \$39,916 in 2012, \$41,329 in 2013, \$42,791 in 2014, and \$44,301 in 2015. Interest is due on May 7 of each year at 3.15%. Lease is collateralized by equipment with a net book value of \$394,498 at April 30, 2006.

314,821

Total Capital Leases

580,646

Notes Payable

4,295,895

Compensated absences

2,030,896

Pension obligation

1,420,674

Total Long-Term Debt

\$ 56,921,988

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

The future debt service requirements to amortize the outstanding debt other than compensated absences and pension obligations as of April 30, 2006, including the deferred gain on refunding and bond issuance costs, are as follows:

Fiscal Year	Governmental			
	General Obligation Bonds		Alternative Revenue Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 684,362	\$ 1,016,097	\$ 385,000	\$ 133,682
2008	739,382	982,663	400,000	119,183
2009	812,298	945,374	440,000	103,307
2010	1,274,103	903,212	135,000	85,815
2011	1,414,318	835,288	170,000	81,225
2012-2016	9,673,720	2,917,575	525,000	375,525
2017-2021	5,460,907	1,084,851	1,260,000	81,960
2022-2025	2,020,000	258,750	-	-
	\$ 22,079,070	\$ 8,923,810	\$ 3,315,000	\$ 980,687
			\$ 580,646	\$ 77,810

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Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrfondubois.com/homepage.htm](http://www.imrfondubois.com/homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2008 was 9.48 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

For April 30, 2006, the Village's annual pension cost of \$979,884 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2006	\$ 679,884	100%	\$ -
04/30/2005	586,603	100%	-
04/30/2004	492,336	100%	-

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

The Police Pension Plan's most recent actuary was completed as of the year ended April 30, 2006.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2006, was 19.70% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Fiscal Year	Business-type			
	General Obligation Bonds		Alternative Revenue Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 1,060,486	\$ 451,649	\$ 351,312	\$ 522,703
2008	1,185,486	417,008	341,312	507,852
2009	1,187,550	378,305	391,312	493,415
2010	1,600,745	339,549	(8,686)	476,915
2011	785,530	287,563	848,312	476,915
2012-2016	4,877,306	919,983	4,771,560	1,746,730
2017-2021	1,611,107	97,624	4,198,477	396,976
2022-2025	-	-	-	-
	\$ 12,308,210	\$ 2,890,481	\$ 10,891,597	\$ 4,621,505
			\$ 66,669,826	

Note 7. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans.

Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is a multi-employer defined pension benefit plan. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.



Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2006, were as follows:

Annual required contribution	\$ 778,062
Interest on net pension obligation	86,721
Adjustment to annual requirement contribution	(53,945)
Annual pension cost	810,838
Contributions made	777,246
Increase in net pension obligation	33,592
Net pension obligation, beginning of year	1,238,878
Net pension obligation, end of year	\$ 1,272,470

The annual required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2006, was 27 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/2006	\$ 810,838	\$ 777,246	96%	\$ 1,272,470
04/30/2005	975,598	514,782	53%	1,238,878
04/30/2004	N/A	443,925	N/A	778,062

At April 30, 2006, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	26
Active non-vested plan members	36
<b>Total members</b>	<b>73</b>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Fire Pension Plan is a fund of the Village and does not issue separate financial statements.

The Firefighters' Pension Plan's most recent actuary was completed as of the year ended April 30, 2006.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2008 was 18.61% of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 116,273
Interest on net pension obligation	10,143
Adjustment to annual requirement contribution	(6,309)
Annual pension cost	120,107
Contributions made	116,802
Increase in net pension obligation	3,305
Net pension obligation, beginning of year	144,899
Net pension obligation, end of year	\$ 148,204

The required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included a 7.0% investment rate of return and projected salary increases of 5.5%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2006, was 27 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2006	\$ 120,107	\$ 116,802	97%	\$ 148,204
04/30/2005	95,578	66,952	70%	144,899
04/30/2004	N/A	62,078	N/A	116,273

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

At April 30, 2006, the Firefighters' Pension Plan membership consisted of:

Referees and beneficiaries receiving benefits  
Terminated plan members entitled to but not yet receiving benefits  
Active vested plan members  
Active non-vested plan members

Total members

Combining Statement of Fiduciary Net Assets

Pension Trust Funds

April 30, 2006

Assets	Firefighters' Pension	Police Pension	Total
Cash and cash equivalents	\$ 121,063	\$ 655,800	\$ 777,863
Investments:			
U.S. government and agency obligations	1,075,619	5,838,913	6,914,532
Local government bonds	67,218	-	67,218
Money market funds	29,304	729,289	758,593
Mutual funds	142,825	-	142,825
Annuity contracts	-	6,622,197	6,622,197
<b>Total assets</b>	<b>\$ 1,436,029</b>	<b>\$ 13,845,299</b>	<b>\$ 15,281,328</b>
<b>Liabilities and Net Assets</b>			
Liabilities:			
accrued liabilities	\$ 500	\$ 982	\$ 1,482
Net assets held in trust for employees' pension benefits	1,435,529	13,844,337	15,279,866
<b>Total liabilities and net assets</b>	<b>\$ 1,436,029</b>	<b>\$ 13,845,299</b>	<b>\$ 15,281,328</b>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended April 30, 2006

	Firefighters' Pension	Police Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 116,802	\$ 777,246	\$ 894,048
Employee	57,991	350,511	408,502
<b>Total contributions</b>	<b>174,793</b>	<b>1,127,757</b>	<b>1,302,550</b>
Investment income:			
Net appreciation (depreciation)	(21,289)	188,931	167,642
In fair value of investments	59,034	119,759	178,793
Interest	37,745	308,690	346,435
<b>Total investment income</b>	<b>212,538</b>	<b>1,436,447</b>	<b>1,648,985</b>
<b>Total additions</b>			
Deductions			
Benefits	-	507,253	507,253
Administrative expense	5,079	7,338	12,417
<b>Total deductions</b>	<b>5,079</b>	<b>514,591</b>	<b>519,670</b>
<b>Change in net assets</b>	<b>207,459</b>	<b>921,856</b>	<b>1,129,315</b>
Net assets held in trust for employees' pension benefits:			
May 1, 2005	1,228,070	12,922,481	14,150,551
April 30, 2006	\$ 1,435,529	\$ 13,844,337	\$ 15,279,866

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 8. Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village is a member of the Southwest Agency for Risk Management (SWARM) which is a public entity risk pool with eight member groups (villages and cities). The Village pays annual premiums to SWARM for its workers' compensation, general liability and property coverages.

The cooperative agreement provides that SWARM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 per occurrence for workers' compensation and \$100,000 for occurrences for general liability and \$50,000 for occurrences for property.

One representative from each member serves on the SWARM board, and each board member has one vote on the board. None of its members have any direct equity interest in SWARM.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 9. Other Fund Disclosures (FFS Level Only)**

Individual fund interfund receivable and payable balances as of April 30, 2006, are as follows:

Fund	Due from	Due to
Major Governmental:		
General:	\$ 561,187	\$ -
Recreation	8,711	-
Downtown TIF	-	2,328,133
Marquette Center TIF	-	3,019,829
Water and Sewer	569,898	5,347,962
Recreation:		
General	-	561,187
Water and Sewer	-	700,000
	-	1,261,187
Marquette Center TIF,		
General	2,328,133	-
Major Business-type,		
Water and Sewer:		
General	3,019,829	-
Recreation	700,000	-
	3,719,829	-
Non-Major Governmental Funds:		
2002A General Obligation Bonds,		
2002B General Obligation Bonds	3,407	-
2002B General Obligation Bonds:		
2002A General Obligation Bonds	-	3,407
2002A Construction	-	2,392
Downtown TIF,		
General	-	8,711
2002A Construction:		
2002B General Obligation Bonds	2,392	-
	5,799	14,510
Total	\$ 6,623,859	\$ 8,623,659

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Individual interfund advances receivable and payable balances as of April 30, 2006, are as follows:

Fund	Advances to	Advances from
Major Governmental:		
General	\$ 601,412	\$ -
Recreation	-	601,412
Recreation, General	-	601,412
Total	\$ 601,412	\$ 601,412

Interfund advances reflect operating loans, which are not expected to be repaid in the following fiscal year, but from future year operating revenues.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Interfund transfers for the year ended April 30, 2006, are as follows:

Fund	Transfer From	Transfer To
Major Governmental Funds:		
General:	\$ -	\$ 1,058,300
Recreation	-	679,000
2004 General Obligation Bonds	-	336,200
2001A Alternative Revenue Bonds	27,000	-
Motor Fuel Tax	2,020,000	-
Water and Sewer	2,047,000	2,073,500
Recreation:		
General	1,058,300	-
2004 General Obligation Bonds	-	9,500
	1,058,300	9,500
Marquette Center TIF,		
Downtown TIF	-	1,675,000
Major Business-type,		
Water and Sewer,	-	2,020,000
General		
Non-Major Governmental Funds:		
Motor Fuel Tax,	-	27,000
General		
2004 General Obligation Bonds:		
Recreation	9,500	-
General	679,000	-
2001A Alternative Revenue Bonds,		
General	336,200	-
Downtown TIF,		
Marquette Center TIF	1,675,000	-
	2,899,700	27,000
Total	\$ 5,805,000	\$ 5,805,000

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds, and move bond proceeds to funds that proceeds were intended to finance future events.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 10.    Defeased Debt**

The Village defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2008, \$16,129,988 of bonds outstanding are considered defeased.

**Note 11.    Commitments**

As of April 30, 2008, the Village had open contracts for the purchase of equipment and services totaling approximately \$18,000,000.

**Note 12.    Conduit Debt**

In the current fiscal year, the Village issued Adjustable Rate Demand Revenue Bonds to Lewis University for the purpose of financing. These bonds are collateralized only by the revenue of the University and are not considered liabilities or contingent liabilities of the Village. The total amount of bonds outstanding at April 30, 2006 is \$48,500,000.

**Note 13.    New Governmental Accounting Standards**

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, will be effective for the Village beginning with its year ending April 30, 2007. This statement requires that limitations on the use of net assets imposed by legislation be reported as restricted net assets.

GASB Statement No. 47, *Accounting for Termination Benefits*, will be effective for the Village in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of the statement should be implemented simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, this Statement will be effective for the Village beginning with its year ending April 30, 2007.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 13.    New Governmental Accounting Standards (continued)**

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, will be effective for the Village beginning with its year ending April 30, 2008. This Statement will establish criteria that governments will use to ascertain whether proceeds received should be reported as revenue or as a liability.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, will be effective for the Village beginning with its year ending April 30, 2009. This statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, will be effective for the Village beginning with its year ending April 30, 2009. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers providing pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Village beginning with its year ending April 30, 2011. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

Management has not yet determined the impact these statements will have on the financial position and results of operations of the Village.

## APPENDIX B

### DESCRIBING BOOK-ENTRY ONLY ISSUANCE

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other bond transactions in deposited bonds, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. bond brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

## APPENDIX C

### DESCRIPTION OF THE INSURER

The following information has been supplied by the Insurer for inclusion in this Official Statement. No representation is made by Issuer/Underwriter as to the accuracy or completeness of the information.

The Insurer accepts no responsibility for the accuracy or completeness of this Official Statement or any other information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer and its affiliates set forth under this heading. In addition, the Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds.

#### General

XL Capital Assurance Inc. (the “Insurer” or “XLCA”) is a monoline financial guaranty insurance company incorporated under the laws of the State of New York. The Insurer is currently licensed to do insurance business in, and is subject to the insurance regulation and supervision by, all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Singapore.

The Insurer is an indirect wholly owned subsidiary of Security Capital Assurance Ltd (“SCA”), a company organized under the laws of Bermuda. Through its subsidiaries, SCA provides credit enhancement and protection products to the public finance and structured finance markets throughout the United States and internationally. XL Capital Ltd currently beneficially owns approximately 46% of SCA’s outstanding shares.

The common shares of SCA are publicly traded in the United States and listed on the New York Stock Exchange (NYSE: SCA). **SCA is not obligated to pay the debts of or claims against the Insurer.**

#### Financial Strength and Financial Enhancement Ratings of XLCA

The Insurer's insurance financial strength is rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s and Fitch, Inc. (“Fitch”). In addition, the Insurer has obtained a financial enhancement rating of “AAA” from Standard & Poor’s. These ratings reflect Moody’s, Standard & Poor’s and Fitch's current assessment of the Insurer's creditworthiness and claims-paying ability as well as the reinsurance arrangement with XL Financial Assurance Ltd. (“XLFA”) described under “Reinsurance” below.

The above ratings are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody’s, Standard & Poor’s or Fitch. Any downward revision or withdrawal of these ratings may have an adverse effect on the market price of the Bonds. The Insurer does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.



## **Reinsurance**

The Insurer has entered into a facultative quota share reinsurance agreement with XLFA, an insurance company organized under the laws of Bermuda, and an affiliate of the Insurer. Pursuant to this reinsurance agreement, the Insurer expects to cede up to 75% of its business to XLFA. The Insurer may also cede reinsurance to third parties on a transaction-specific basis, which cessions may be any or a combination of quota share, first loss or excess of loss. Such reinsurance is used by the Insurer as a risk management device and to comply with statutory and rating agency requirements and does not alter or limit the Insurer's obligations under any financial guaranty insurance policy. With respect to any transaction insured by XLCA, the percentage of risk ceded to XLFA may be less than 75% depending on certain factors including, without limitation, whether XLCA has obtained third party reinsurance covering the risk. As a result, there can be no assurance as to the percentage reinsured by XLFA of any given financial guaranty insurance policy issued by XLCA, including the Policy.

Based on the audited financial statements of XLFA, as of December 31, 2006, XLFA had total assets, liabilities, redeemable preferred shares and shareholders' equity of \$2,007,395,000, \$874,028,000, \$54,016,000 and \$1,079,351,000, respectively, determined in accordance with generally accepted accounting principles in the United States ("US GAAP"). XLFA's insurance financial strength is rated "Aaa" by Moody's and "AAA" by S&P and Fitch Inc. In addition, XLFA has obtained a financial enhancement rating of "AAA" from S&P.\

The ratings of XLFA or any other member of the SCA group of companies are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody's, Standard & Poor's or Fitch.

Notwithstanding the capital support provided to the Insurer described in this section, the Bondholders will have direct recourse against the Insurer only, and XLFA will not be directly liable to the Bondholders.

## **Capitalization of the Insurer**

Based on the audited financial statements of XLCA, as of December 31, 2006, XLCA had total assets, liabilities, and shareholder's equity of \$1,224,735,000, \$974,230,000, and \$250,505,000, respectively, determined in accordance with U.S. GAAP.

Based on the unaudited statutory financial statements for XLCA as of December 31, 2006 filed with the State of New York Insurance Department, XLCA has total admitted assets of \$429,073,000, total liabilities of \$222,060,000, total capital and surplus of \$207,013,000 and total contingency reserves of \$20,876,000 determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities ("SAP").

Based on the audited statutory financial statements for XLCA as of December 31, 2005 filed with the State of New York Insurance Department, XLCA has total admitted assets of \$328,231,000, total liabilities of \$139,392,000, total capital and surplus of \$188,839,000 and total contingency reserves of \$13,031,000 determined in accordance with SAP.

## **Incorporation by Reference of Financials**

For further information concerning XLCA and XLFA, see the financial statements of XLCA and XLFA, and the notes thereto, incorporated by reference in this Official Statement. The financial statements of XLCA and XLFA are included as exhibits to the periodic reports filed with the Securities and Exchange Commission (the "Commission") by SCA and may be reviewed at the EDGAR website maintained by the Commission. All financial statements of XLCA and XLFA included in, or as exhibits to, documents filed by SCA or XL Capital Ltd pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or prior to the date of this Official Statement, or after the date of this Official Statement but prior to termination of the offering of the Bonds, shall be deemed incorporated by reference in this Official Statement. Except for the financial statements of XLCA and XLFA, no other information contained in the reports filed with the Commission by SCA or XL Capital Ltd is incorporated by reference. Copies of the statutory quarterly and annual statements filed with the State of New York Insurance Department by XLCA are available upon request to the State of New York Insurance Department.

## **Regulation of the Insurer**

The Insurer is regulated by the Superintendent of Insurance of the State of New York. In addition, the Insurer is subject to regulation by the insurance laws and regulations of the other jurisdictions in which it is licensed. As a financial guaranty insurance company licensed in the State of New York, the Insurer is subject to Article 69 of the New York Insurance Law, which, among other things, limits the business of each insurer to financial guaranty insurance and related lines, prescribes minimum standards of solvency, including minimum capital requirements, establishes contingency, loss and unearned premium reserve requirements, requires the maintenance of minimum surplus to policyholders and limits the aggregate amount of insurance which may be written and the maximum size of any single risk exposure which may be assumed. The Insurer is also required to file detailed annual financial statements with the New York Insurance Department and similar supervisory agencies in each of the other jurisdictions in which it is licensed.

The extent of state insurance regulation and supervision varies by jurisdiction, but New York and most other jurisdictions have laws and regulations prescribing permitted investments and governing the payment of dividends, transactions with affiliates, mergers, consolidations, acquisitions or sales of assets and incurrence of liabilities for borrowings.

**THE FINANCIAL GUARANTY INSURANCE POLICIES ISSUED BY THE INSURER, INCLUDING THE INSURANCE POLICY, ARE NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.**

The principal executive offices of the Insurer are located at 1221 Avenue of the Americas, New York, New York 10020 and its telephone number at this address is (212) 478-3400.

# **XL CAPITAL ASSURANCE**

1221 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 478-3400

## **MUNICIPAL BOND INSURANCE POLICY**

ISSUER: [       ]

Policy No: [       ]

BONDS: [       ]

Effective Date: [       ]

XL Capital Assurance Inc. (XLCA), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy (which includes each endorsement attached hereto), hereby agrees unconditionally and irrevocably to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the benefit of the Owners of the Bonds or, at the election of XLCA, to each Owner, that portion of the principal and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment.

XLCA will pay such amounts to or for the benefit of the Owners on the later of the day on which such principal and interest becomes Due for Payment or one (1) Business Day following the Business Day on which XLCA shall have received Notice of Nonpayment (provided that Notice will be deemed received on a given Business Day if it is received prior to 10:00 a.m. New York time on such Business Day; otherwise it will be deemed received on the next Business Day), but only upon receipt by XLCA, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in XLCA. Upon such disbursement, XLCA shall become the owner of the Bond, any appurtenant coupon to the Bond or the right to receipt of payment of principal and interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by XLCA hereunder. Payment by XLCA to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of XLCA under this Policy.

In the event the Trustee or Paying Agent has notice that any payment of principal or interest on a Bond which has become Due for Payment and which is made to an Owner by or on behalf of the Issuer of the Bonds has been recovered from the Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, such Owner will be entitled to payment from XLCA to the extent of such recovery if sufficient funds are not otherwise available.

The following terms shall have the meanings specified for all purposes of this Policy, except to the extent such terms are expressly modified by an endorsement to this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity, unless XLCA shall elect, in its sole discretion, to pay such principal due upon such acceleration; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the Trustee or Paying Agent for payment in full of all principal and interest on the Bonds which are Due for Payment. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to XLCA which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

XLCA may, by giving written notice to the Trustee and the Paying Agent, appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy. From and after the date of receipt by the Trustee and the Paying Agent of such notice, which shall specify the name and notice address of the Insurer's Fiscal Agent, (a) copies of all notices required to be delivered to XLCA pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to XLCA and shall not be deemed received until received by both and (b) all payments required to be made by XLCA under this Policy may be made directly by XLCA or by the Insurer's Fiscal Agent on behalf of XLCA. The Insurer's Fiscal Agent is the agent of XLCA only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of XLCA to deposit or cause to be deposited sufficient funds to make payments due hereunder.

Except to the extent expressly modified by an endorsement hereto, (a) this Policy is non-cancelable by XLCA, and (b) the Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Bond, other than at the sole option of XLCA, nor against any risk other than Nonpayment. This Policy sets forth the full undertaking of XLCA and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto.

In witness whereof, XLCA has caused this Policy to be executed on its behalf by its duly authorized officers.

**SPECIMEN**

Name:  
Title:

**SPECIMEN**

Name:  
Title:

APPENDIX D

[FORM OF 2007A OPINION OF BOND COUNSEL]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED DATE OF CLOSING]

We hereby certify that we have examined a certified copy of the proceedings (the "*Proceedings*") had by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois (the "*Village*"), passed preliminary to the issuance by the Village of its fully registered General Obligation Refunding Bonds, Series 2007A (the "*2007A Bonds*"), to the amount of \$\_\_\_\_,000, dated November 30, 2007, of the denomination of \$5,000 and integral multiples thereof, and due serially or subject to mandatory redemption on December 30 of the years and in the amounts and bearing interest at the rates per cent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)	YEAR	AMOUNT (\$)	RATE (%)
------	-------------	----------	------	-------------	----------

The 2007A Bonds coming due on December 30 of the years 20\_\_\_\_, inclusive, are Term Bonds and are subject to mandatory redemption on December 30 of the years and in the amounts as follows, at a redemption price of par plus accrued interest to the date fixed for redemption:

FOR THE 20\_\_\_\_ TERM BONDS

<u>YEAR</u>	<u>AMOUNT (\$)</u>
-------------	--------------------

The 2007A Bonds are not subject to optional redemption prior to maturity.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the 2007A Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and, except that the rights of the owners of the 2007A Bonds and the enforceability of the 2007A Bonds may be limited by bankruptcy, reorganization, moratorium, insolvency and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, is payable from ad valorem property taxes levied against all of the taxable property within the Village without limitation as to rate or amount.

It is our opinion that, subject to compliance by the Village and others with certain covenants, under present law, interest on the 2007A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the 2007A Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2007A Bonds. Ownership of the 2007A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2007A Bonds.

It is also our opinion that the 2007A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2007A Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

[FORM OF 2007B OPINION OF BOND COUNSEL]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED DATE OF CLOSING]

We hereby certify that we have examined a certified copy of the proceedings (the "*Proceedings*") had by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois (the "*Village*"), passed preliminary to the issuance by the Village of its fully registered General Obligation Refunding Bonds, Series 2007B (the "*2007B Bonds*"), to the amount of \$\_\_\_\_,000, dated November 30, 2007, of the denomination of \$5,000 and integral multiples thereof, and due serially or subject to mandatory redemption on December 30 of the years and in the amounts and bearing interest at the rates per cent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)	YEAR	AMOUNT (\$)	RATE (%)
------	-------------	----------	------	-------------	----------

The 2007B Bonds coming due on December 30 of the years 20\_\_\_\_, inclusive, are Term Bonds and are subject to mandatory redemption on December 30 of the years and in the amounts as follows, at a redemption price of par plus accrued interest to the date fixed for redemption:

FOR THE 20\_\_\_\_ TERM BONDS

YEAR

AMOUNT (\$)

The 2007B Bonds coming due on and after December 30, 201\_\_\_\_, are subject to redemption prior to maturity at the option of the Village, from any available moneys, on December 30, 201\_\_\_\_, and any date thereafter, in whole or in part, and if in part in such principal amounts and from such maturities as the Village shall determine, at a redemption price or par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the 2007B Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and, except that the rights of the owners of the 2007B Bonds and the enforceability of the 2007B Bonds may be limited by bankruptcy, reorganization, moratorium, insolvency and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, is payable from ad valorem property taxes levied against all of the taxable property within the Village without limitation as to rate or amount.

It is our opinion that, subject to compliance by the Village and others with certain covenants, under present law, interest on the 2007B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the 2007B Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2007B Bonds. Ownership of the 2007B Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2007B Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2007B Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.



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**OFFICIAL BID FORM**  
**SERIES 2007A BONDS**  
(OPEN AUCTION INTERNET SALE)

Village of Romeoville  
13 Montrose Drive  
Romeoville, Illinois 60441-1329

November 7, 2007  
Speer Financial, Inc.

President and Board of Trustees:

For the \$4,980,000\* General Obligation Refunding Bonds, Series 2007A, of the Village of Romeoville, Will County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$\_\_\_\_\_ (no less than \$5,050,000) plus accrued interest from November 15, 2007, to the date of delivery for Series 2007A Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The discount is subject to adjustment allowing the same \$\_\_\_\_\_ gross spread per \$1,000 bond as bid herein.

**MATURITIES\* - DECEMBER 30**

\$ 10,000 ... 2009 _____ %	\$580,000 ... 2012 _____ %	\$660,000 ... 2015 _____ %
540,000 ... 2010 _____ %	605,000 ... 2013 _____ %	680,000 ... 2016 _____ %
560,000 ... 2011 _____ %	630,000 ... 2014 _____ %	715,000 ... 2017 _____ %

*Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_

The Series 2007A Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Series 2007A Bonds with the CUSIP numbers as entered on the Series 2007A Bonds.

As evidence of our good faith, we enclose herewith a check or Surety Bond payable to the order of the Treasurer of the Village in the amount of **TWO PERCENT OF PAR** (the "Deposit") under the terms provided in your Official Notice of Sale. Attached hereto is a list of members of our account on whose behalf this bid is made.

**Form of Deposit**

Check One:

Certified/Cashier's Check ☐  
Financial Surety Bond ☐

Amount: \$99,600  
The above Certified/Cashier's  
Check was returned and received

By: \_\_\_\_\_

Check Number: \_\_\_\_\_

**Account Manager Information**

Name \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

Direct Phone (\_\_\_\_\_) \_\_\_\_\_

FAX Number (\_\_\_\_\_) \_\_\_\_\_

E-Mail Address \_\_\_\_\_

The foregoing bid was accepted and the Series 2007A Bonds sold by ordinance of the Village on November 7, 2007, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS

\*Subject to change.

\_\_\_\_\_  
President

NOT PART OF THE BID  
(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	33,992.50
AVERAGE LIFE	6.826 Years

**OFFICIAL NOTICE OF SALE**  
**\$4,980,000\***  
**VILLAGE OF ROMEOVILLE**  
**Will County, Illinois**  
**General Obligation Refunding Bonds, Series 2007A**

The Village of Romeoville, Will County, Illinois (the "Village"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$4,980,000\* General Obligation Refunding Bonds, Series 2007A (the "Series 2007A Bonds"), on an all or none basis between 9:45 A.M. and 10:00 A.M., C.S.T., Wednesday, November 7, 2007. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Series 2007A Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Series 2007A Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount, except that the rights of the owners of the Series 2007A Bonds and the enforceability of the Series 2007A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

**Bidding Details**

Bidders should be aware of the following bidding details associated with the sale of the Series 2007A Bonds.

- (1) All bids must be submitted on the SpeerAuction website at [www.SpeerAuction.com](http://www.SpeerAuction.com). **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

**Rules of SpeerAuction**

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Rules**

- (1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Series 2007A Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.
- (2) Neither the Village, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Series 2007A Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Series 2007A Bonds to the winner reported by SpeerAuction, or (ii) deliver Series 2007A Bonds to winning bidder at settlement, neither the Village, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

\*Subject to change.

The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Series 2007A Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Series 2007A Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Series 2007A Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Series 2007A Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month which an interest payment date occurs. The principal of the Series 2007A Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 30 and December 30 of each year commencing June 30, 2008, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Series 2007A Bonds are dated November 15, 2007.

**MATURITIES\* - DECEMBER 30**

\$ 10,000 ... 2009	\$580,000 ... 2012	\$660,000 ... 2015
540,000 ... 2010	605,000 ... 2013	680,000 ... 2016
560,000 ... 2011	630,000 ... 2014	715,000 ... 2017

*Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Series 2007A Bonds are **not** subject to optional redemption prior to maturity.

The scheduled payment of principal of and interest on the Series 2007A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2007A Bonds by XL Capital Assurance Inc. **The premium for such insurance policy and the related rating of Moody's Investors Service will be paid by the Village. Additional ratings are at the cost of the purchaser of the Series 2007A Bonds.**

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed two percent (2%). All bids must be for all of the Series 2007A Bonds, must be for not less than \$5,050,000 plus accrued interest from the dated date to the date of delivery.

**Award of the Series 2007A Bonds:** The Series 2007A Bonds will be awarded on the basis of true interest cost, determined in the following manner. **True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Series 2007A Bonds from the payment dates thereof to the dated date and to the bid price.** For the purpose of calculating true interest cost, the Series 2007A Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Series 2007A Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The discount, if any, is subject to pro rata adjustment if the maturity amounts of the Series 2007A Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Financial Advisor will notify the bidder to whom the Series 2007A Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Series 2007A Bonds purchased. In addition, the winning bidder who is a member of the Bond Market Association ("BMA") will be required to pay BMA's standard charge per bond.

Prior to submitting a bid, each bidder shall provide a certified or cashier's check on a solvent bank or trust company or a Financial Surety Bond for **TWO PERCENT OF PAR** payable to the Treasurer of the Village as evidence of good faith of the bidder (the "Deposit"). The Deposit of the successful bidder will be retained by the Village pending delivery of the Series 2007A Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Series 2007A Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Series 2007A Bonds. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer Financial, Inc., prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. The winning bidder is required to submit its Deposit to the Village in the form of a certified or cashier's check or wire transfer as instructed by Speer Financial, Inc., or the Village not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Village to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser.

*\*Subject to change.*

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Series 2007A Bonds on or before the date of delivery of the Series 2007A Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter. The Village represents that it is in compliance with each and every undertaking previously entered into it pursuant to the Rule.

The Underwriter's obligation to purchase the Series 2007A Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Series 2007A Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Series 2007A Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Series 2007A Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about November 28, 2007. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Series 2007A Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Series 2007A Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Series 2007A Bonds, as that term is defined in the Rule. By awarding the Series 2007A Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Series 2007A Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Series 2007A Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Series 2007A Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Series 2007A Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Series 2007A Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Series 2007A Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Series 2007A Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, that the Series 2007A Bonds are lawful and enforceable obligations of the Village in accordance with their terms and are payable from ad valorem taxes levied against all taxable property of the Village, except that the rights of the owners of the Series 2007A Bonds and the enforceability of the Series 2007A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion; (2) the opinion of said attorneys that the interest on the Series 2007A Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Series 2007A Bonds; and (3) a no litigation certificate by the Village.

The Village intends to deem the Series 2007A Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Series 2007A Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Sales Calendar" from the Independent Public Finance Consultants to the Village, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **KIRK OPENCHOWSKI**  
Finance Director  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

/s/ **FRED DEWALD**  
Village President  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

\*Subject to change.

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**OFFICIAL BID FORM  
SERIES 2007B BONDS  
(OPEN AUCTION INTERNET SALE)**

Village of Romeoville  
13 Montrose Drive  
Romeoville, Illinois 60441-1329

November 7, 2007  
Speer Financial, Inc.

President and Board of Trustees:

For the \$12,900,000\* General Obligation Refunding Bonds, Series 2007B, of the Village of Romeoville, Will County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$\_\_\_\_\_ (no less than \$12,835,000) plus accrued interest from November 15, 2007, to the date of delivery for Series 2007B Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The discount is subject to adjustment allowing the same \$\_\_\_\_\_ gross spread per \$1,000 bond as bid herein.

**MATURITIES\* - DECEMBER 30**

\$2,000,000 ... 2017 _____%	\$2,225,000 ... 2018 _____%	\$4,750,000 ... 2020 _____%
	3,925,000 ... 2019 _____%	

The Series 2007B Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Series 2007B Bonds with the CUSIP numbers as entered on the Series 2007B Bonds.

As evidence of our good faith, we enclose herewith a check or Surety Bond payable to the order of the Treasurer of the Village in the amount of **TWO PERCENT OF PAR** (the "Deposit") under the terms provided in your Official Notice of Sale. Attached hereto is a list of members of our account on whose behalf this bid is made.

**Form of Deposit**

Check One:

Certified/Cashier's Check ☐  
Financial Surety Bond ☐

Amount: \$258,000  
The above Certified/Cashier's  
Check was returned and received

By: \_\_\_\_\_

Check Number: \_\_\_\_\_

**Account Manager Information**

Name \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

City \_\_\_\_\_ State/Zip \_\_\_\_\_

Direct Phone (\_\_\_\_) \_\_\_\_\_

FAX Number (\_\_\_\_) \_\_\_\_\_

E-Mail Address \_\_\_\_\_

The foregoing bid was accepted and the Series 2007B Bonds sold by ordinance of the Village on November 7, 2007, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS

\*Subject to change in the maximum amount of \$100,000.

\_\_\_\_\_  
President

----- **NOT PART OF THE BID** -----  
(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	154,400.00
AVERAGE LIFE	11.969 Years

**OFFICIAL NOTICE OF SALE**  
**\$12,900,000\***  
**VILLAGE OF ROMEOVILLE**  
**Will County, Illinois**  
**General Obligation Refunding Bonds, Series 2007B**

The Village of Romeoville, Will County, Illinois (the "Village"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$12,900,000\* General Obligation Refunding Bonds, Series 2007B (the "Series 2007B Bonds"), on an all or none basis between 10:15 A.M. and 10:30 A.M., C.S.T., Wednesday, November 7, 2007. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Series 2007B Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Series 2007B Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount, except that the rights of the owners of the Series 2007B Bonds and the enforceability of the Series 2007B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

**Bidding Details**

Bidders should be aware of the following bidding details associated with the sale of the Series 2007B Bonds.

- (1) All bids must be submitted on the SpeerAuction website at [www.SpeerAuction.com](http://www.SpeerAuction.com). No telephone, telefax or personal delivery bids will be accepted. The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

**Rules of SpeerAuction**

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Rules**

- (1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Series 2007B Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.
- (2) Neither the Village, Speer Financial, Inc., nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Preliminary Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the Village, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Series 2007B Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Series 2007B Bonds to the winner reported by SpeerAuction, or (ii) deliver Series 2007B Bonds to winning bidder at settlement, neither the Village, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

\*Subject to change.



The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Series 2007B Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thompson Municipal News*.

The Series 2007B Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Series 2007B Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Series 2007B Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Series 2007B Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 30 and December 30 of each year commencing June 30, 2008, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Series 2007B Bonds are dated November 15, 2007.

**MATURITIES\* - DECEMBER 30**

\$2,000,000 ... 2017	\$2,225,000 ... 2018	\$4,750,000 ... 2020
	3,925,000 ... 2019	

The Series 2007B Bonds are callable in whole or in part on any date on or after December 30, 2016, at a price of par and accrued interest. If less than all the Series 2007B Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The scheduled payment of principal of and interest on the Series 2007B Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2007B Bonds by XL Capital Assurance Inc. The premium for such insurance policy and the related rating of Moody's Investors Service will be paid by the Village. Additional ratings are at the cost of the purchaser of the Series 2007B Bonds.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed two percent (2%). All bids must be for all of the Series 2007B Bonds, must be for not less than \$12,835,000 plus accrued interest from the dated date to the date of delivery.

Award of the Series 2007B Bonds: The Series 2007B Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Series 2007B Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Series 2007B Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Series 2007B Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village's Financial Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The discount, if any, is subject to pro rata adjustment if the maturity amounts of the Series 2007B Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village's Financial Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Financial Advisor will notify the bidder to whom the Series 2007B Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Series 2007B Bonds purchased. In addition, the winning bidder who is a member of the Bond Market Association ("BMA") will be required to pay BMA's standard charge per bond.

Prior to submitting a bid, each bidder shall provide a certified or cashier's check on a solvent bank or trust company or a Financial Surety Bond for **TWO PERCENT OF PAR** payable to the Treasurer of the Village as evidence of good faith of the bidder (the "Deposit"). The Deposit of the successful bidder will be retained by the Village pending delivery of the Series 2007B Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Series 2007B Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Series 2007B Bonds. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer Financial, Inc., prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. The winning bidder is required to submit its Deposit to the Village in the form of a certified or cashier's check or wire transfer as instructed by Speer Financial, Inc., or the Village not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Village to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Series 2007B Bonds on or before the date of delivery of the Series 2007B Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter. The Village represents that it is in compliance with each and every undertaking previously entered into it pursuant to the Rule.

The Underwriter's obligation to purchase the Series 2007B Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Series 2007B Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Series 2007B Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Series 2007B Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about November 28, 2007. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Series 2007B Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Series 2007B Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Series 2007B Bonds, as that term is defined in the Rule. By awarding the Series 2007B Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Series 2007B Bonds are awarded, up to 100 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Series 2007B Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Series 2007B Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Series 2007B Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Series 2007B Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Series 2007B Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Series 2007B Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, that the Series 2007B Bonds are lawful and enforceable obligations of the Village in accordance with their terms and are payable from ad valorem taxes levied against all taxable property of the Village, except that the rights of the owners of the Series 2007B Bonds and the enforceability of the Series 2007B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion; (2) the opinion of said attorneys that the interest on the Series 2007B Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Series 2007B Bonds; and (3) a no litigation certificate by the Village.

The Village does not intend to designate the Series 2007B Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Series 2007B Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Sales Calendar" from the Independent Public Finance Consultants to the Village, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **KIRK OPENCHOWSKI**  
Finance Director  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

/s/ **FRED DEWALD**  
Village President  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

\*Subject to change.

NEW ISSUE

**SIGNED COPY**

Investment Rating:  
Moody's Investors Service ... Aaa  
Fitch Ratings ... AAA  
(XLCA Insured)

Underlying Rating:  
Moody's Investors Service ... A2  
Standard & Poor's ... A+

ADDENDUM DATED NOVEMBER 7, 2007

OFFICIAL STATEMENT DATED OCTOBER 25, 2007

**\$4,820,000**  
**VILLAGE OF ROMEOVILLE**  
Will County, Illinois  
General Obligation Refunding Bonds, Series 2007A

**AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS**

Principal Amount	Due Dec. 30	Interest Rate	Yield	Principal Amount	Due Dec. 30	Interest Rate	Yield
\$ 10,000	.... 2009	3.750%	3.450%	\$590,000	.... 2014	4.000%	3.660%
540,000	.... 2010	3.750%	3.450%	620,000	.... 2015	4.000%	3.680%
560,000	.... 2011	4.000%	3.500%	640,000	.... 2016	5.250%	3.700%
580,000	.... 2012	4.000%	3.560%	675,000	.... 2017	5.250%	3.730%
605,000	.... 2013	4.000%	3.630%				

The Official Statement of the Village dated October 25, 2007 (the "Official Statement") with respect to the Bonds is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the Village with respect to the Bonds as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated October 25, 2007; and
2. This Addendum dated November 7, 2007.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Final Official Statement may be obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE THEREOF.

The Village has authorized preparation of the Final Official Statement containing pertinent information relative to the Bonds and the Village. Copies of that Final Official Statement can be obtained from the Underwriter, as defined herein. Additional information may also be obtained from the Village or from the independent public finance consultants to the Village:

Established 1954

***Speer Financial, Inc.***

**INDEPENDENT PUBLIC FINANCE CONSULTANTS**  
ONE NORTH LASALLE STREET • SUITE 4100 • CHICAGO, ILLINOIS 60602  
Telephone: (312) 346-3700; Facsimile: (312) 346-8833

## ADDITIONAL INFORMATION

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

## PLAN OF FINANCING

### Series 2007A Bonds

The Series 2007A Bond proceeds will be used to currently refund the Village's outstanding General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A bonds, as listed below:

#### General Obligation (Alternate Revenue Source) Water and Sewer Refunding Bonds, Series 1997A

<u>Refunded Maturities</u>	<u>Outstanding Amount</u>	<u>Amount Refunded</u>	<u>Redemption Price(s)</u>	<u>Redemption Date(s)</u>
12/30/2010	\$525.000	\$525.000	100.00%	12/30/2007
12/30/2011	550.000	550.000	100.00%	12/30/2007
12/30/2012	575.000	575.000	100.00%	12/30/2007
12/30/2013	605.000	605.000	100.00%	12/30/2007
12/30/2014	635.000	635.000	100.00%	12/30/2007
12/30/2015	670.000	670.000	100.00%	12/30/2007
12/30/2016	700.000	700.000	100.00%	12/30/2007
12/30/2017	740.000	740.000	100.00%	12/30/2007

Series 2007A Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of and call premium, if any, on the Refunded Bonds on their respective redemption dates. The remaining bond proceeds will be used to pay the costs of issuing the Series 2007A Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") dated as of November 15, 2007, between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

## DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$6,260,000 principal amount of general obligation alternate revenue debt and \$52,755,000 principal amount of general obligation debt.

### General Obligation Bonded Debt (1) (Principal Only)

Calendar Year	Total Alternate Bonds Outstanding		Less: Refunded Series 1997A	Total Alternate Bonds		Total G.O. Bonds Outstanding	The Bonds		Total G.O. Bonds	Total Bonded Debt	Cumulative Principal	
							Series 2007A Ref. 1997A	Series 2007B Pay 2006			Amount	Percent
2007	\$ 660,000	\$ 660,000	0	\$ 660,000	\$ 2,025,000	0	0	0	\$ 2,025,000	\$ 2,685,000	\$2,685,000	4.55%
2008	725,000	725,000	0	725,000	2,125,000	0	0	0	2,125,000	2,850,000	5,535,000	9.38%
2009	0	0	0	0	3,020,000	10,000	0	0	3,030,000	3,030,000	8,565,000	14.51%
2010	855,000	330,000	(525,000)	330,000	2,380,000	540,000	0	0	2,920,000	3,250,000	11,815,000	20.02%
2011	875,000	325,000	(550,000)	325,000	2,670,000	560,000	0	0	3,230,000	3,555,000	15,370,000	26.04%
2012	905,000	330,000	(575,000)	330,000	2,890,000	580,000	0	0	3,470,000	3,800,000	19,170,000	32.48%
2013	955,000	350,000	(605,000)	350,000	3,195,000	605,000	0	0	3,800,000	4,150,000	23,320,000	39.52%
2014	1,010,000	375,000	(635,000)	375,000	3,195,000	590,000	0	0	3,785,000	4,160,000	27,480,000	46.56%
2015	1,070,000	400,000	(670,000)	400,000	3,175,000	620,000	0	0	3,795,000	4,195,000	31,675,000	53.67%
2016	1,435,000	735,000	(700,000)	735,000	3,015,000	640,000	0	0	3,655,000	4,390,000	36,065,000	61.11%
2017	1,515,000	775,000	(740,000)	775,000	3,070,000	675,000	0	2,000,000	5,745,000	4,390,000	42,585,000	72.16%
2018	1,255,000	1,255,000	0	1,255,000	1,385,000	0	0	2,225,000	3,610,000	6,520,000	47,450,000	80.40%
2019	0	0	0	0	0	0	0	3,925,000	3,925,000	4,865,000	51,375,000	87.05%
2020	0	0	0	0	0	0	0	4,750,000	4,750,000	3,925,000	56,125,000	95.10%
2021	0	0	0	0	1,340,000	0	0	0	1,340,000	4,750,000	57,465,000	97.37%
2022	0	0	0	0	0	0	0	0	0	1,340,000	57,465,000	97.37%
2023	0	0	0	0	0	0	0	0	0	0	57,465,000	97.37%
2024	0	0	0	0	1,550,000	0	0	0	1,550,000	1,550,000	59,015,000	100.00%
<b>Total</b>	<b>\$11,260,000</b>	<b>\$6,260,000</b>	<b>\$(5,000,000)</b>	<b>\$6,260,000</b>	<b>\$35,035,000</b>	<b>\$4,820,000</b>	<b>\$12,900,000</b>	<b>\$52,755,000</b>	<b>\$59,015,000</b>	<b>\$59,015,000</b>		

Note: (1) Source: the Village.

## General Obligation Bonded Debt – By Issue(1)

Issue	Amount	Source of Debt Service Payments
Series 1997B .....	\$ 450,000	Property Taxes
Series 1999(2) .....	4,875,000	Water and Sewer Revenues, Property Taxes
Series 2000A .....	3,445,000	Property Taxes
Series 2001A(2) .....	635,000	Motor Fuel Taxes, Property Taxes
Series 2001B(2) .....	750,000	Water and Sewer Revenues, Property Taxes
Series 2002A .....	1,890,000	Property Taxes
Series 2002B .....	2,295,000	Property Taxes
Series 2004 .....	21,525,000	Property Taxes
Series 2005 .....	5,430,000	Property Taxes
The Bonds-Series 2007A .....	4,820,000	Water and Sewer Revenues, Property Taxes
The Bonds-Series 2007B .....	12,900,000	Property Taxes
Total Outstanding(3) .....	\$59,015,000	

- Notes: (1) Source: the Village.  
 (2) The Series 1999, Series 2001A and Series 2001B are alternate revenue source bonds and the debt service levy for such bonds is expected to be abated annually and not extended.  
 (3) Does not include \$5,000,000 Series 1997A bonds which are to be refunded by Series 2007A or the \$8,250,000 Series 2006 bonds which will be repaid by the Series 2007B bonds.

## Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2006 Census 36,709)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2006 .....	\$1,013,751,842	100.00%	33.33%	\$27,615.89
Estimated Actual Value, 2006 .....	\$3,041,255,526	300.00%	100.00%	\$82,847.68
Total Direct Debt(2) .....	\$ 59,015,000	5.82%	1.94%	\$ 1,607.64
Less: Non-Tax Supported(3) .....	(6,260,000)	(0.62%)	(0.21%)	(170.53)
Net Direct Debt .....	\$ 52,755,000	5.20%	1.73%	\$ 1,437.11
Overlapping Bonded Debt(4):				
Schools .....	\$ 79,292,776	7.82%	2.61%	\$ 2,160.04
Other .....	9,269,099	0.91%	0.30%	252.50
Total Overlapping Bonded Debt .....	\$ 88,561,875	8.73%	2.91%	\$ 2,412.54
Total Net Direct and Overlapping Bonded Debt(3) ....	\$ 141,316,875	13.94%	4.65%	\$ 3,849.65

- Notes: (1) Source: Will County Clerk and the Village.  
 (2) Does not include Series 2006 and Series 1997A which will be refunded by the Bonds.  
 (3) Includes Series 1999, Series 2001A, and Series 2001B.  
 (4) As of May 3, 2007.

## INVESTMENT RATINGS

Moody's Investors Service, Inc., has assigned the Bonds a rating of "Aaa". Fitch Investors Service, L.P., has assigned the Bonds a rating of "AAA". These ratings are conditioned upon the delivery by XL Capital Assurance Inc. of its standard form of Municipal Bond Insurance Policy. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The Village has furnished to the rating agencies certain information and materials relating to the Bonds and the Village, including certain information and materials which may not have been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The Village and the Underwriter have undertaken no responsibility either to bring to the attention of the registered owners of the Bonds any proposal change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

## UNDERWRITING


The Bonds were offered for sale by the Village at a public, competitive sale on November 7, 2007. The best bid submitted at the sale was submitted by Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$5,036,397.41, plus accrued interest. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

## QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village has deemed the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265 (b) (3) of the Code.

## AUTHORIZATION

The Official Statement dated October 25, 2007, and this Addendum dated November 7, 2007, for the \$4,820,000 General Obligation Refunding Bonds, Series 2007A, have been prepared under the authority of the Village and have been authorized for distribution by the Village.

  
/s/ **KIRK OPENCHOWSKI**  
*Finance Director*  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

  
/s/ **FRED DEWALD**  
*Village President*  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

APPENDIX A

[FORM OF 2007A OPINION OF BOND COUNSEL]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED DATE OF CLOSING]

We hereby certify that we have examined a certified copy of the proceedings (the "*Proceedings*") had by the President and Board of Trustees of the Village of Romeoville, Will County, Illinois (the "*Village*"), passed preliminary to the issuance by the Village of its fully registered General Obligation Refunding Bonds, Series 2007A (the "*2007A Bonds*"), to the amount of \$4,820,000, dated November 15, 2007, of the denomination of \$5,000 and integral multiples thereof, and due serially on December 30 of the years and in the amounts and bearing interest at the rates per cent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)	YEAR	AMOUNT (\$)	RATE (%)
2009	10,000	3.75	2014	590,000	4.00
2010	540,000	3.75	2015	620,000	4.00
2011	560,000	4.00	2016	640,000	5.25
2012	580,000	4.00	2017	675,000	5.25
2013	605,000	4.00			

The 2007A Bonds are not subject to optional or mandatory redemption prior to maturity.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the 2007A Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and, except that the rights of the owners of the 2007A Bonds and the enforceability of the 2007A Bonds may be limited by bankruptcy, reorganization, moratorium, insolvency and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, is payable from ad valorem property taxes levied against all of the taxable property within the Village without limitation as to rate or amount.

It is our opinion that, subject to compliance by the Village with certain covenants, under present law, interest on the 2007A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the 2007A Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2007A Bonds. Ownership of the 2007A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2007A Bonds.



It is also our opinion that the 2007A Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2007A Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

NEW ISSUE

**SIGNED COPY**

Investment Rating:  
Moody's Investors Service ... Aaa  
Fitch Ratings ... AAA  
(XLCA Insured)

Underlying Rating:  
Moody's Investors Service ... A2  
Standard & Poor's ... A+

ADDENDUM DATED NOVEMBER 7, 2007

OFFICIAL STATEMENT DATED OCTOBER 25, 2007

**\$12,900,000**  
**VILLAGE OF ROMEOVILLE**  
Will County, Illinois  
General Obligation Refunding Bonds, Series 2007B

**AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS**

Principal Amount	Due Dec. 30	Interest Rate	Yield	Principal Amount	Due Dec. 30	Interest Rate	Yield
\$2,000,000 ..	2017	4.000%	4.000%	\$3,925,000 ..	2019*	4.250%	4.200%
2,225,000 ..	2018	4.000%	4.090%	4,750,000 ..	2020*	4.375%	4.300%

\*These maturities have been priced to call.

The Official Statement of the Village dated October 25, 2007 (the "Official Statement") with respect to the Bonds is incorporated by reference herein and made a part hereof. The "Final Official Statement" of the Village with respect to the Bonds as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission shall be comprised of the following:

1. Official Statement dated October 25, 2007; and
2. This Addendum dated November 7, 2007.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Final Official Statement may be obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE THEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE DATE THEREOF.

The Village has authorized preparation of the Final Official Statement containing pertinent information relative to the Bonds and the Village. Copies of that Final Official Statement can be obtained from the Underwriter, as defined herein. Additional information may also be obtained from the Village or from the independent public finance consultants to the Village:

Established 1954

***Speer Financial, Inc.***

**INDEPENDENT PUBLIC FINANCE CONSULTANTS**  
ONE NORTH LASALLE STREET • SUITE 4100 • CHICAGO, ILLINOIS 60602  
Telephone: (312) 346-3700; Facsimile: (312) 346-8833

## **ADDITIONAL INFORMATION**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

## **PLAN OF FINANCING**

### **Series 2007B Bonds**

The Series 2007B Bond proceeds will be used to currently refund the Village's outstanding General Obligation Short-Term Variable Rate Bonds, Series 2006, maturing December 15, 2007, on December 15, 2007 at par and to pay costs related to construction of a new Village Hall and fire station.

## DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$6,260,000 principal amount of general obligation alternate revenue debt and \$52,755,000 principal amount of general obligation debt.

### General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Total Alternate Bonds Outstanding	Less: Refunded Series 1997A	Total Alternate Bonds	Total G.O. Bonds Outstanding	The Bonds: Series 2007A Ref. 1997A	Series 2007B Pay 2006	Total G.O. Bonds	Total Bonded Debt	Cumulative Principal Amount	Percent
2007	\$ 660,000	\$ 0	\$ 660,000	\$ 2,025,000	\$ 0	\$ 0	\$ 2,025,000	\$ 2,685,000	\$2,685,000	4.56%
2008	725,000	0	725,000	2,125,000	0	0	2,125,000	2,850,000	5,535,000	9.36%
2009	0	0	0	3,020,000	10,000	0	3,030,000	3,030,000	8,565,000	14.51%
2010	855,000	(525,000)	330,000	2,380,000	540,000	0	2,920,000	3,250,000	11,815,000	20.02%
2011	875,000	(550,000)	325,000	2,670,000	560,000	0	3,230,000	3,555,000	15,370,000	26.04%
2012	905,000	(575,000)	330,000	2,890,000	580,000	0	3,470,000	3,800,000	19,170,000	32.48%
2013	955,000	(605,000)	350,000	3,195,000	605,000	0	3,800,000	4,150,000	23,320,000	39.52%
2014	1,010,000	(635,000)	375,000	3,175,000	590,000	0	3,785,000	4,160,000	27,480,000	46.56%
2015	1,070,000	(670,000)	400,000	3,015,000	620,000	0	3,795,000	4,195,000	31,675,000	53.67%
2016	1,435,000	(700,000)	735,000	3,070,000	640,000	0	3,655,000	4,390,000	36,065,000	61.11%
2017	1,515,000	(740,000)	775,000	1,385,000	675,000	2,000,000	5,745,000	6,520,000	42,585,000	72.16%
2018	1,255,000	0	1,255,000	0	0	2,225,000	3,610,000	4,865,000	47,450,000	80.40%
2019	0	0	0	0	0	3,925,000	3,925,000	3,925,000	51,375,000	87.05%
2020	0	0	0	1,340,000	0	4,750,000	4,750,000	4,750,000	56,125,000	95.10%
2021	0	0	0	0	0	0	1,340,000	1,340,000	57,465,000	97.37%
2022	0	0	0	0	0	0	0	0	57,465,000	97.37%
2023	0	0	0	1,550,000	0	0	1,550,000	1,550,000	59,015,000	100.00%
2024	0	0	0	\$35,035,000	\$4,820,000	\$12,900,000	\$52,755,000	\$59,015,000		
Total	\$11,260,000	\$(5,000,000)	\$6,260,000							

Note: (1) Source: the Village.

## General Obligation Bonded Debt - By Issue(I)

Issue	Amount	Source of Debt Service Payments
Series 1997B .....	\$ 450,000	Property Taxes
Series 1999(2) .....	4,875,000	Water and Sewer Revenues, Property Taxes
Series 2000A .....	3,445,000	Property Taxes
Series 2001A(2) .....	635,000	Motor Fuel Taxes, Property Taxes
Series 2001B(2) .....	750,000	Water and Sewer Revenues, Property Taxes
Series 2002A .....	1,890,000	Property Taxes
Series 2002B .....	2,295,000	Property Taxes
Series 2004 .....	21,525,000	Property Taxes
Series 2005 .....	5,430,000	Property Taxes
The Bonds-Series 2007A .....	4,820,000	Water and Sewer Revenues, Property Taxes
The Bonds-Series 2007B .....	12,900,000	Property Taxes
Total Outstanding(3) .....	\$59,015,000	

- Notes: (1) Source: the Village.  
 (2) The Series 1999, Series 2001A and Series 2001B are alternate revenue source bonds and the debt service levy for such bonds is expected to be abated annually and not extended.  
 (3) Does not include \$5,000,000 Series 1997A bonds which are to be refunded by Series 2007A or the \$8,250,000 Series 2006 bonds which will be repaid by the Series 2007B bonds.

## Statement of Bonded Indebtedness(I)

	Amount Applicable	Ratio To Equalized Assessed	Estimated Actual	Per Capita (2006 Census 36,709)
Village EAV of Taxable Property, 2006 .....	\$1,013,751,842	100.00%	33.33%	\$27,615.89
Estimated Actual Value, 2006 .....	\$3,041,255,526	300.00%	100.00%	\$82,847.68
Total Direct Debt(2) .....	\$ 59,015,000	5.82%	1.94%	\$ 1,607.64
Less: Non-Tax Supported(3) .....	(6,260,000)	(0.62%)	(0.21%)	(170.53)
Net Direct Debt .....	\$ 52,755,000	5.20%	1.73%	\$ 1,437.11
Overlapping Bonded Debt(4):				
Schools .....	\$ 79,292,776	7.82%	2.61%	\$ 2,160.04
Other .....	9,269,099	0.91%	0.30%	252.50
Total Overlapping Bonded Debt .....	\$ 88,561,875	8.73%	2.91%	\$ 2,412.54
Total Net Direct and Overlapping Bonded Debt(3) ....	\$ 141,316,875	13.94%	4.65%	\$ 3,849.65

- Notes: (1) Source: Will County Clerk and the Village.  
 (2) Does not include Series 2006 and Series 1997A which will be refunded by the Bonds.  
 (3) Includes Series 1999, Series 2001A, and Series 2001B.  
 (4) As of May 3, 2007.

## INVESTMENT RATINGS

Moody's Investors Service, Inc., has assigned the Bonds a rating of "Aaa". Fitch Investors Service, L.P., has assigned the Bonds a rating of "AAA". These ratings are conditioned upon the delivery by XL Capital Assurance Inc. of its standard form of Municipal Bond Insurance Policy. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The Village has furnished to the rating agencies certain information and materials relating to the Bonds and the Village, including certain information and materials which may not have been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The Village and the Underwriter have undertaken no responsibility either to bring to the attention of the registered owners of the Bonds any proposal change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

## UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on November 7, 2007. The best bid submitted at the sale was submitted by Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$12,841,796.49, plus accrued interest. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields set forth in this Addendum.

## AUTHORIZATION

The Official Statement dated October 25, 2007, and this Addendum dated November 7, 2007, for the \$12,900,000 General Obligation Refunding Bonds, Series 2007B, have been prepared under the authority of the Village and have been authorized for distribution by the Village.



/s/ **KIRK OPENCHOWSKI**  
*Finance Director*  
VILLAGE OF ROMEOVILLE  
Will County, Illinois



/s/ **FRED DEWALD**  
*Village President*  
VILLAGE OF ROMEOVILLE  
Will County, Illinois

# ATTACHMENT J

**VILLAGE OF ROMEOVILLE, Will County, Illinois**

**\$4,820,000 General Obligation Refunding Bonds, Series 2007A**

**Final**

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I
12/30/2007	-	-	-	-
12/30/2008	-	-	-	-
12/30/2009	10,000.00	3.750%	233,845.31	233,845.31
12/30/2010	540,000.00	3.750%	207,862.50	217,862.50
12/30/2011	560,000.00	4.000%	207,487.50	747,487.50
12/30/2012	580,000.00	4.000%	187,237.50	747,237.50
12/30/2013	605,000.00	4.000%	164,837.50	744,837.50
12/30/2014	590,000.00	4.000%	141,637.50	746,637.50
12/30/2015	620,000.00	4.000%	117,437.50	707,437.50
12/30/2016	640,000.00	5.250%	93,837.50	713,837.50
12/30/2017	675,000.00	5.250%	69,037.50	709,037.50
<b>Total</b>	<b>\$4,820,000.00</b>	-	<b>\$1,458,657.81</b>	<b>\$6,278,657.81</b>

**Yield Statistics**

Accrued Interest from 11/15/2007 to 11/28/2007	
Bond Year Dollars	7,506.15
Average Life	\$32,612.50
Average Coupon	6.766 Years
	4.4726955%
Net Interest Cost (NIC)	
True Interest Cost (TIC)	3.8091542%
Bond Yield for Arbitrage Purposes	3.6842828%
All Inclusive Cost (AIC)	3.6810367%
	3.8696141%

**IRS Form 8038**

Net Interest Cost	
Weighted Average Maturity	3.5419197%
	6.849 Years



# Village of Romeoville, Will County, Illinois

\$12,900,000 General Obligation Refunding Bonds, Series 2007B

\*\*FINAL\*\*

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/15/2007	-	-	-	-	-
06/30/2008	-	-	-	-	-
12/30/2008	-	-	339,765.63	339,765.63	-
06/30/2009	-	-	271,812.50	271,812.50	-
12/30/2009	-	-	271,812.50	271,812.50	611,578.13
06/30/2010	-	-	271,812.50	271,812.50	-
12/30/2010	-	-	271,812.50	271,812.50	543,625.00
06/30/2011	-	-	271,812.50	271,812.50	-
12/30/2011	-	-	271,812.50	271,812.50	543,625.00
06/30/2012	-	-	271,812.50	271,812.50	-
12/30/2012	-	-	271,812.50	271,812.50	543,625.00
06/30/2013	-	-	271,812.50	271,812.50	-
12/30/2013	-	-	271,812.50	271,812.50	543,625.00
06/30/2014	-	-	271,812.50	271,812.50	-
12/30/2014	-	-	271,812.50	271,812.50	543,625.00
06/30/2015	-	-	271,812.50	271,812.50	-
12/30/2015	-	-	271,812.50	271,812.50	543,625.00
06/30/2016	-	-	271,812.50	271,812.50	-
12/30/2016	-	-	271,812.50	271,812.50	543,625.00
06/30/2017	-	-	271,812.50	271,812.50	-
12/30/2017	2,000,000.00	4.000%	271,812.50	271,812.50	543,625.00
06/30/2018	-	-	271,812.50	2,271,812.50	-
12/30/2018	2,225,000.00	4.000%	231,812.50	231,812.50	2,543,625.00
06/30/2019	-	-	231,812.50	2,456,812.50	-
12/30/2019	3,925,000.00	4.250%	187,312.50	187,312.50	2,688,625.00
06/30/2020	-	-	187,312.50	4,112,312.50	-
12/30/2020	4,750,000.00	4.375%	103,906.25	103,906.25	4,299,625.00
<b>Total</b>	<b>\$12,900,000.00</b>	-	<b>\$6,550,265.63</b>	<b>\$19,450,265.63</b>	<b>4,957,812.50</b>

### Yield Statistics

Bond Year Dollars	
Average Life	\$154,937.50
Average Coupon	12.011 Years
Net Interest Cost (NIC)	4.2276825%
True Interest Cost (TIC)	4.2652483%
Bond Yield for Arbitrage Purposes	4.2724174%
All Inclusive Cost (AIC)	4.2239666%
	4.2724174%
<b>IRS Form 8038</b>	
Net Interest Cost	
Weighted Average Maturity	4.2276825%
	12.011 Years

Romeoville 2007B FINAL | SINGLE PURPOSE | 11/7/2007 | 10:31 AM

Speer Financial, Inc.  
Public Finance Consultants Since 1954

# ATTACHMENT K

**Certified Public Accountants**

**Financial Report**  
**April 30, 2008**

## Financial Report

April 30, 2008

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### Financial Section (Continued)

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To Honorable Village President and  
Members of the Board of Trustees  
Village of Romeoville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Romeoville, Illinois as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Romeoville as of April 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 -15), pension related schedules (pages 58-62), budgetary schedules and related note (pages 63-65) are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Romeoville. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
March 5, 2009

## Required Supplementary Information



## Management Discussion and Analysis (MD&A)

**Village of Romeoville, Illinois**  
**Management's Discussion and Analysis**

**April 30, 2008**

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The Village of Romeoville's (the "Village") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 16).

**Using the Financial Section of this Comprehensive Annual Report**

For the past 20 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and for the first time the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements (see pages 16-17) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The focus of the statement of net assets (the "unrestricted net assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement, for the first time, combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The statement of activities (see page 17) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including general government, public works, public safety and culture and recreation. Shared state sales, local utility and shared state income taxes finance the majority of these services. The business-type activities reflect private sector type operations (water and sewerage), where the fee for service typically covers all or most of the cost of operation, including depreciation.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than (the previous model's) fund types.

The governmental funds (see pages 18-21) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its fiduciary funds (Police Pension and Firefighters' Pension, see pages 26-27). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

## Management's Discussion and Analysis (Continued)

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While the business-type activities column on the business-type fund financial statements (see pages 22-25) is the same as the business-type column on the government-wide financial statements, the governmental funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 19 and 21). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the governmental activities column (in the government-wide financial statements).

### Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets be valued and reported within the governmental column of the government-wide financial statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

### Government-Wide Financial Statements

#### Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$375.8 million as of April 30, 2008.

A significant portion of the Village's net assets (84.5%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

For more detailed information see the statement of net assets (page 16).

The Village's combined net assets (which are the Village's equity) increased to \$375.8 million from \$362.2 million as a result of the increase in net assets in both the governmental and business-type activities. Net assets of the Village's governmental activities were \$271.1 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were a surplus of \$21.9 million. The net assets of business-type activities increased to \$104.7 million from \$99.3 million. The Village can use unrestricted net assets to finance the continuing operation of its water and sewer system.

## Management's Discussion and Analysis (Continued)

Table 1  
Statement of Net Assets  
As of April 30, 2008  
(In millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current Assets	\$ 44.1	\$ 44.4	\$ 36.9	\$ 37.8	\$ 81.0	\$ 82.2
Non Current Assets	0.5	0.3	0.2	0.3	0.7	0.6
Capital Assets	<u>284.6</u>	<u>270.3</u>	<u>113.3</u>	<u>102.8</u>	<u>397.9</u>	<u>373.1</u>
Total Assets	329.2	315.0	150.4	140.9	479.6	455.9
Current Liabilities	17.8	23.9	3.8	3.5	21.6	27.4
Non Current Liabilities	<u>40.3</u>	<u>28.2</u>	<u>41.9</u>	<u>38.1</u>	<u>82.2</u>	<u>66.3</u>
Total Liabilities	58.1	52.1	45.7	41.6	103.8	93.7
Net Assets:						
Invested in Capital Assets, Net of Related Debt	247.7	236.7	69.8	63.3	317.5	300.0
Restricted	1.5	1.5	-	-	1.5	1.5
Unrestricted (deficit)	<u>21.9</u>	<u>24.7</u>	<u>34.9</u>	<u>36.0</u>	<u>56.8</u>	<u>60.7</u>
Total Net Assets	<u>\$271.1</u>	<u>\$262.9</u>	<u>\$ 104.7</u>	<u>\$ 99.3</u>	<u>\$375.8</u>	<u>\$362.2</u>

**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

**Net Results of Activities** – which will impact (increase/decrease) current assets and unrestricted net assets.

**Borrowing for Capital** – which will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

**Spending of Non-borrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Reduction of Capital Assets through Depreciation** – which will reduce capital assets and invested in capital assets, net of debt.

**Current Year Impacts**

The Village's governmental activities net assets increased \$8.2 million and can be attributed to several factors. Assets increased by \$14.2 million, which can be attributed to increased capital asset balances in the current year. Liabilities increased by \$6.0 million which can be attributed to increased long-term debt and payables related to construction.

The Village's business-type activities net assets increased \$5.4 million and can be attributed to several factors. Assets increased by \$9.5 million, which can be attributed to increased capital asset balances in the current year. Liabilities increased by \$4.1 million which can be attributed to increased long-term debt.

Current year impacts are discussed in more detail after Table 2.

**Changes in Net Assets**

The following chart compares the revenue and expenses for the current fiscal year.

Management's Discussion and Analysis (Continued)

Table 2  
Changes in Net Assets  
For the Fiscal Year Ended April 30, 2008  
(In millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 10.0	\$ 9.9	\$13.7	\$13.5	\$ 23.7	\$ 23.4
Operating Grants and Contributions	1.8	2.0	-	-	1.8	2.0
Capital Grants and Contributions	6.2	1.1	3.5	1.7	9.7	2.8
General Revenues						
Property Taxes	12.8	11.7	-	-	12.8	11.7
Sales Taxes	7.1	6.2	-	-	7.1	6.2
Income Taxes	3.5	3.2	-	-	3.5	3.2
Utility Taxes	5.2	5.0	-	-	5.2	5.0
Other Taxes	4.1	3.9	-	-	4.1	3.9
Transfers	2.4	2.2	(2.4)	(2.2)	-	-
Other	<u>2.0</u>	<u>2.0</u>	<u>2.4</u>	<u>2.1</u>	<u>4.4</u>	<u>4.1</u>
Total Revenues	55.1	47.2	17.2	15.1	72.3	62.3
<b>EXPENSES</b>						
General Government	12.9	9.9	-	-	12.9	9.9
Public Safety	17.0	14.8	-	-	17.0	14.8
Public Works	11.6	11.5	11.8	11.3	23.4	22.8
Culture and Recreation	3.8	3.0	-	-	3.8	3.0
Debt Service	<u>1.6</u>	<u>1.3</u>	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>1.3</u>
Total Expenses	46.9	40.5	11.8	11.3	58.7	51.8
<b>CHANGE IN NET ASSETS</b>	<u>8.2</u>	<u>6.7</u>	<u>5.4</u>	<u>3.8</u>	<u>13.6</u>	<u>10.5</u>
<b>ENDING NET ASSETS</b>	<u>\$271.1</u>	<u>\$262.9</u>	<u>\$104.7</u>	<u>\$99.3</u>	<u>\$375.8</u>	<u>\$362.2</u>

2008 Governmental Activities Revenue



■ Charges for Services    ■ Operating Grants  
 ■ Capital Grants        □ Property Tax  
 ■ Other Taxes           ■ Other

2007 Governmental Activities Expenses



■ General Government    ■ Public Safety  
 ■ Public Works           □ Debt Service  
 ■ Culture & Recreation

## Management's Discussion and Analysis (Continued)

There are eight basic impacts on revenues and expenses as reflected below:

### **Normal Impacts**

#### Revenues:

**Economic Condition** – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Village Board approved rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

#### Expenses:

**Introduction of New Programs** – within the functional expense categories (Public Safety, Public Works, General Government, Parks, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80% of the Village's operating costs.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

**Inflation** – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

### **Current Year Impacts**

#### Revenues:

For the fiscal year ended April 30, 2008, revenues from all activities totaled \$72.3 million. The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. These sources include property taxes, sales taxes, utility taxes, shared revenues from the State (Income tax, Motor Fuel tax), building permits, grants, developer contributions, rubbish collection fees, water and sewer sales to customers and tap-on fees.

The Village saw an 11% increase in the equalized assessed valuation (EAV) from \$1,013 million to \$1,126 million. The increase in its property tax revenue in 2007 compared to previous years was 9%. The tax rate decreased from \$1.04 to \$1.02 per \$100 EAV. The Village, as a Home Rule community is not subject to the property tax cap laws. Due to the new growth and decreased rate the Village was able to collect an additional \$1.1 million in property tax (\$12.8 million vs. \$11.7 million).

The Village saw an increase in other tax revenue over the prior year of \$1.6 million or 9%. This increase can be attributed to both the residential and business growth in the Village. The majority of the increase came from the Sales Tax (\$0.9 million) Income Tax (\$0.3 million), electric utility tax (\$0.2 million), hotel/motel tax (\$0.2million), telephone utility tax (\$0.1 million), and the local gas tax (\$0.1 million). The increases were offset by decreases in the natural gas utility tax (\$0.1 million) and the Real Estate Transfer Tax (\$0.1 million). Sales Tax increased due to Wal-mart and Target, along with other retailers, opening for business during the second half of fiscal year 2008. The income tax increase came as the result of a higher per capita distribution from the state and a full year at a higher population figure as the result of the special census. The electric utility tax increased due to additional usage from new commercial and industrial usage. The Hotel/Motel increased due to the collection of past due taxes from one hotel.

**Management's Discussion and Analysis (Continued)**

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Telephone utility tax was up due to changes in rates, phone usage and market conditions. The local gas tax is higher due to the 4 cent gas tax being in effect for the full year and all gas stations being open for the full year (versus a station being closed for renovations).

The natural gas tax rate changed due to decreased usage and a full year at the changed rate from 2 cents per therm to 2 cents per therm for the first 775,000 therms per month and .001 cents for every therm thereafter per month. The Real Estate Transfer Tax was lower due to the start in the downturn of the Real Estate Market which resulted in over 300 less transactions.

License and permit revenue decreased 2% in 2008 from \$2.6 million in 2007 to \$2.5 million in 2008. The decrease came from a decrease in building permits (\$0.3 million). This decrease was offset by an increase in In-house Permit Plan Review (\$0.2 million). The decrease in building permits came from a decrease in commercial and industrial growth. Last year included big projects such as the Sears logistics facility (relocated from another location in the Village) and the new Wal-mart located on Airport and Weber Road. In-house plan reviews increased due to the Village's efforts to utilize in-house staff versus out-side firms. Reimbursements from use of outside firms decreased by \$0.1 million.

Developer contribution revenue increased in 2008 from \$2.8 million in 2007 to \$9.7 million in 2008. The entire increase can be attributed to the developer contributions of infrastructure of \$7.1 million. Cash contributions actually decreased by \$0.2 million over 2007. Developer contributions will fluctuate greatly from year to year depending on the amount, timing and location of the development. The Village receives contributions from a variety of sources and timing mechanisms that correspond with development. Depending on the annexation agreement, agreement with the developer and/or road recapture agreement fees may be captured at the start, end or throughout the life of a project. In fiscal year 2008 the Village received \$0.6 million for Taylor Road and \$0.35 million for improvements on Weber and Normantown Road. In fiscal year 2009 the Village received \$1.3 million cash contributions for water system improvements constructed for industrial uses. \$0.6 million was received in contributions for burying power lines along Airport and Weber Roads (Target/Wal-mart/Aldi developments), \$0.5 million in contributions for Belmont Road and \$0.2 million for Taylor Road contributions.

Investment returns, excluding pension funds, decreased by approximately 5% due to decreased interest rates.

Charges for services increased by \$0.4 million or 2%, excluding license and permit decrease of \$0.1 million. The increase came from both Government activities (\$0.2 million) and Business-Type Activities (\$0.2 Million). Government activities saw increases in the following areas; Fines (\$0.1 million), Rubbish Collection Fees (\$0.2 million), and Lockport Fire Agreement (\$0.1 million). These were offset by a decrease in Engineering Fees (\$0.2 million). Fines increased due to a large amount of forfeited funds generated from police related activities. Forfeited funds will fluctuate greatly year to year. Rubbish fees increased due to a rate increase and growth in the Village. The Village charges residents the same monthly cost per house paid to the refuse hauler. The Lockport Fire Agreement is a shared revenue agreement based on property taxes. The shared revenue area saw large increase in taxable value due to industrial development. The engineering fees decrease resulted from fewer large commercial and industrial projects. The engineering services reimbursements will fluctuate greatly from year to year depending on the amount, timing and location of development.

The Business type activities (water and sewer operations) increase was from water and sewer sales (\$0.6 million) and late fees (\$0.2 million) which was offset by a decrease in tap-on fees (\$0.5 million). The water and sewer revenue increase was due to growth and a 2% rate increase. The tap-on fees are a result of decreasing housing starts and commercial and industrial development that use less capacity (PE – Person Equivalent).

The Police Pension fund had a down year in 2008. Actuarial assumptions estimate that the Village will return 7% annually for pension fund purposes when, in actuality, the Police Pension fund returned 1.8% in 2008. Overall, the fund increased by 6.7% in value from a combination of investment earnings, Village contributions and employee contributions. The Police Pension fund has a diverse portfolio that includes cash and cash equivalents (13%), treasuries and agencies (42%) and various annuities and equities (45%). The lower than expected returns are due to unfavorable changes in market valuation.

The Fire Pension fund had an average year in 2008. Actuarial assumptions estimate that the Village will return 7% annually for pension fund purposes when, in actuality, the Fire Pension fund returned 5.1% in 2008. Overall, the fund increased by 23.7% in value from a combination of investment earnings. The Fire Pension fund is very conservative with approximately 91% of the assets invested in cash equivalents (5%), federal treasuries, agencies and municipal bonds (86%). The remaining 9% is invested in mutual funds. The returns are due to moderate changes in market valuations of investments and interest earnings.

## Village of Romeoville, Illinois

### Management's Discussion and Analysis (Continued)

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#### Expenses:

The Village's total expenses for all activities for the year ended April 30, 2008 were \$58.7 million. Expenses increased 14% (\$7.1 million) as compared to 2007.

Government activities costs increased by \$6.4 million. The increases came primarily from general Government (\$3.0 million), public Safety (\$2.2 million) and culture and recreation (\$0.8 million).

General government activities increase of \$3 million is attributed to \$0.3 million in insurance increases for general liability and worker's compensation, \$0.3 million in personnel cost increases including raises, \$0.3 million in legal fees, \$0.2 million in information technology contractual services which include fiscal year 2008 and 2009 software lease and maintenance payments for enterprise wide software and retaining an IT consulting firm on an annual contract and \$0.1 in finance department general service expenses including communication, audit and bad debt expenses.

Also included in governmental activities were \$0.8 million in additional architectural and other professional fees for the new Village Hall and Police Station. The Village also made an incentive payment of \$0.1 million from the Romeo Road TIF (Tax Increment Financing) to the developers of Walgreens and the Village made its first surplus TIF distribution (\$0.5 million) from the Marquette TIF. The Village will declare 20% of the Marquette TIF property taxes as surplus and distribute them to the appropriate taxing bodies over the remainder of the TIF.

The culture and recreation increase is due to \$0.4 million in personnel costs due to raises and additional personnel and \$0.3 millions in donations to the Tri-county Special Recreation program. The donations and corresponding property tax revenue used to be included in general government activities. Starting in fiscal year 2008 and going forward it will be included as part of culture and recreation.

Public safety expenses related to the operations of the Police and Fire Departments accounted for \$17.0 million of the total expenses. The increase came from additional personnel, raises, insurance increases and pension contribution increases. Personnel costs accounted for 90% of the total public safety costs. The Village has an authorized strength of 69 sworn police personnel and 16 full-time fire personnel plus a pool of approximately 37 part-time fire personnel. The patrol officers are members of the Metropolitan Alliance of Police Chapter 342. Fiscal year 2006 was the third year of a three-year contract. The new contract was finalized just prior to the end of fiscal year 2008 after lengthy negotiations. Fire personnel were unionized during 2007. Negotiations started in fiscal year 2009 but not much progress has been made.

Business activities (water and sewer) increased by \$0.5 million or 4%. The increase was due to increased salary and benefits. Additionally, the Village also provides water to its residents through its system of wells. The water and sewer operations accounted for 50% of the total Public Works activities.

### Financial Analysis of the Village's Funds

#### **Governmental Funds**

At April 30, 2008, the governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$28.5 million. Revenues/sources exceeded expenditures/uses in 2008 by \$6.3 million. The primary reason for this excess was due to the Facility Construction Fund which reflects a surplus of \$9.6 million of revenues versus expenditures. A portion of this surplus was used to repay \$8.2 million in one-year variable bonds to pay for a variety of projects, which was reflected in the beginning fund deficit and not the statement of revenues, expenditures and changes in fund balance. The surplus was offset by a deficit in the non-major funds of \$4.2 million which is attributed to net transfers out of \$4.3 million to other funds.

#### **General Fund Budgetary Highlights**

Prior to or at the last Village Board meeting in April, the Mayor submits to the Village Board a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in 2007. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.



Management's Discussion and Analysis (Continued)

Table 3  
General Fund Budgetary Highlights  
(In millions)

General Fund	Original Budget	Actual
Revenues and Other Financing Sources		
Taxes	\$8.0	\$8.3
Other taxes	16.6	14.4
Interest	0.9	0.8
Fines	0.6	0.8
Licenses and permits	1.5	2.5
Charges for services	4.2	4.3
Intergovernmental	3.5	3.8
Other	1.9	1.6
Other financing sources	<u>2.4</u>	<u>2.4</u>
Total	39.6	38.9
Expenditures and Other Financing Uses		
General government	9.1	8.1
Public safety	14.3	14.2
Public works	7.0	6.9
Capital outlay	5.3	4.7
Debt service	0.2	0.1
Other financing uses	<u>3.7</u>	<u>4.8</u>
Total	39.6	38.8
Change in Fund Balance	<u>\$ -</u>	<u>\$0.1</u>

As shown above the General Fund was budgeted to break-even, while actual results were a \$0.1 million surplus. There are several factors that attributed to this surplus. Both revenues and expenditures were under budget.

Property taxes were greater than anticipated due to higher than anticipated Equalized Assessed Value (EAV). Final information is not available regarding EAV when the budget is being formulated. The Village does know the rate, which it sets by ordinance along with the property tax levy ordinance.

The Village received \$2.2 million less in other taxes than anticipated. The Village received \$1.6 million less in sales tax due to slower than anticipated retail development at the Airport and Weber Road corridor. The Village also received \$0.5 million less in utility taxes due to slower than anticipated growth. The Village received \$0.2 million less in local gas tax revenue due to less demand because of higher gas prices.

Interest was under budget due to lower interest rates and less funds on hand than anticipated in the budget.

Fines increased due to a large amount of forfeited funds (\$0.1 million) generated from police related activities. Forfeited funds will fluctuate greatly year to year. Also, greater than anticipated court fines and vehicle impound fines of \$0.2 million, a result of vigorous enforcement, were received.

Building Permits were budgeted at a conservative level based on projects in process during fiscal year 2008. Greater than anticipated projects resulted in an additional \$0.5 million in permit fees. Projects included two large speculative industrial buildings, Wilton Enterprise expansion, the Great Kitchens facility and Kohls. In-house plan reviews increased by \$0.4 million due to the Village's efforts to utilize in-house staff versus out-side firms. Reimbursements from use of outside firms decreased by \$0.1 million.

Charges for services were over budget by \$0.1 million due to greater than anticipated (\$0.1 million) Engineering fees and Zoning Variance fees due to additional growth as discussed above with building permits. Also, per an annexation agreement, an industrial developer was required to pay an application fee of \$0.1 million. The increases were offset by less than anticipated

## Village of Romeoville, Illinois

### Management's Discussion and Analysis (Continued)

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rubbish collection fees of \$0.1 million. The Village's refuse contract expired during fiscal year 2008 and lower than anticipated rates were negotiated for the new contract. The budget figure also anticipated a higher number of homes

Intergovernmental revenues were higher due to an additional \$0.3 million received in State income tax. The State received greater than anticipated income taxes, which resulted in large distribution to the State's municipalities. Income taxes (9% of which is collected by the State) are distributed to municipalities on a per capita basis.

Other revenues were under budget by \$0.3 million. The Village had anticipated that the process to locate a waste transfer station in the Village would start during fiscal year 2008. Part of the process includes a \$250,000 application fee which was not made. The plans, due to the economic downturn, have been postponed indefinitely.

Other financing sources, which consist of interfund transfers, were received as budgeted from the water and sewer funds (\$2.4 million) and the Motor Fuel Tax Fund (\$28,000).

General government expenditures were under budget by \$1.0 million. The majority of the savings came from unspent reserves (\$1.4 Million). The reserves were for Sales Tax incentives (\$0.6 million savings), Marquette TIF repayment (\$0.3 Million), reserve for retroactive salary (\$0.3 million), reserve for contingency (\$0.1 million) and reserve for fund balance (\$0.1 Million). The savings were offset by additional legal fees of \$0.3 million.

The additional legal fees were spent on eminent domain proceedings to secure land for open space. Information technology contractual services were over budget by \$0.1 million because payments included fiscal year 2008 and 2009 software lease and maintenance payments for enterprise wide software and retaining an IT consulting firm on an annual contract.

Public safety expenditures were under budget by \$.1 million. The majority came through salary savings including the timing of hiring new fire personnel. Total Fire Department salary savings were (\$0.3 million). However Police Department salaries were over budget by (\$0.2 million). The Village settled the Police Union contract in April. The new contract kept cost of living increase at 4% but changed the timing of step increases which resulted in substantial increases beyond cost of living for many officers.

The salary accounts reflect retroactive pay for both fiscal year 2007 and 2008. The Village did set aside reserves for the retro pay but the expenses were charged to the appropriate salary line items. Fire contractual services were over budget by \$0.1 million due to emergency radio repairs needed for fire dispatch and vehicle maintenance for several large repairs. The Police Department had contractual and commodity savings of \$0.1 million spread over several accounts.

Public works expenditures were under budget by \$0.1 million. Public works realized \$0.3 million in savings from a variety of contractual services including building maintenance, vehicle maintenance and refuse collection costs. There was also \$0.1 million savings in asphalt and street sign materials. Public Works was over budget by \$0.1 million in salaries. The overage reflects the settling of the AFSCME Union contract which expired in fiscal year 2006.

The salary accounts reflect retroactive pay for both fiscal year 2007 and 2008. The Village did set aside reserves for the retro pay but the expenses were charged to the appropriate salary line items. Cost of living adjustments were held to 4% in the contract. Public works was also over budget in Motor Pool commodities by \$0.2 million in fuel costs. The overage was due to the dramatic increase in oil/fuel costs over the course of the year.

Capital outlay expenditures were under budget by \$0.6 million due to savings and timing of road work projects (\$.9 million) which was offset by an overage of \$0.3 million in public safety. The Village decided to purchase squad cars that were initially submitted as part of the fiscal year 2009 budget requests.

Debt service was under budget by \$0.1 million due to a lease for an ambulance that was contemplated as part of the fiscal year 2008 budget. The ambulance was ordered in fiscal year 2008 but the financing was not secured and the first payment was not due until December 2008 (fiscal year 2009) when the Fire Department took ownership of the vehicle.

Other financing uses, which are transfers to other funds, exceeded the budget because of an unbudgeted transfer of \$0.8 million to the Facility Construction Fund and an additional \$0.2 million transferred to the Debt Service Fund. The \$0.8 million will be used to fund the Village Hall/Police station and effectively reducing down the bond issue needed to fund the project, saving \$1.4 million in future interest costs. The \$0.2 million transferred to debt service will be used for fiscal year 2009 bond payments pertaining to debt issued for the Village Hall/Police Station project.

**Management's Discussion and Analysis (Continued)**

The Village made a concerted effort to keep General Fund expenditures within or under revenues for fiscal year 2008. The Village, at the start of fiscal year 2005 had a negative fund balance of \$0.6 million. The fiscal year 2008 fund balance is now at \$11.0 million. The Village's long-term goal is to have and maintain a positive fund balance equal to 25% of the General Fund budget. The Village increased the fund balance by \$0.1 million but used \$1.1 million of surplus revenues as described above (other financing uses) to enhance the Village's overall financial position. The Village's targeted fund balance as of April 30, 2008 was \$9.9 million. The fiscal year 2010 budget is an estimated \$40.0 million, with a targeted fund balance of \$10 million.

**Capital Assets**

At the end of the fiscal year 2008, the Village had a combined total of capital assets of \$397.9 million (after accumulated depreciation of \$100.9 million) invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of just over \$24.8 million. Detailed information related to capital assets is included in Notes 1 and 4 to the basic financial statements

The Net Capital Assets of the Village increased by \$24.8 million over 2008. The main reasons for the increase can be attributed to land purchases by the Village and increases in the Village's infrastructure in 2008. The majority of the infrastructure increases were in roads and the water and sewer system.

**Table 4**

	<b>Total Capital Assets at Year End Net of Depreciation (In millions)</b>		
	<b>Balance 4/30/07</b>	<b>Net Additions/Deletions</b>	<b>Balance 4/30/08</b>
Land	\$162.0	\$ 6.1	\$168.1
Buildings	14.7	-	14.7
Machinery and Equipment	3.5	(0.5)	3.0
Furniture and Fixtures	0.9	(0.1)	0.8
Vehicles	2.5	0.3	2.8
Infrastructure	166.8	36.1	202.9
Other Equipment	0.4	-	0.4
Construction in Progress	<u>22.3</u>	<u>(17.1)</u>	<u>5.2</u>
<b>Total Capital Assets</b>	<b><u>\$373.1</u></b>	<b><u>\$24.8</u></b>	<b><u>\$397.9</u></b>

**Debt Outstanding**

As of April 30, 2008 the Village had outstanding bonded debt of \$56.3 million. Of this amount \$14.9 million represented alternate revenue bonds related to business-type activities, while general obligation bonds associated with business-type activities totaled \$5.3 million. Alternate revenue bonds associated with governmental activities totaled \$2.5 million at April 30, 2008, while general obligation bonds associated with governmental activities totaled \$33.6 million.

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved September 26, 2005 and provides for a repayment period of 20 years commencing May 11, 2008. On September 3, 2008, the Village amended the agreement to extend the drawdown period through December 1, 2008. The outstanding balance is reported as long-term in the Statement of Net Assets – Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$25,663,790 at an interest rate of 2.50%. In addition, the loan accrues interest of 2.5% that is calculated monthly. As of April 30, 2008, the total outstanding principal and interest is \$22,956,662 and \$542,711, respectively.

In November of 2007 the Village issued \$12.9 million G.O. Bonds to repay \$8.25 million of short term bonds and pay cost related to the new Village Hall and fire station. The Village also issued \$4.8 million in G.O. Bonds to advance refund \$5.0 million in series 1997A bonds.

The Village is no longer subject to the debt limit due to its Home Rule community status. A brief discussion of Home Rule is found below in the Economic Factors section of the Management Discussion and Analysis.

## Village of Romeoville, Illinois

### Management's Discussion and Analysis (Continued)

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However, The Village's legal debt limitation would be \$97,109,692 if it were a non-Home Rule community. The limit is based on 8.625% of the 2007 equalized assessed valuation of \$1,125,909,473.

#### Economic Factors

The Village became a Home Rule community in February of 2004. Home Rule communities are not subject to the state imposed property tax cap which limits property tax increases, excluding new development and newly annexed property, to the lesser of 5% or the CPI. Home Rule communities have no legal debt limit, can implement additional revenue sources not available to non Home Rule communities and can implement regulations not available to non Home Rule communities. Under Illinois State Statutes a Village or City automatically qualifies as a Home Rule community when the population exceeds 25,000.

The financial condition of the federal and State governments has had a dramatic effect on the Village of Romeoville during fiscal year 2008 and is expected to continue through fiscal year 2009. Grant assistance is extremely competitive and previously reliable state shared revenues (especially the income tax and use tax), which had been trending upward, will be reduced on a per capita basis going forward due to the economic downturn. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

The Village implemented a Home Rule sales tax of 1% and a 2 cent per gallon gas tax during fiscal year 2005. The sales tax generated \$2.8 million for the first fiscal year 2006, \$2.7 million for fiscal year 2007 and \$3.0 million in fiscal year 2008. The Village only collected the tax for 7 months during fiscal year 2005 (\$1.8 million) due to the implementation process required by the State. The Village increased the gas tax to 4 cents per gallon for fiscal year 2007. The tax generated \$1.3 million in fiscal year 2007 and \$1.4 million in fiscal year 2008.

It was discovered over the course of fiscal year 2006 that the State of Illinois had improperly allocated \$824,000 in sales tax collected by CITGO to the Village over a period of several years. Half of the CITGO refinery resides in the Village and the other half is in unincorporated Will County but the address is a Romeoville address. The sales did occur in unincorporated Will County. The State determined in June of 2006 that the Village, through monthly deductions from sales tax distributions will repay the misallocated sales tax \$11,447 per month for 72 months. The Village will be impacted by this until July of 2011.

The Village pursued the implementation of a Real Estate Transfer Tax. The tax, by state statute, can only be implemented by Home Rule communities but still must be approved by the voters through the referendum process. The Village was able to successfully pass the referendum during the April 5, 2005 elections. The Real Estate Transfer Tax was implemented in June of 2005 and generated \$1.25 million which exceeded the estimated referendum amount of \$1,073,000. In fiscal year 2007 the tax generated \$1.7 million. However that decreased to \$1.5 million for fiscal year 2008. The slowing housing market will have a large impact on fiscal year 2009 revenues. The Village pledged, through the referendum process, to use half the proceeds for recreational projects and open space acquisition and the other half for growth related capital projects and public safety equipment.

Fiscal year 2004 saw the start of a slow down in residential growth in the Village. The trend continued during the 2008 fiscal year. The Village's housing starts have decreased from the 700 to 1,200 range to the 10 to 25 range.

The Village is starting to receive fewer funds from growth related revenues including building permits and tap-on fees and is starting to experience smaller annual increases in areas such as water and sewer revenues, utility tax and recreation department revenues. The Village was seeing an increase in commercial and industrial development. The increase in commercial and industrial development did have a positive impact on sales tax, property tax, utility tax, business licenses and water and sewer revenues. However the downturn in the economy is having a large impact on these growth related revenue streams.

The Village, in hope of revitalizing what is now designated as the downtown area, has formed a new Tax Increment Finance District (Downtown TIF) to provide a funding mechanism for the needed activities and projects. The revitalization will provide an economic engine on the Village's aging North side. The revitalization is expected to have a long-term positive impact on property taxes, sales taxes, building permits and other revenue sources.

More importantly, the Downtown TIF is expected to improve the quality of life for the residents. The Downtown TIF is anticipated to attract new quality businesses to the area and some new housing (100 to 200 units) in the form of upscale town homes and/or mid-rise condominiums. Businesses may include a food store to replace the departed Sterk's store, a hardware store, restaurants, coffee shops, bakeries, a movie theater, boutique shops, a community center, a park with a band shell and a renovated library facility. The plans are still in preliminary stages. The Village continues to meet with developers after the

## Village of Romeoville, Illinois

### Management's Discussion and Analysis (Continued)

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formation of the TIF to refine the Village's downtown vision. It is anticipated that a master developer will be selected during the 2009 fiscal year.

The downtown area is generally bounded by Normantown Road on the north, Illinois Route 53 on the east, Alexander Circle on the south and Dalhart Avenue on the west. The area includes what currently are the Spartan Square Shopping Center and the surrounding vacant land and various out lots.

The entire Downtown TIF area is approximately 421 acres including the Downtown Area. The Downtown TIF will extend east of the Downtown area to include nearby industrial parks and open space up to and along the Des Plaines River and south along the Route 53 frontage properties to Romeo Road. The Downtown TIF is contiguous to the existing Marquette TIF.

The Village may spend \$50.0 million in projects throughout the Downtown TIF area with the main focus in the designated downtown area. Projects include Route 53 landscaping islands, infrastructure improvements to storm water systems, improve and realign roadways and property acquisition, assembly, preparation and maintenance. TIF dollars will be used to assist property owners with property rehab, façade improvements, relocation expenses and other incentives. The Village has implemented extensive design standards for properties located within the TIF area and wants to improve the existing structures to meet the new standards. It is anticipated that the Village will have to issue General Obligation TIF bonds to provide the immediate funding needed for a portion of the projects. The Village would expect, based upon a \$19 million bond issue, to pay \$13 million in financing costs. The bonds would be paid with TIF funds. Final numbers and projects will be revised after a master developer has been selected.

The Downtown TIF will allow the Village to capture property tax dollars based upon additional equalized assessed value (EAV) realized above 2003 values and the combined tax rate for all taxing bodies. Property owners in the Downtown TIF will pay the property taxes they would normally pay. The taxing bodies receive property taxes based upon the 2002 EAV of the TIF area and the Village would receive the remaining portion of property taxes for the incremental EAV above the 2003 level. The Village has received approval and support from the taxing bodies affected by the Downtown TIF, including the Valley View 365U School District. The Village began to receive TIF funds in the 2006-07 fiscal year.

The Village plans to construct a community center in the Downtown TIF District. The community center will give the Village a presence in the downtown and will serve as an attraction to bring both a daytime and nighttime population to the downtown. The community center would cost an estimated \$12 million. The community center may contain space for a performing arts center/stage, gymnastics, martial arts, dance, a gymnasium, community rooms and a home for the Special Recreation Association. The community center project may be included as part of the Downtown TIF bond issue. It is anticipated that the community center would open late 2010 or early 2011. However, the Village is also pursuing a Public/Private partnership to build a community facility as well.

The Downtown TIF's base 2003 EAV is \$9.9 million and is anticipated to grow to \$55 million by the final year of the TIF (2027) or a final increment of \$45.1 million. The Downtown TIF will have two main revenue sources to support the planned projects. The Downtown TIF may generate an estimated \$35.5 million in Downtown TIF property taxes and interest.

An additional \$22 million is anticipated to be imported from the existing Marquette TIF. State Statutes allow the villages to import/export TIF Funds between TIF Districts if they are contiguous with each other.

The Village created a third TIF in fiscal year 2008. The Romeo Road TIF is located on the North East corner of Route 53 and Romeo Road and is 2.5 acres in size. The TIF was created to provide \$350,000 in incentives for Developers to bring a Walgreen's to the site. The Walgreens opened in October of 2008. The site was home to a long-time closed Amoco station. The site has a number of environmental and infrastructure challenges and would not be developed without the incentives. The Romeo Road TIF is contiguous to the Downtown TIF.

The Village acquired the Spartan Spare Shopping Plaza, located within the Downtown TIF, during fiscal year 2008. The Village was in the process of looking at condemnation. Having control of the property provides the Village better flexibility and flow of information in working with potential developers with regards to the property. The Village acquired vacant land from Harris Bank during fiscal year 2009, next to the facility located in the downtown area for \$2.2 million. The land will be used for the community center.

The Village needs new facilities to house current and future Village Employees. The Village's Police Department is most in need of additional space. The Village conducted a space needs analysis during the 2006 fiscal year. The Village, spread out over

## Village of Romeoville, Illinois

### Management's Discussion and Analysis (Continued)

several locations and buildings, currently operates out of a space of slightly over 32,000 square feet, including the Police Department's 11,400 square feet of space. The space serves 175 employees.

The Village will build a combined Village Hall and Police Station. Currently, residents have to go to several locations to access Village services. The new 118,000 square foot facility would combine those services at one location. The Village Hall/Police Station is located on a site immediately west of the Recreation Center on 135<sup>th</sup> St. The Village broke ground on the new Village Hall/Police Station in June of 2008. It is anticipated that the new facility would be completed by the spring of 2010.

The Village will also construct two new fire stations. Fire Station #3, located at Normantown and Birch roads, was completed in October of 2008. The other Fire Station, known as Fire Station #1, will be located on the current Village Hall site or on the existing Fire Station #1 site. The original Fire Station #1 will be razed in either event. Fire Station #1 is expected to break ground during fiscal year 2010.

The Village issued bonds to pay for the new Village Hall/Police Station (\$47.1 Million), Deer Crossing Park (\$3.3 Million), the two fire stations (\$9.5 million) and a building renovation/road alignment (\$1.9 million) on property acquired from the Valley View School district next to the recreation center (commonly known as the Bus Barn Site). The projects will cost \$61.8 million. The debt service is not anticipated to be included as part of the property tax levy. The Village plans to use funds generated from home rule sales tax and Lockport Fire Protection District agreement to make the debt service payments. The projects will be funded with bonds proceeds (\$57.8 Million), sale of land (\$2.0 million), interest (\$0.8 million), transfer from the General Fund (\$0.8 million) and grants and donations for the park (\$0.4 million). The sale of land to the Will County Forest preserve was completed in fiscal year 2008. The land is part of the O'Hara woods and is located directly behind the Village Hall site and Deer Crossing Park.

The Village issued short-term variable bonds in 2006 (\$8.3 million) to purchase the land for the Village Hall/Police Station and Fire Stations. The Village issued three series of bonds to fund the construction of the projects described above (\$57.8 Million), repayment of the variable bonds (\$8.6 million) and issuance costs. The first bond issue (\$12.8 Million) was in November of 2007. The other issues (\$47.1 Million - 2008 Series A & B) occurred in June of 2008.

The Village, in order to increase sewage treatment capacity and meet EPA requirements has started to perform a wastewater consolidation and expansion project. The total project will cost \$36 million and will take several years to complete. The Village should complete the project in fiscal year 2010. The Village has secured an Illinois EPA Revolving Loan (\$26 million) for a low interest loan to fund the project. The current IEPA loan rate is 2.5%. The loan is for 20 years. Annual payments would be an estimated \$1.7 million. The loan would be repaid from water and sewer revenues. The first payment was paid in fiscal year 2009 based upon a preliminary schedule prepared by the IEPA. The IEPA will recalculate a final schedule after the projects are complete and no further loan proceeds are due to the Village.

The economic downturn will have a tremendous impact on the Village. The Village's fiscal year 2008 General Fund budget is \$42.2 million dollars, but revenues and expenditures are anticipated to come in around \$38.2 million. The fiscal year 2010 is anticipated to be \$40 million. Sales tax, while still increasing, is anticipated to be \$1.3 million below budgeted levels. The Village did see Kohl's, Walgreens, Aldi, Chili's and an upscale Japanese Steak House, Aodake, open their doors during fiscal year 2009. Real Estate Transfer Tax has decreased from \$1.5 million to \$0.7 million. Building permits have decreased from \$1.7 million to \$1.1 million in fiscal year 2009 and are expected to decrease to \$.08 million for fiscal year 2010.

The Village's contracts with the Police Union (MAP) and Public Works/Clerical/Inspectors/Code Enforcement/E-9aa Dispatch (AFSCME) expire at the end of fiscal year 09. Negotiations will start during the spring of 2009.

#### **Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Kirk Openchowski, Finance Director, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446.

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## Government-Wide Financial Statements



**Basic Financial Statements**

Village of Romeoville, Illinois

Statement of Net Assets  
April 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 32,297,925	\$ 31,778,620	\$ 64,076,545
Receivables:			
Property taxes	10,449,402	-	10,449,402
Accounts	729,819	1,357,490	2,087,309
Other	1,867,582	-	1,867,582
Internal balances	(3,719,829)	3,719,829	-
Due from other governmental units	2,514,110	-	2,514,110
<b>Total current assets</b>	<b>44,139,009</b>	<b>36,855,939</b>	<b>80,994,948</b>
<b>Non-Current Assets</b>			
Unamortized bond costs and discounts	520,011	258,995	779,006
Capital assets not being depreciated	172,276,621	998,134	173,274,755
Capital assets being depreciated, net	112,369,585	112,267,392	224,636,977
<b>Total non-current assets</b>	<b>285,166,217</b>	<b>113,524,521</b>	<b>398,690,738</b>
<b>Total assets</b>	<b>\$ 329,305,226</b>	<b>\$ 150,380,460</b>	<b>\$ 479,685,686</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
General obligation bonds	\$ 812,298	\$ 1,197,702	\$ 2,010,000
Alternate revenue bonds	440,000	400,000	840,000
Capital leases	161,095	-	161,095
Accounts payable	2,834,762	1,044,659	3,879,421
Accrued liabilities	1,181,404	128,181	1,309,585
Accrued interest	601,043	849,210	1,450,253
Deposits	1,025,603	118,236	1,143,839
Compensated absences	110,747	105,123	215,870
Unearned revenue	10,642,644	-	10,642,644
<b>Total current liabilities</b>	<b>17,809,596</b>	<b>3,843,111</b>	<b>21,652,707</b>
<b>Long-term Liabilities, net of current maturities</b>			
Unamortized bond premium	498,433	217,511	715,944
Deferred gain on refunding	-	50,604	50,604
General obligation bonds	32,743,048	13,771,952	46,515,000
Alternate revenue bonds	2,090,000	4,875,000	6,965,000
Note payable	-	22,956,662	22,956,662
Capital leases	727,353	-	727,353
Pension obligation	1,458,098	-	1,458,098
Compensated absences	2,825,761	-	2,825,761
<b>Total long-term liabilities</b>	<b>40,342,693</b>	<b>41,871,729</b>	<b>82,214,422</b>
<b>Total liabilities</b>	<b>58,152,289</b>	<b>45,714,840</b>	<b>103,867,129</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	247,693,990	69,796,095	317,490,085
Restricted for MFT Allotments	1,484,645	-	1,484,645
Unrestricted	21,974,302	34,869,525	56,843,827
<b>Total net assets</b>	<b>271,152,937</b>	<b>104,665,620</b>	<b>375,818,557</b>
<b>Total liabilities and net assets</b>	<b>\$ 329,305,226</b>	<b>\$ 150,380,460</b>	<b>\$ 479,685,686</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Activities  
Year Ended April 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 12,924,376	\$ 3,600,123	\$ 52,500	\$ -	\$ (9,271,753)	\$ -	\$ (9,271,753)
Public safety	16,969,357	2,457,148	163,729	-	(14,348,480)	-	(14,348,480)
Public works	11,571,939	3,105,538	1,074,885	6,201,633	(1,189,883)	-	(1,189,883)
Culture and recreation	3,845,945	878,175	522,500	-	(2,445,270)	-	(2,445,270)
Interest and fees	1,576,678	-	-	-	(1,576,678)	-	(1,576,678)
Total governmental activities	46,888,295	10,040,984	1,813,614	6,201,633	(28,832,064)	-	(28,832,064)
Business-type activities:							
Water and sewer	11,782,676	13,743,313	-	3,470,541	-	5,431,178	5,431,178
Total	\$ 58,670,971	\$ 23,784,297	\$ 1,813,614	\$ 9,672,174	(28,832,064)	5,431,178	(23,400,886)
General revenues							
Taxes:							
Property					12,823,603	-	12,823,603
Sales					7,138,892	-	7,138,892
Income					3,451,028	-	3,451,028
Utility					5,219,971	-	5,219,971
Other					4,135,638	-	4,135,638
Interest					1,673,281	1,229,074	2,902,355
Miscellaneous					250,875	1,054,233	1,305,108
Transfers					2,385,000	(2,385,000)	-
Total general revenues and transfers					37,078,288	(101,693)	36,976,595
Change in net assets					8,246,224	5,329,485	13,575,709
Net assets:							
May 1, 2007					262,906,713	99,336,135	362,242,848
April 30, 2008					\$ 271,152,937	\$ 104,665,620	\$ 375,818,557

See Notes to Basic Financial Statements.

**Fund Financial Statements**

Village of Romeoville, Illinois

Balance Sheet  
Governmental Funds  
April 30, 2008

	General Fund	Recreation Fund	Downtown TIF Fund	Facility Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 14,686,018	\$ 2,289,071	\$ 991,410	\$ 3,808,398	\$ 10,523,028	\$ 32,297,925
Receivables:						
Property taxes	8,228,617	1,259,218	-	-	961,567	10,449,402
Accounts	476,535	108,705	-	-	144,579	729,819
Other	732,025	554,172	500,000	-	81,385	1,867,582
Due from other funds	1,171,310	-	-	-	1,807,925	2,979,235
Advances to other funds	220,472	-	-	-	-	220,472
Due from other governmental units	2,431,934	-	-	-	82,176	2,514,110
<b>Total assets</b>	<b>\$ 27,946,911</b>	<b>\$ 4,211,166</b>	<b>\$ 1,491,410</b>	<b>\$ 3,808,398</b>	<b>\$ 13,600,660</b>	<b>\$ 51,058,545</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,649,687	\$ 454,708	\$ 11,759	\$ 621,911	\$ 96,697	\$ 2,834,762
Accrued liabilities	1,075,013	106,391	-	-	-	1,181,404
Deposits	956,681	68,922	-	-	-	1,025,603
Due to other funds	4,825,362	1,862,599	8,711	-	2,392	6,699,064
Advances from other funds	-	-	-	-	220,472	220,472
Deferred revenue	8,391,579	1,275,831	-	-	975,234	10,642,644
<b>Total liabilities</b>	<b>16,898,322</b>	<b>3,768,451</b>	<b>20,470</b>	<b>621,911</b>	<b>1,294,795</b>	<b>22,603,949</b>
<b>Fund balances:</b>						
Reserved for advances	220,472	-	-	-	-	220,472
Unreserved (deficits):						
General fund	10,828,117	-	-	-	-	10,828,117
Special revenue funds	-	442,715	-	-	1,317,313	1,760,028
Debt service funds	-	-	-	-	2,058,780	2,058,780
Capital projects funds	-	-	1,470,940	3,186,487	8,929,772	13,587,199
<b>Total fund balances</b>	<b>11,048,589</b>	<b>442,715</b>	<b>1,470,940</b>	<b>3,186,487</b>	<b>12,305,865</b>	<b>28,454,596</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,946,911</b>	<b>\$ 4,211,166</b>	<b>\$ 1,491,410</b>	<b>\$ 3,808,398</b>	<b>\$ 13,600,660</b>	<b>\$ 51,058,545</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
April 30, 2008

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Total fund balances-governmental funds	\$ 28,454,596
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Amounts reported for governmental activities in the statement of  
net assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	284,646,206
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Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.	520,011
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Premium on bonds that is other financing use in the fund financial statements is a liability that is amortized over the life of the bonds in the government-wide financial statements.	(498,433)
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Some liabilities reported in the statement of net assets do not require the use of current  
financial resources and, therefore, are not reported as liabilities in governmental funds:

These activities consist of:

Accrued interest	(601,043)
General obligation bonds	(33,555,346)
Alternate revenue bonds	(2,530,000)
Pension obligations	(1,458,098)
Compensated absences	(2,936,508)
Capital lease	(888,448)

Net assets of governmental activities	<u>\$ 271,152,937</u>
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See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended April 30, 2008

	General Fund	Recreation Fund	Downtown TIF Fund	Facility Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 8,256,387	\$ 1,020,701	\$ 133,802	\$ -	\$ 3,412,713	\$ 12,823,603
Other taxes	14,377,499	1,224,440	-	-	703,188	16,305,127
Interest	828,180	91,444	9,861	71,926	671,870	1,673,281
Fines	819,899	-	-	-	-	819,899
Licenses and permits	2,499,650	-	-	-	-	2,499,650
Charges for services	4,299,266	768,802	38,508	-	-	5,106,576
Intergovernmental	3,804,131	522,500	-	-	1,127,385	5,454,016
Developer contributions	-	-	-	-	1,272,231	1,272,231
Other	1,627,479	215,065	-	15,000	8,190	1,865,734
<b>Total revenues</b>	<b>36,512,491</b>	<b>3,842,952</b>	<b>182,171</b>	<b>86,926</b>	<b>7,195,577</b>	<b>47,820,117</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	8,050,275	-	66,555	1,267,800	632,051	10,016,681
Public safety	14,210,531	-	-	-	-	14,210,531
Public works	6,950,297	-	-	-	875,907	7,826,204
Culture and recreation	-	3,199,821	-	-	-	3,199,821
<b>Debt service:</b>						
Principal	70,671	-	-	-	1,139,362	1,210,033
Interest and fees	19,584	-	-	224,062	1,099,859	1,343,505
Bond issuance costs	-	-	-	186,914	-	186,914
<b>Capital outlay</b>	<b>4,725,014</b>	<b>1,452,007</b>	<b>6,782,557</b>	<b>4,514,214</b>	<b>3,361,293</b>	<b>20,835,085</b>
<b>Total expenditures</b>	<b>34,026,372</b>	<b>4,651,828</b>	<b>6,849,112</b>	<b>6,192,990</b>	<b>7,108,472</b>	<b>58,828,774</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,486,119</b>	<b>(808,876)</b>	<b>(6,666,941)</b>	<b>(6,106,064)</b>	<b>87,105</b>	<b>(11,008,657)</b>
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	12,900,000	-	12,900,000
Premium on bonds sold	-	-	-	23,147	-	23,147
Sale of property	-	-	-	1,955,776	-	1,955,776
Transfers in	2,413,000	1,535,200	6,815,000	815,000	2,588,118	14,166,318
Transfers (out)	(4,803,900)	(17,718)	(116,700)	-	(6,843,000)	(11,781,318)
<b>Total other financing sources (uses)</b>	<b>(2,390,900)</b>	<b>1,517,482</b>	<b>6,698,300</b>	<b>15,693,923</b>	<b>(4,254,882)</b>	<b>17,263,923</b>
<b>Net change in fund balances</b>	<b>95,219</b>	<b>708,606</b>	<b>31,359</b>	<b>9,587,859</b>	<b>(4,167,777)</b>	<b>6,255,266</b>
<b>Fund balances (deficits):</b>						
May 1, 2007	10,953,370	(265,891)	1,439,581	(6,401,372)	16,473,642	22,199,330
April 30, 2008	\$ 11,048,589	\$ 442,715	\$ 1,470,940	\$ 3,186,487	\$ 12,305,865	\$ 28,454,596

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended April 30, 2008

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Net change in fund balances—total governmental funds	\$	6,255,266
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital assets exceeded depreciation expense and loss on disposal in the current period.

Capital outlays	\$	17,635,629	
Developer contributions of capital assets		4,929,402	
Loss on disposal		(1,955,850)	
Depreciation expense		<u>(6,231,962)</u>	14,377,219

In governmental funds, long-term debt is considered other financing sources, but in the statement of net assets, debt is reported as a liability.

In the current period, proceeds were received from:

General obligation bonds	(12,900,000)
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

General obligation bonds	\$	739,362	
Alternate revenue bonds		400,000	
Capital leases		<u>70,671</u>	1,210,033

Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net assets which is amortized over the life of the bonds. These are the amounts in the current period.

Premium on bonds sold	\$	(23,147)	
Amortization premium on bonds		<u>29,374</u>	6,227

Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets which is amortized over the life of the bonds. These are the amounts in the current period.

Bond issuance costs	\$	186,914	
Amortization bond issuance costs		<u>(26,904)</u>	160,010

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Accrued interest	(235,643)	
Increase in pension obligation	(37,424)	
Increase in compensated absences	<u>(589,464)</u>	(862,531)

Change in net assets of governmental activities	\$	<u>8,246,224</u>
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See Notes to Basic Financial Statements.



Village of Romeoville, Illinois

Statement of Net Assets  
Enterprise Fund  
April 30, 2008

	Business-Type Activities
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 31,778,620
Accounts receivable	1,357,490
Due from other funds	3,719,829
Total current assets	<u>36,855,939</u>
Non-Current Assets	
Unamortized bond costs	258,995
Capital assets not being depreciated	998,134
Capital assets being depreciated, net	112,267,392
Total non-current assets	<u>113,524,521</u>
Total assets	<u>\$ 150,380,460</u>
<b>Liabilities and Net Assets</b>	
Current Liabilities	
General obligation bonds	\$ 1,197,702
Alternate revenue bonds	400,000
Accounts payable	1,044,659
Accrued liabilities	128,181
Accrued interest	849,210
Deposits	118,236
Compensated absences	105,123
Total current liabilities	<u>3,843,111</u>
Long-term Liabilities, net of current maturities	
Unamortized bond premiums	217,511
Deferred gain on refunding	50,604
General obligation bonds	13,771,952
Alternate revenue bonds	4,875,000
Note payable	22,956,662
Total long-term liabilities	<u>41,871,729</u>
Total liabilities	<u>45,714,840</u>
Net Assets	
Invested in capital assets, net of related debt	69,796,095
Unrestricted	34,869,525
Total net assets	<u>104,665,620</u>
Total liabilities and net assets	<u>\$ 150,380,460</u>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Revenues, Expenses and Changes in Net Assets  
Enterprise Fund  
Year Ended April 30, 2008

	Business-Type Activities
Operating revenues:	
Charges for services	\$ 12,471,588
Fines and fees	1,191,776
Developer contributions	1,347,601
Reimbursements	79,949
Other	1,054,233
<b>Total operating revenues</b>	<b>16,145,147</b>
Operating expenses:	
Water and sewer	7,639,806
Depreciation	3,211,867
Amortization	11,402
<b>Total operating expenses</b>	<b>10,863,075</b>
<b>Operating income</b>	<b>5,282,072</b>
Non-operating income (expense):	
Interest income	1,229,074
Interest expense	(919,601)
<b>Total non-operating income (expense)</b>	<b>309,473</b>
<b>Income before contributions and transfers</b>	<b>5,591,545</b>
Capital contributions	2,122,940
Transfers out	(2,385,000)
<b>Change in net assets</b>	<b>5,329,485</b>
Net assets:	
May 1, 2007	99,336,135
<b>April 30, 2008</b>	<b>\$ 104,665,620</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Cash Flows - Enterprise Funds  
Year Ended April 30, 2008

	Business-Type Activities
Cash Flows from Operating Activities	\$ 14,923,586
Cash received from customers	1,353,577
Cash received from developers	(3,146,471)
Payments to employees	(4,475,797)
Payments to suppliers	8,654,895
Net cash provided by operating activities	
Cash flows from non-capital financing activities	(2,385,000)
Transfers out	(2,385,000)
Net cash used in non-capital financing activities	
Cash flows from capital and related financing activities	(11,263,069)
Additions to capital assets	4,820,000
Proceeds from general obligation bonds	5,396,028
Proceeds from note payable	(1,195,638)
Principal payments, general obligation bonds	(5,350,000)
Principal payments, alternate revenue bonds	(64,307)
Issuance costs paid on general obligation bonds issued	226,886
Premiums received on general obligation bonds issued	17,422
Gain on refunded alternative revenue bonds	(930,601)
Interest paid	(8,343,279)
Net cash used in capital and related financing activities	
Cash flows from investing activities,	1,229,074
Cash receipts from interest income	
Net decrease in cash and cash equivalents	(844,310)
Cash and equivalents:	32,622,930
May 1, 2007	
April 30, 2008	\$ 31,778,620

(continued)

Village of Romeoville, Illinois

Statement of Cash Flows - Enterprise Funds - (Continued)  
Year Ended April 30, 2008

	Business-Type Activities
Reconciliation of operating income to net cash provided by operating activities	
Operating Income	\$ 5,282,072
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,211,867
Amortization	11,402
Changes in assets and liabilities	
Accounts receivable	126,040
Accounts payable	(9,512)
Accrued liabilities	27,050
Deposits	5,976
Total adjustments	3,372,823
Net cash provided by operating activities	\$ 8,654,895
Supplemental Schedule of Non-Cash Capital Activities	
Water and sewer line developer contributions	\$ 2,122,940
Accrued interest capitalized during construction phase	261,125

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2008

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**Assets**

Cash and cash equivalents	\$ 361,257
Investments:	
U.S. government and agency obligations	9,011,454
Local government bonds	231,932
Money market funds	2,040,133
Mutual funds	3,197,986
Annuity contracts	4,820,516
Accrued interest receivable	35,104
	<hr/>
<b>Total assets</b>	<b>\$ 19,698,382</b>

**Liabilities and Net Assets**

Liabilities, accrued liabilities	\$ 2,296
	<hr/>
Net assets held in trust for employees' benefits	19,696,086
	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 19,698,382</b>

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2008

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Additions	
Contributions:	
Employer	\$ 1,212,143
Employee	559,440
Total contributions	<u>1,771,583</u>
Investment income:	
Net depreciation in fair value of investments	(63,549)
Interest	654,838
Total investment income	<u>591,289</u>
Total additions	<u>2,362,872</u>
Deductions	
Benefits	821,025
Administrative expense	13,736
Total deductions	<u>834,761</u>
Change in net assets	1,528,111
Net assets held in trust for employees' pension benefits:	
May 1, 2007	<u>18,167,975</u>
April 30, 2008	<u>\$ 19,696,086</u>

See Notes to Basic Financial Statements.

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The Village of Romeoville, Illinois, is located in Will County, Illinois and was first incorporated in 1895 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board administrator form of government. The Village Board consists of seven elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency medical), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Romeoville conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

#### *Financial Reporting Entity*

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

#### *Government-wide and Fund Financial Statements*

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

***Fund Financial Statements:*** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Recreation Fund, Downtown TIF Fund and Facility Construction Fund. All remaining governmental funds are aggregated and reported as non-major governmental funds. The Village has the following major enterprise fund – Water and Sewer Fund.

The Village administers the following major governmental funds:

***General Fund*** – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

***Recreation Fund*** – Accounts for revenue resources that are legally restricted for recreation purposes.

***Downtown TIF Fund*** – This fund is used to account for all other capital projects transactions of the Village not financed through proprietary funds or other capital projects funds.

***Facility Construction Fund*** – This fund is used to account for the construction of new facilities in the Village including the new Village Hall.

The Village administers the following major proprietary fund:

***Water and Sewer Fund*** – accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.



## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Measurement Focus and Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

##### *Assets, Liabilities, and Net Assets or Equity*

##### **Cash and Cash Equivalents**

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

##### **Investments**

Investments are reported at fair value. Fair value is based on quoted market prices for same or similar investments, except for insurance contracts which are carried at contract value, which approximates fair value.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, and Net Assets or Equity (Continued)***

**Interfund Receivables, Payables and Activity**

The Village has the following types of transactions between funds:

***Loans***—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

***Services provided and used***—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

***Reimbursements***—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

***Transfers***—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

**Capital Assets**

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$25,000, and an estimated useful life of greater than three years. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. The total interest expense incurred by the Village during the current fiscal year was \$919,601. Of this amount \$261,125 was included as part of the costs of capital assets under construction in connection with wastewater treatment facilities construction projects.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, and Net Assets or Equity (Continued)***

**Capital Assets (continued)**

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and property	40 years
Machinery and equipment	5 – 20 years
Furniture and fixtures	5 – 20 years
Vehicles	5 years
Infrastructure	15 – 50 years
Other equipment	5 – 20 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

**Unearned Revenue**

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

**Compensated Absences**

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. The General Fund is typically used to liquidate those liabilities.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, and Net Assets or Equity (Continued)***

**Long-Term Obligations (Continued)**

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits these funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

**Restricted Net Assets**

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

**Fund Balance Reserves**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**Elimination and Reclassification**

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

**Capital Contributions**

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

**New Accounting Pronouncements**

Effective May 1, 2007, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 48, *Sales and Pledging of Receivables and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria that governments will use to ascertain whether proceeds received should be reported as revenue or as a liability.

# Village of Romeoville, Illinois

## Notes to Basic Financial Statements

### Note 2. Cash and Investments

#### Deposits

##### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2008, none of the deposits were exposed to custodial credit risk due to being uninsured and uncollateralized.

#### Investments

As of April 30, 2008, the Village had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 338,021	\$ -	\$ 107,688	\$ 230,333	\$ -
U.S. Treasury Strips	2,343,299	580,369	1,733,081	-	29,849
U.S. agencies - FFCB	357,020	-	124,978	148,236	83,806
U.S. agencies - FHLB	561,045	20,244	109,881	236,258	194,662
U.S. agencies - FHLMC	1,559,280	-	168,269	700,209	690,802
U.S. agencies - FNMA	2,724,523	-	156,289	50,109	2,518,125
U.S. agencies - GNMA	1,128,266	-	-	-	1,128,266
Local Government Bonds	231,932	-	60,700	123,572	47,660
Illinois Funds *	41,739,117	41,739,117	-	-	-
Illinois Metropolitan Investment Fund *	9,030,101	9,030,101	-	-	-
Money Market Funds *	2,040,133	2,040,133	-	-	-
Total	\$ 62,052,737	\$ 53,409,964	\$ 2,460,886	\$ 1,488,717	\$ 4,693,170

\* Weighted average maturity is less than one year.

**Interest Rate Risk** – The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Illinois Metropolitan Investment Fund (I.M.E.T.) is a not-for-profit investment fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T. is not registered with the SEC as an investment company. Investments in I.M.E.T. are valued at I.M.E.T.'s share price, which is the price the investment could be sold for.

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

*Credit Risk* – State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. The Village's investment policy does not address credit risk.

As of April 30, 2008, investments in Illinois Funds were rated AAA by Standard and Poor's. The FFCB, FHLB, and FHLMC were rated Aaa by Moody's Investors Services. The Local government bonds were rated Aa2 – Baa1 by Moody's Investors Services. Of the FNMA's, \$1,637,621 were not rated and the remainder were rated Aaa by Moody's investors services. The Illinois Metropolitan Investment Fund and Money Market Funds are not rated.

*Concentration of Credit Risk* – The Village's investment policy does not restrict the amount of investments in any one issuer. More than 5% of the Village's investments are in Annuities. The investment is 6.9% of the Village's total investments.

*Custodial Credit Risk* – For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes and Strips, U.S. agency securities, local government bonds and annuity contracts are held by the Village's agent in the Village's name. The Illinois Funds, Illinois Metropolitan Investment Fund, Mutual Funds, and Money Market Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Village's investments have likely incurred a significant decline in fair value since April 30, 2008.

#### Note 3. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Will County and issued on or about May 1, and are payable in two installments which become due on or about June 1 and September 1. The County collects such taxes and periodically remits them to the Village.

The 2007 property tax assessment, which was levied in December 2007, is to finance the budget for the fiscal year beginning May 1, 2008 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as unearned revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. Property taxes accounted for in the enterprise fund are recognized as revenue at the time they are levied. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies.

Property taxes are billed and collected by the County Treasurer of Will County, Illinois.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 4. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2008, is as follows:

	Balance May 1, 2007	Additions	Deletions	Balance April 30, 2008
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 161,960,675	\$ 8,077,705	\$ 1,955,850	\$ 168,082,530
Construction in progress	5,711,530	4,379,154	5,896,593	4,194,091
Total capital assets not being depreciated	167,672,205	12,456,859	7,852,443	172,276,621
Capital assets being depreciated:				
Buildings and property	20,384,462	679,169	-	21,063,631
Machinery and equipment	2,463,940	98,124	-	2,562,064
Furniture and fixtures	1,592,443	1	-	1,592,444
Vehicles	5,478,267	765,054	-	6,243,321
Infrastructure	132,151,799	14,462,417	-	146,614,216
Total capital assets being depreciated	162,070,911	16,004,765	-	178,075,676
Less accumulated depreciation for:				
Buildings and property	7,802,556	620,911	-	8,423,467
Machinery and equipment	809,574	207,054	-	1,016,628
Furniture and fixtures	706,291	109,759	-	816,050
Vehicles	3,309,869	606,246	-	3,916,115
Infrastructure	46,845,839	4,687,992	-	51,533,831
Total accumulated depreciation	59,474,129	6,231,962	-	65,706,091
Total capital assets being depreciated, net	102,596,782	9,772,803	-	112,369,585
Governmental activities capital assets, net	\$ 270,268,987	\$ 22,229,662	\$ 7,852,443	\$ 284,646,206

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 4. Capital Assets (Continued)

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2008, is as follows:

	Balance May 1, 2007	Additions	Deletions	Balance April 30, 2008
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 20,728	\$ -	\$ -	\$ 20,728
Construction in progress	16,569,010	1,206,503	16,798,107	977,406
Total capital assets not being depreciated	16,589,738	1,206,503	16,798,107	998,134
Capital assets being depreciated:				
Buildings and property	2,201,940	-	-	2,201,940
Machinery and equipment	5,841,595	-	-	5,841,595
Vehicles	796,281	232,288	-	1,028,569
Infrastructure	108,480,688	29,006,450	-	137,487,138
Other equipment	910,541	-	-	910,541
Total capital assets being depreciated	118,231,045	29,238,738	-	147,469,783
Less accumulated depreciation for:				
Building including permanent fixtures	38,073	73,687	-	111,760
Machinery and equipment	3,934,409	384,171	-	4,318,580
Vehicles	471,767	108,171	-	579,938
Infrastructure	27,026,025	2,606,493	-	29,632,518
Other equipment	520,250	39,345	-	559,595
Total accumulated depreciation	31,990,524	3,211,867	-	35,202,391
Total capital assets being depreciated, net	86,240,521	26,026,871	-	112,267,392
<b>Business-type activities</b>				
Capital assets, net	\$ 102,830,259	\$ 27,233,374	\$ 16,798,107	\$ 113,265,526



Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 4. Capital Assets (Continued)**

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,770,719
Public safety	2,512,095
Public works	1,383,493
Culture and recreation	<u>565,655</u>
 Total depreciation expense - governmental activities	 <u>\$ 6,231,962</u>
 Business-type activities:	
Water and Sewer	<u>\$ 3,211,867</u>

**Note 5. Short-Term Obligations**

The following is a summary of short-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2008:

	Outstanding Debt as of May 1, 2007	Additions	Reductions	Outstanding Debt as of April 30, 2008
Alternate revenue bonds	<u>\$ 8,250,000</u>	<u>\$ -</u>	<u>\$ 8,250,000</u>	<u>\$ -</u>

On December 15, 2006, the Village issued \$8,250,000 in Alternate Revenue Bonds, Series 2006 with an interest rate of 4.0%. The proceeds of \$8,237,000 (net of bond issuance costs of \$13,000) are being used to purchase land and construct the new Village Hall. The bonds matured on December 15, 2007. The bonds were paid off by the Village on December 15, 2007 with proceeds from long-term general obligation issue.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2008:

	Outstanding Debt as of May 1, 2007	Additions	Reductions	Outstanding Debt as of April 30, 2008	Due Within One Year
General obligation bonds	\$ 21,394,708	\$ 12,900,000	\$ 739,362	\$ 33,555,346	\$ 812,298
Alternate revenue bonds	2,930,000	-	400,000	2,530,000	440,000
Unamortized bond premiums	504,660	23,147	29,374	498,433	-
Unamortized bond issue costs	(360,001)	(186,914)	(26,904)	(520,011)	-
Capital leases	959,119	-	70,671	888,448	161,095
Compensated absences	2,347,044	1,672,634	1,083,170	2,936,508	110,747
Pension obligation *	1,420,674	37,424	-	1,458,098	-
	<u>\$ 29,196,204</u>	<u>\$ 14,446,291</u>	<u>\$ 2,295,673</u>	<u>\$ 41,346,822</u>	<u>\$ 1,524,140</u>

\*The General Fund resources are used to liquidate this liability.

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2008:

	Outstanding Debt as of May 1, 2007	Additions	Reductions	Outstanding Debt as of April 30, 2008	Due Within One Year
General obligation bonds	\$ 11,345,292	\$ 4,820,000	\$ 1,195,638	\$ 14,969,654	\$ 1,197,702
Alternate revenue bonds	10,625,000	-	5,350,000	5,275,000	400,000
Note payable	17,560,634	5,396,028	-	22,956,662	-
Deferred gain on refunding	38,324	17,422	5,142	50,604	-
Unamortized bond premiums	-	226,886	9,375	217,511	-
Unamortized bond issue costs	(220,607)	(64,307)	(25,919)	(258,995)	-
	<u>\$ 39,348,643</u>	<u>\$ 10,396,029</u>	<u>\$ 6,534,236</u>	<u>\$ 43,210,436</u>	<u>\$ 1,597,702</u>

On November 15, 2007, the Village issued \$4,820,000 of General Obligation Refunding Bonds, Series 2007A, with an average interest rate of 4.31% to advance refund \$5,000,000 of General Obligation Bonds (Alternate Revenue Bonds), Refunding Bonds Series 1997A, with an average interest rate of 5.07%. The proceeds of \$5,046,886 (including premium of \$226,886) were used to purchase \$4,982,579 of U.S. government securities and pay issuance costs of \$64,307. The U.S. government securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the refunded bonds. On December 30, 2007, the bonds were called and paid in full. The refunding resulted in an economic gain of \$454,556 and had the effect of maintaining the life of the bonds while decreasing the Village's future debt service by \$547,069.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 6. Long-Term Obligations (Continued)**

On November 15, 2007, the Village issued \$12,900,000 of General Obligation Bonds, Series 2007B, for the purpose of paying off short-term debt obligations and pay costs related to the new Village Hall and fire station. Interest rates range from 4.00% to 4.375%.

Outstanding debt as of April 30, 2008, consists of the following:

General Obligation Bonds:

General Obligation Refunding Bonds, Series 1997B, dated November 15, 1997, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$50,000 in 2009, \$55,000 in 2010, \$55,000 in 2011, \$55,000 in 2012, \$60,000 in 2013, \$60,000 in 2014, and \$65,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 4.8% to 5.0%. \$ 400,000

General Obligation Bonds, Series 2000A, dated June 30, 2000, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$305,000 in 2009, \$365,000 in 2010, \$430,000 in 2011, \$445,000 in 2012, \$540,000 in 2013, \$585,000 in 2014 and \$520,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 5.1% to 8.1%. 3,190,000

General Obligation Bonds, Series 2002A, dated September 15, 2002 provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$145,000 in 2009, \$150,000 in 2010, \$160,000 in 2011, \$165,000 in 2012, \$175,000 in 2013, \$185,000 in 2014, \$190,000 in 2015, \$200,000 in 2016, \$210,000 in 2017, \$175,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.1% to 5.0%. 1,755,000

General Obligation Refunding Bonds, Series 2004, dated September 15, 2004 provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$335,000 in 2009, \$1,090,000 in 2010, \$1,280,000 in 2011, \$1,710,000 in 2012, \$1,810,000 in 2013, \$2,050,000 in 2014, \$2,095,000 in 2015, \$2,120,000 in 2016, \$2,205,000 in 2017, \$2,235,000 in 2018, \$1,385,000 in 2019, \$425,000 in 2020, \$445,000 in 2021, \$470,000 in 2022, \$490,000 in 2023, \$515,000 in 2024, \$545,000 in 2025. Interest is due on June 30 and December 30 of each year at rates varying from 2.5% to 5.0%. 21,205,000

General Obligation Refunding Bonds, Series 2005, dated September 15, 2005 provide for the serial retirement of bonds on December 15 of each year in annual amounts \$1,175,000 in 2009, \$1,225,000 in 2010, \$285,000 in 2011, \$295,000 in 2012, \$305,000 in 2013, \$315,000 in 2014, \$325,000 in 2015, \$330,000 in 2016. Interest is due on June 15 and December 15 of each year at rates varying from 3.0% to 3.6%. 4,255,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 6. Long-Term Obligations (Continued)**

General Obligation Bonds (continued):

General Obligation Refunding Bonds, Series 2007A, dated November 15, 2007, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$10,000 in 2010, \$540,000 in 2011, \$560,000 in 2012, \$580,000 in 2013, \$605,000 in 2014, \$590,000 in 2015, \$620,000 in 2016, \$640,000 in 2017, and \$675,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 3.75% to 5.25%.

\$ 4,820,000

General Obligation Refunding Bonds, Series 2007B, dated November 15, 2007, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$2,000,000 in 2018, \$2,225,000 in 2019, \$3,925,000 in 2020, and \$4,750,000 in 2021. Interest is due on June 30 and December 30 of each year at rates varying from 4.0% to 4.375%.

12,900,000

Unamortized bond issuance costs

(702,979)

Unamortized bond premium

715,944

Unamortized gain on bond refunding

50,604

**Total General Obligation Bonds**

48,588,569

Alternate Revenue Bonds:

General Obligation Bonds (Alternate Revenue Bonds), Series 1999, dated February 2, 1999, provide for the serial retirement of certificates on December 30 of each year in amounts of \$330,000 in 2011, \$325,000 in 2012, \$330,000 in 2013, \$350,000 in 2014, \$375,000 in 2015, \$400,000 in 2016, \$735,000 in 2017, \$775,000 in 2018 and \$1,255,000 in 2019. Interest is due on June 30 and December 30 of each year at rates varying from 4.3% to 4.7%.

4,875,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001A, dated June 30, 2001, provide for the serial retirement of certificates on December 30 of each year in the amount \$325,000 in 2009. Interest is due on June 30 and December 30 of each year at rate of 4.25%.

325,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 6. Long-Term Obligations (Continued)**

Alternate Revenue Bonds (continued):

General Obligation Bonds (Alternate Revenue Bonds), Series 2001B, dated June 30, 2001, provide for the serial retirement of certificates on December 30 of each year in the amounts of \$350,000 in 2008, and \$400,000 in 2009. Interest is due on June 30 and December 30 of each year at rate of 4.13%.

\$ 400,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2002B, dated September 15, 2002, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$115,000 in 2009, \$135,000 in 2010, \$170,000 in 2011, \$525,000 in 2016, \$600,000 in 2017, \$660,000 in 2018. Interest is due on June 30 and December 30 of each year varying from 3.2% to 4.3%.

2,205,000

Unamortized bond issuance costs

(76,027)

**Total Alternate Revenue Bonds**

7,728,973

Capital leases

888,448

Note Payable - An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved September 26, 2005 and provides for a repayment period of 20 years commencing May 11, 2008. On September 3, 2008 the Village entered into an amended loan agreement which extended the draw down period through December 1, 2008 at which time the initial principal and interest payment will be due. The outstanding balance is reported as long-term in the Statement of Net Assets - Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$25,663,790 at an interest rate of 2.50%. In addition, the loan accrues interest of 2.5% that is calculated monthly. As of April 30, 2008, the total outstanding principal and interest is \$22,956,662 and \$542,711 respectively.

22,956,662

Compensated absences

2,936,508

Pension obligation

1,458,098

**Total Long-Term Debt**

\$ 84,557,258

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (Continued)

The future debt service requirements to amortize the outstanding debt other than compensated absences and pension obligations as of April 30, 2008, are as follows:

Fiscal Year	Governmental			
	General Obligation Bonds		Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 812,298	\$ 1,551,211	\$ 440,000	\$ 103,307
2010	1,274,103	1,401,450	135,000	85,815
2011	1,414,318	1,311,523	170,000	81,225
2012	1,772,978	1,282,444	-	75,105
2013	1,941,644	1,203,603	-	75,105
2014-2018	11,165,005	4,725,089	1,785,000	307,275
2019-2023	14,115,000	1,693,598	-	-
2024-2025	1,060,000	80,250	-	-
	<u>\$ 33,555,346</u>	<u>\$ 13,249,168</u>	<u>\$ 2,530,000</u>	<u>\$ 727,832</u>

Fiscal Year	Business-type				Total
	General Obligation Bonds		Alternate Revenue Bonds		
	Principal	Interest	Principal	Interest	
2009	\$ 1,197,702	\$ 617,891	\$ 400,000	\$ 239,755	\$ 5,362,164
2010	1,620,897	592,799	-	223,255	5,333,319
2011	1,335,682	562,241	330,000	223,255	5,428,244
2012	1,457,022	465,994	325,000	209,065	5,587,608
2013	1,528,356	410,753	330,000	194,765	5,684,226
2014-2018	7,829,995	1,056,956	2,635,000	716,990	30,221,310
2019-2023	-	-	1,255,000	58,985	17,122,583
2024-2025	-	-	-	-	1,140,250
	<u>\$ 14,969,654</u>	<u>\$ 3,706,634</u>	<u>\$ 5,275,000</u>	<u>\$ 1,866,070</u>	<u>\$ 75,879,704</u>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 6. Long-Term Obligations (Continued)**

The 1999, 2001B, 2005, and 2007A bonds and note payable are to be paid charges for service from the Water and Sewer Fund. The 2001A bonds are to be paid from motor fuel tax revenue of the Motor Fuel Tax Fund. The 2004 bonds are to be paid from property tax revenue of the General and Recreation Fund and charges for service from the Water and Sewer Fund. These pledges will remain until all bonds are retired. The amount of the pledges remaining as of April 30, 2008 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Percentage of Revenue Pledged
1999	Water/Sewer Service Charges	\$ 4,875,000	12/30/2018	1.79%
2001A	MFT Allotments	325,000	12/31/2008	31.35%
2001B	Water/Sewer Service Charges	400,000	12/31/2008	3.05%
2004	Water/Sewer Service Charges	5,894,654	12/30/2017	2.14%
2004	Property Taxes Corporate	15,104,343	12/30/2024	42.50%
2004	Property Taxes Recreation	206,003	12/30/2024	1.74%
2005	Water/Sewer Service Charges	4,255,000	12/15/2015	10.83%
2007A	Water/Sewer Service Charges	4,820,000	12/30/2017	0.00%
Note Payable	Water/Sewer Service Charges	22,956,662	12/01/2027	0.00%

The secured debt was issued to provide improvements to the infrastructure of the Village and refund debt obligations.

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2008 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Revenue	Principal and Interest Retired
1999	Water/Sewer Service Charges	\$ 12,471,588	\$ 223,255
2001A	MFT Allotments	1,074,885	336,988
2001B	Water/Sewer Service Charges	12,471,588	380,938
2004	Water/Sewer Service Charges	12,471,588	267,382
2004	Property Taxes Corporate	2,192,044	931,623
2004	Property Taxes Recreation	1,020,701	17,718
2005	Water/Sewer Service Charges	12,471,588	1,351,005
2007A	Water/Sewer Service Charges	12,471,588	-

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 7. Capital Lease Obligation

The Village leases vehicles under capital leases, which expire between September 2010 and May 2015. Annual lease payments, including interest ranging from 3.15% to 4.28%, range from \$31,530 to \$58,725. The cost of the capital assets acquired under the capital leases was \$1,338,138, all of which is included in governmental activities vehicles.

Minimum future lease payments under the capital lease together with the present value of the net minimum lease payments as of April 30, 2008 are as follows:

Year ending April 30:

2009	\$	194,423
2010		194,423
2011		194,423
2012		162,893
2013		104,597
Thereafter		150,469
Total minimum lease payments		1,001,228
Less amount representing interest		112,780
Present value of future minimum lease payments		888,448
Less current portion		161,095
Long-term portion	\$	<u>727,353</u>

#### Note 8. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans.

##### Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is a multi-employer defined pension benefit plan. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2007 was 9.50 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 25 years.



## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

#### Note 8. Pension and Retirement Plan Commitments (Continued)

For April 30, 2008, the Village's annual pension cost of \$861,844 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2005 and 2006 actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

#### Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2008	\$ 861,844	100%	\$ -
04/30/2007	758,465	100%	-
04/30/2006	679,884	100%	-

#### Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

The Police Pension Plan's most recent actuary was completed as of the year ended April 30, 2007.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2007, was 20.74% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 8. Pension and Retirement Plan Commitments (Continued)**

The Village's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 918,577
Interest on net pension obligation	89,073
Adjustment to annual requirement contribution	(57,082)
Annual pension cost	<u>950,568</u>
Contributions made	<u>916,863</u>
Increase in net pension obligation	33,705
Net pension obligation, beginning of year	<u>1,272,470</u>
Net pension obligation, end of year	<u><u>\$ 1,306,175</u></u>

The annual required contribution for the year ended April 30, 2007, was determined as part of the April 30, 2007, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2007, was 26 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/2007	\$ 950,568	\$ 916,863	96%	\$ 1,306,175
04/30/2006	810,838	777,246	96%	1,272,470
04/30/2005	975,598	514,782	53%	1,238,878

At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	13
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	30
Active non-vested plan members	<u>34</u>
<b>Total members</b>	<u><u>77</u></u>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Firefighters' Pension Plan is a fund of the Village and does not issue separate financial statements.

The Firefighters' Pension Plan's most recent actuary was completed as of the year ended April 30, 2007.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2007 was 15.42% of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 154,866
Interest on net pension obligation	10,374
Adjustment to annual requirement contribution	(6,648)
Annual pension cost	158,592
Contributions made	154,873
Increase in net pension obligation	3,719
Net pension obligation, beginning of year	148,204
Net pension obligation, end of year	<u>\$ 151,923</u>

The required contribution for the year ended April 30, 2007, was determined as part of the April 30, 2007, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included a 7.0% investment rate of return and projected salary increases of 5.5%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2007, was 26 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2007	\$ 158,592	\$ 154,873	98%	\$ 151,923
04/30/2006	120,107	116,802	97%	148,204
04/30/2005	95,578	66,952	70%	144,899

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 8. Pension and Retirement Plan Commitments (Continued)**

At April 30, 2007, the Firefighters' Pension Plan membership consisted of:

Refirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	6
Active non-vested plan members	10
<b>Total members</b>	<b>16</b>

**Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
April 30, 2008**

	Firefighters' Pension	Police Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,411	\$ 358,846	\$ 361,257
Investments:			
U.S. government and agency obligations	1,670,810	7,340,644	9,011,454
Local government bonds	231,932	-	231,932
Money market funds	101,129	1,939,004	2,040,133
Mutual funds	210,038	2,987,948	3,197,986
Annuity contracts	-	4,820,516	4,820,516
Accrued interest receivable	-	35,104	35,104
<b>Total assets</b>	<b>\$ 2,216,320</b>	<b>\$ 17,482,062</b>	<b>\$ 19,698,382</b>
<b>Liabilities and Net Assets</b>			
Liabilities,			
accounts payable	\$ 600	\$ 1,696	\$ 2,296
<b>Net assets held in trust for employees' pension benefits</b>	<b>2,215,720</b>	<b>17,480,366</b>	<b>19,696,086</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,216,320</b>	<b>\$ 17,482,062</b>	<b>\$ 19,698,382</b>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 8. Pension and Retirement Plan Commitments (Continued)

Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended April 30, 2008

	Firefighters' Pension	Police Pension	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 185,159	\$ 1,026,984	\$ 1,212,143
Employee	99,572	459,868	559,440
Total contributions	284,731	1,486,852	1,771,583
Investment income:			
Net appreciation (depreciation) in fair value of investments	45,691	(109,240)	(63,549)
Interest	101,082	553,756	654,838
Total investment income	146,773	444,516	591,289
Total additions	431,504	1,931,368	2,362,872
<b>Deductions</b>			
Benefits	-	821,025	821,025
Administrative expense	7,092	6,644	13,736
Total deductions	7,092	827,669	834,761
Change in net assets	424,412	1,103,699	1,528,111
Net assets held in trust for employees' pension benefits:			
May 1, 2007	1,791,308	16,376,667	18,167,975
April 30, 2008	\$ 2,215,720	\$ 17,480,366	\$ 19,696,086

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 9. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village is a member of the Southwest Agency for Risk Management (SWARM) which is a public entity risk pool with eight member groups (villages and cities). The Village pays annual premiums to SWARM for its workers' compensation, general liability and property coverages.

The cooperative agreement provides that SWARM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$650,000 per occurrence for workers' compensation and \$100,000 for occurrences for general liability and \$100,000 for occurrences for property.

One representative from each member serves on the SWARM board, and each board member has one vote on the board. None of its members have any direct equity interest in SWARM.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

**Note 10. Other Fund Disclosures (FFS Level Only)**

Individual fund interfund receivable and payable balances as of April 30, 2008, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental:		
General Fund,		
Recreation Fund	\$ 1,162,599	\$ -
Downtown TIF	8,711	-
Water and Sewer	-	3,019,829
Non-Major Governmental	-	1,805,533
	<u>1,171,310</u>	<u>4,825,362</u>
Recreation Fund,		
General Fund	-	1,162,599
Water and Sewer	-	700,000
	-	<u>1,862,599</u>
Downtown TIF,		
General Fund	-	8,711
Major Enterprise:		
Water and Sewer,		
General Fund	3,019,829	-
Recreation	700,000	-
	<u>3,719,829</u>	<u>-</u>
Non-Major Governmental:		
General Fund	1,805,533	-
Non-Major Governmental	2,392	2,392
	<u>1,807,925</u>	<u>2,392</u>
Total	<u>\$ 6,699,064</u>	<u>\$ 6,699,064</u>

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

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**Note 10. Other Fund Disclosures (FFS Level Only) (Continued)**

Individual interfund advances receivable and payable balances as of April 30, 2008, are as follows:

<u>Fund</u>	<u>Advances to</u>	<u>Advances from</u>
Major Governmental:		
General Fund,		
Non-Major Governmental	\$ 220,472	\$ -
Non-Major Governmental,		
General Fund	-	220,472
Total	<u>\$ 220,472</u>	<u>\$ 220,472</u>

Interfund advances reflect operating loans, which are not expected to be repaid in the following fiscal year, but from future year operating revenues.



Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 10. Other Fund Disclosures (FFS Level Only) (Continued)

Interfund transfers for the year ended April 30, 2008, are as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental Funds:		
General Fund,		
Recreation Fund	\$ -	\$ 1,535,200
Facility Construction Fund	-	815,000
Non-Major Governmental	28,000	2,453,700
Water and Sewer	2,385,000	-
	<u>2,413,000</u>	<u>4,803,900</u>
Recreation,		
General Fund	1,535,200	-
Non-Major Governmental	-	17,718
	<u>1,535,200</u>	<u>17,718</u>
Downtown TIF,		
Non-Major Governmental	6,815,000	116,700
	<u>6,815,000</u>	<u>116,700</u>
Facility Construction,		
General Fund	815,000	-
	<u>815,000</u>	<u>-</u>
Major Enterprise Fund,		
Water and Sewer,		
General Fund	-	2,385,000
	<u>-</u>	<u>2,385,000</u>
Non-Major Governmental:		
General Fund	2,453,700	28,000
Recreation Fund	17,718	-
Downtown TIF	116,700	6,815,000
	<u>2,588,118</u>	<u>6,843,000</u>
Total	<u>\$ 14,166,318</u>	<u>\$ 14,166,318</u>

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds, and collapse multiple debt service funds.

As of April 30, 2008, the following funds had deficit fund balances:

<u>Fund</u>	<u>Amount</u>	<u>Intended Financing</u>
Local Gas Tax Fund	\$ 167,332	Home Rule Gas Tax

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### **Note 11.     Defeased Debt**

The Village defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2008, \$16,129,088 of bonds outstanding are considered defeased.

#### **Note 12.     Commitments**

As of April 30, 2008, the Village had open contracts for the purchase of equipment and services totaling approximately \$10,522,000.

On July 18, 2007, the Village entered into an agreement with a developer to provide possibly future economic assistance for the development of an 80 acre parcel of land located on Weber Road. This agreement runs for an eight year period, commencing on the occupancy of various parcels in the development. Subject to some restrictions and priorities, the Village will remit 50% of sales taxes generated in the development up to \$4,000,000. As of April 30, 2008, the Village has remitted \$112,342 related to this agreement of which \$77,245 is included in accrued liabilities.

On August 15, 2007, the Village entered into an agreement with a developer to provide possibly future economic assistance for the development of a 76 acre parcel of land located on Weber Road known as Romeoville Crossings. This agreement runs for a seven year period, commencing on the occupancy of Wal-mart in February 2008. Subject to some restrictions and priorities, the Village will remit 50% of sales taxes generated in the development up to \$5,200,000. As of April 30, 2008, the Village has remitted \$81,586 related to this agreement all of which is included in accrued liabilities.

#### **Note 13.     Conduit Debt**

In a prior fiscal year, the Village issued Adjustable Rate Demand Revenue Bonds to Lewis University for the purpose of financing. These bonds are collateralized only by the revenue of the University and are not considered liabilities or contingent liabilities of the Village. The total amount of bonds outstanding at April 30, 2008 is \$43,870,000.

#### **Note 14.     Litigation**

There are several pending lawsuits in which the Village is involved. Management and the Village's legal counsel believe that the potential claims against the Village not covered by insurance would not have a materially adverse effect on the Village's financial position.

#### **Note 15.     New Governmental Accounting Standards**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments.

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### Note 15. New Governmental Accounting Standards (Continued)

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, will be effective for the Village beginning with its year ending April 30, 2009. This statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessment and cleanups.

GASB Statement No. 50, *Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27*, will be effective for the Village beginning with its year ending April 30, 2009. This statement more closely aligns the financial reporting requirements for pensions with those for other post employment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Village, beginning with its year ending April 30, 2011. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, will be effective for the Village beginning with its year ending April 30, 2010. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, will be effective for the Village beginning with its year ending April 30, 2011. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Management has not yet determined the impact these Statements will have on the financial position and results of operations of the Village.

#### Note 16. Subsequent Events

##### Village Debt

On June 30, 2008, the Village issued \$10,800,000 of General Obligation Bonds, Series 2008A, for the purpose of capital improvements, including but not limited to a new Village hall/police station complex and two new fire stations, together with all necessary land and rights in land, professional, legal, engineering, electrical, financial and other services, and costs of borrowing. Interest rates range from 3.25% to 4.125%.

On June 30, 2008, the Village issued \$36,335,884 of General Obligation Bonds, Series 2008B, for the purpose that the Village acquire, construct and install certain public capital improvements, including but not limited to a new Village hall/police station complex and two new fire stations, together with all necessary land and rights in land, professional, legal, engineering, electrical, financial and other services, and costs of borrowing. Interest rates range from 5.12% to 5.85%.

## Village of Romeoville, Illinois

### Notes to Basic Financial Statements

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#### **Note 16. Subsequent Events (Continued)**

On November 3, 2008, the Village issued \$4,865,000 of General Obligation Refunding Bonds, Series 2008C, with an average interest rate of 3.84% to advance refund \$4,875,000 of General Obligation Bonds (Alternate Revenue Bonds), Refunding Bonds Series 1999, with an average interest rate of 4.58%. The proceeds of \$4,991,262 (including premium of \$126,262) plus a village contribution of \$110,000 were used to purchase \$4,983,515 of U.S. government securities and pay issuance costs of \$117,747. The U.S. government securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the refunded bonds. On December 30, 2008, the bonds were called and paid in full. The refunding resulted in an economic gain of \$308,883 and had the effect of maintaining the life of the bonds while decreasing the Village's future debt service by \$350,727.

#### **Conduit Debt**

On July 31, 2008, the Village issued \$5,500,000 of Industrial Development Revenue Bonds, Series 2008, to CGI Real Estate, LLC for the purpose of financing. These bonds are collateralized only by the revenue of the Company and are not considered liabilities or contingent liabilities of the Village.

Required Supplementary Information

Village of Romeoville, Illinois

Illinois Municipal Retirement Fund  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	\$ 14,533,936	\$ 16,954,438	\$ 2,420,502	85.72 %	\$ 8,723,099	27.75 %
12/31/2006	13,189,931	14,375,684	1,185,753	91.75	7,460,413	15.89
12/31/2005	11,350,959	12,802,691	1,451,732	88.66	6,937,844	20.92

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$15,398,633. On a market basis, the funded ratio would be 90.82%.

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 experience study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and early retirements are expected to occur.

Village of Romeoville, Illinois

Police Pension Fund  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2007	\$ 16,376,667	\$ 25,626,834	\$ 9,250,167	63.90 %	\$ 4,420,203	209.27
04/30/2006	13,872,790	22,844,950	8,972,160	60.73	3,946,282	227.36
04/30/2005	12,922,591	20,533,524	7,610,933	62.93	3,675,642	207.06
04/30/2004	12,148,022	18,048,435	5,900,413	67.31	3,273,964	180.22
04/30/2003	10,894,529	15,217,745	4,323,216	71.59	2,762,209	156.51
04/30/2002	10,526,451	14,786,261	4,259,810	71.19	2,542,368	167.55

Village of Romeoville, Illinois

Firefighters' Pension Fund  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2007	\$ 1,791,307	\$ 2,871,649	\$ 1,080,342	62.38 %	\$ 1,004,593	107.54 %
04/30/2006	1,435,528	2,399,068	963,540	59.84	627,673	153.51
04/30/2005	1,228,017	2,003,836	775,819	61.28	536,198	144.69
04/30/2004	1,065,633	1,734,363	668,730	61.44	375,680	178.01
04/30/2003	950,828	1,235,436	284,608	76.96	333,374	85.37
04/30/2002	799,870	1,098,676	298,806	72.80	351,151	85.09



Village of Romeoville, Illinois

Schedule of Employer Contributions  
Police Pension Fund

Fiscal Year	Annual Required Contribution	Percentage Contributed	
2007	\$ 918,577	99.81	%
2006	778,062	99.90	
2005	954,062	53.96	
2004	N/A	N/A	
2003	428,724	87.61	
2002	393,876	78.90	

**Village of Romeoville, Illinois**

**Schedule of Employer Contributions  
Fire Pension Fund**

<b>Fiscal Year</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	
2007	\$ 154,866	100.00	%
2006	116,273	100.45	
2005	92,360	89.04	
2004	N/A	N/A	
2003	74,679	73.50	
2002	77,513	67.41	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 8,010,100	\$ 8,256,387	\$ 246,287
Other taxes	16,613,900	14,377,499	(2,236,401)
Interest	900,000	828,180	(71,820)
Fines	563,000	819,899	256,899
Licenses and permits	1,531,500	2,499,650	968,150
Charges for services	4,194,200	4,299,266	105,066
Intergovernmental	3,538,100	3,804,131	266,031
Other	1,902,800	1,627,479	(275,321)
<b>Total revenues</b>	<b>37,253,600</b>	<b>36,512,491</b>	<b>(741,109)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	9,080,600	8,050,275	1,030,325
Public safety	14,330,600	14,210,531	120,069
Public works	7,046,100	6,950,297	95,803
<b>Debt service:</b>			
Principal	169,100	70,671	98,429
Interest and fees	25,000	19,584	5,416
Capital outlay	5,270,300	4,725,014	545,286
<b>Total expenditures</b>	<b>35,921,700</b>	<b>34,026,372</b>	<b>1,895,328</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,331,900</b>	<b>2,486,119</b>	<b>1,154,219</b>
<b>Other financing sources (uses):</b>			
Transfer in	2,413,000	2,413,000	-
Transfer (out)	(3,744,900)	(4,803,900)	(1,059,000)
<b>Total other financing sources (uses)</b>	<b>(1,331,900)</b>	<b>(2,390,900)</b>	<b>(1,059,000)</b>
<b>Change in fund balance</b>	<b>\$ -</b>	<b>95,219</b>	<b>\$ 95,219</b>
<b>Fund balance:</b>			
May 1, 2007		10,953,370	
April 30, 2008		<b>\$ 11,048,589</b>	

See Note to Required Supplementary Information.

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Recreation Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,057,000	\$ 1,020,701	\$ (36,299)
Other taxes	1,080,000	1,224,440	144,440
Interest	50,000	91,444	41,444
Charges for services	802,000	768,802	(33,198)
Intergovernmental	357,000	522,500	165,500
Other	193,450	215,065	21,615
Total revenues	<u>3,539,450</u>	<u>3,842,952</u>	<u>303,502</u>
Expenditures:			
Current, culture and recreation:			
Operations:			
Salaries	367,700	412,401	(44,701)
Contractual	36,000	25,202	10,798
Commodities	24,000	21,630	2,370
Other	307,700	302,668	5,032
Recreation programs:			
Salaries	662,800	693,702	(30,902)
Contractual	232,000	187,531	44,469
Commodities	286,300	236,376	49,924
Park maintenance:			
Salaries	525,400	476,574	48,826
Contractual	343,250	220,629	122,621
Commodities	55,500	41,811	13,689
Recreation center:			
Salaries	314,400	372,887	(58,487)
Contractual	193,500	153,865	39,635
Commodities	45,000	54,545	(9,545)
Capital outlay	1,644,300	1,452,007	192,293
Total expenditures	<u>5,037,850</u>	<u>4,651,828</u>	<u>386,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,498,400)</u>	<u>(808,876)</u>	<u>689,524</u>
Other financing sources (uses):			
Transfer in	1,476,200	1,535,200	(59,000)
Transfer (out)	(17,800)	(17,718)	82
Total other financing sources (uses)	<u>1,458,400</u>	<u>1,517,482</u>	<u>(58,918)</u>
Change in fund balance	<u>\$ (40,000)</u>	<u>708,606</u>	<u>\$ 630,606</u>
Fund balance (deficit):			
May 1, 2007		<u>(265,891)</u>	
April 30, 2008		<u>\$ 442,715</u>	

See Note to Required Supplementary Information.

**Village of Romeoville, Illinois**

**Note to Required Supplementary Information**

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**Note 1. Budget Information**

**Budgetary Basis of Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles.

**Budgetary Process**

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Finance Director submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service, and certain capital project funds.
- e) Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- f) Budgetary authority lapses at the year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
- h) Budget amounts are as originally adopted.

**Budget Over Expenditures**

The nonmajor 2004 Construction Fund over expended its budget by \$105,693 for the year ended April 30, 2008.

## Supplementary Information

Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Property taxes:			
Corporate tax levy	\$ 1,977,200	\$ 2,192,044	\$ 214,844
Fire protection levy	301,600	280,748	(20,852)
Police protection levy	500,200	500,819	619
Ambulance levy	561,700	595,586	33,886
Audit tax levy	65,500	65,897	397
Social security levy	1,149,400	1,150,668	1,268
Street levy	465,200	477,227	12,027
Refuse disposal levy	538,900	540,358	1,458
Tort immunity levy	1,238,900	1,240,897	1,997
Police pension levy	1,026,800	1,026,984	184
Fire pension levy	184,700	185,159	459
Total property taxes	8,010,100	8,256,387	246,287
Other taxes:			
Sales tax	4,850,000	4,098,210	(751,790)
Use tax	497,400	514,699	17,299
Utility tax:			
Electric	2,700,000	2,733,495	33,495
Gas	850,000	725,477	(124,523)
Telephone	1,800,000	1,542,118	(257,882)
Water	250,000	218,881	(31,119)
Fire Insurance tax	25,500	34,073	8,573
Automobile rental tax	6,000	3,937	(2,063)
Homerule sales tax	3,885,000	3,040,682	(844,318)
Homerule gas tax	950,000	703,188	(246,812)
Real estate transfer tax	800,000	762,739	(37,261)
Total other taxes	16,613,900	14,377,499	(2,236,401)
Interest	900,000	828,180	(71,820)
Fines:			
Court fines	295,000	380,593	85,593
Administrative tickets	8,000	7,360	(640)
Parking tickets	24,000	22,781	(1,219)
Dog/animal fines	6,000	5,649	(351)
Forfeiture of cash police department	6,000	111,846	105,846
False alarm fines	24,000	25,570	1,570
Vehicle impound fees	200,000	264,100	64,100
DUI fines	-	2,000	2,000
Total fines	563,000	819,899	256,899
Licenses and permits:			
Business licenses	61,000	62,668	1,668
Liquor licenses	49,000	48,565	(435)
Business permits	70,000	100,800	30,800
Solicitor permits	2,000	2,950	950
Building permits	1,240,000	1,742,738	502,738
Garage sale permits	2,500	2,765	265
Inspection permits	106,000	537,690	431,690
Animal tags	1,000	1,474	474
Total licenses and permits	1,531,500	2,499,650	968,150

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Charges for services:			
Cable TV franchise fee	\$ 296,000	\$ 318,139	\$ 22,139
Ambulance fees	365,000	347,164	(17,836)
Rental income	11,000	9,797	(1,203)
NSF check charges	200	420	220
Administration fees	3,000	4,683	1,683
Zoning board maps/variance	135,000	78,689	(56,311)
Code books	100	-	(100)
Rental inspection fees	50,000	76,100	26,100
Construction reinspection fees	25,000	54,400	29,400
Sprint rental fees	23,000	23,498	498
Engineering fees	700,000	742,517	42,517
Fire prevention service fees	11,000	12,380	1,380
Fire academy	174,400	211,313	36,913
Rubbish collection fees	2,400,000	2,303,017	(96,983)
Annexation application fees	-	114,800	114,800
Portable sign/pennant permit	500	2,349	1,849
<b>Total charges for services</b>	<b>4,194,200</b>	<b>4,299,266</b>	<b>105,066</b>
Intergovernmental:			
State income tax	3,193,600	3,451,028	257,428
Replacement tax	150,000	189,374	39,374
Auto theft	61,000	60,805	(195)
Federal grants	126,000	102,924	(23,076)
D.A.R.E. program revenue	7,500	-	(7,500)
<b>Total intergovernmental</b>	<b>3,538,100</b>	<b>3,804,131</b>	<b>266,031</b>

(continued)



Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Other:			
Police special detail	\$ 45,000	\$ 61,384	\$ 16,384
Training reimbursement	15,000	9,325	(5,675)
Liaison officer	35,000	-	(35,000)
Reimbursement of legal fees	10,000	422	(9,578)
Reimbursement of engineering fees	-	38,221	38,221
Community development reimbursement	100,000	79,120	(20,880)
Workers compensation reimbursement	35,000	58,497	23,497
Street improvement reimbursements	-	7,365	7,365
Other reimbursements	95,000	48,573	(46,427)
Police/accident reports	7,000	8,486	1,486
Fire reports	1,000	805	(195)
Good neighbor donations	3,500	-	(3,500)
Waste station transfer fee	250,000	-	(250,000)
Bolingbrook shared revenue	60,000	53,169	(6,831)
Lockport Fire agreement	987,000	985,848	(1,152)
Cobra retiree contribution	15,000	28,067	13,067
Health insurance contributions	80,000	111,242	31,242
Sale of property	5,000	31,036	26,036
Fingerprinting	100	544	444
Miscellaneous income	15,000	2,527	(12,473)
MSC guarantee	10,000	-	(10,000)
General donations	10,000	4,900	(5,100)
Hazardous material reimbursements	25,000	-	(25,000)
Marquette TIF distribution	73,000	72,863	(137)
Developer's breakfast	7,200	9,500	2,300
Mosquito abatement	17,500	14,418	(3,082)
Advertising	1,500	1,167	(333)
Total other	1,902,800	1,627,479	(275,321)
Total revenues	\$ 37,253,600	\$ 36,512,491	\$ (741,109)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
General government:			
Mayor:			
Salaries	\$ 50,900	\$ 49,651	\$ 1,249
Contractual	16,000	5,600	10,400
Commodities	9,500	4,685	4,815
Total mayor	<u>76,400</u>	<u>59,936</u>	<u>16,464</u>
General Village Board:			
Salaries	-	257	(257)
Contractual	91,000	46,951	44,049
Commodities	122,500	111,122	11,378
Total general village board	<u>213,500</u>	<u>158,330</u>	<u>55,170</u>
Board of Trustees, salaries	<u>153,700</u>	<u>131,500</u>	<u>22,200</u>
Village administration:			
Salaries	360,300	368,333	(8,033)
Contractual	510,000	775,498	(265,498)
Commodities	38,500	22,619	15,881
Total village administration	<u>908,800</u>	<u>1,166,450</u>	<u>(257,650)</u>
Personnel:			
Salaries	214,800	204,786	10,014
Contractual	2,524,000	2,545,892	(21,892)
Commodities	21,500	10,754	10,746
Total personnel	<u>2,760,300</u>	<u>2,761,432</u>	<u>(1,132)</u>
Operations:			
Salaries	71,900	64,037	7,863
Contractual	51,100	45,042	6,058
Commodities	8,000	7,944	56
Other	1,590,100	223,741	1,366,359
Total operations	<u>1,721,100</u>	<u>340,764</u>	<u>1,380,336</u>
Support services, other	<u>-</u>	<u>30,235</u>	<u>(30,235)</u>

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
General government: (continued)			
Economic development, contractual	\$ 17,000	\$ 8,851	\$ 8,149
Village clerk:			
Salaries	76,600	59,959	16,641
Contractual	45,000	18,814	26,186
Commodities	2,000	120	1,880
Total village clerk	123,600	78,893	44,707
Finance department:			
Administration:			
Salaries	546,300	529,123	17,177
Contractual	4,000	2,475	1,525
Commodities	54,000	57,164	(3,164)
Total administration	604,300	588,762	15,538
General services:			
Salaries	30,000	10,017	19,983
Contractual	301,500	347,116	(45,616)
Commodities	21,000	16,355	4,645
Other	-	48,624	(48,624)
Total general services	352,500	422,112	(69,612)
Information services:			
Salaries	269,000	273,638	(4,638)
Contractual	426,500	518,199	(91,699)
Commodities	45,000	38,268	6,732
Total information services	740,500	830,105	(89,605)
Total finance department	1,697,300	1,840,979	(143,679)
Community services and development			
Administration:			
Salaries	710,400	644,895	65,505
Contractual	81,000	64,943	16,057
Commodities	23,300	19,941	3,359
Total administration	814,700	729,779	84,921

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
General government: (continued)			
Community services and development (continued)			
Inspectional services:			
Salaries	\$ 474,000	\$ 537,353	\$ (63,353)
Contractual	115,000	202,777	(87,777)
Commodities	5,200	2,996	2,204
Total inspectional services	594,200	743,126	(148,926)
Total community services and development	1,408,900	1,472,905	(64,005)
Total general government	9,080,600	8,050,275	1,030,325
Public safety:			
Police and fire commission:			
Salaries	21,600	20,817	783
Contractual	74,000	76,168	(2,168)
Commodities	3,000	2,589	411
Total police and fire commission	98,600	99,574	(974)
Police department			
Administration:			
Salaries	1,793,800	1,800,550	(6,750)
Contractual	14,000	9,633	4,367
Commodities	4,000	4,388	(388)
Total administration	1,811,800	1,814,571	(2,771)
Operations:			
Salaries	6,539,500	6,717,068	(177,568)
Contractual	350,800	292,802	57,998
Commodities	206,000	183,904	22,096
Other	12,500	4,646	7,854
Total operations	7,108,800	7,198,420	(89,620)
Support services:			
Salaries	946,700	888,438	58,262
Contractual	25,000	22,974	2,026
Commodities	8,000	5,876	2,124
Total support services	979,700	917,288	62,412
Total police department	9,900,300	9,930,279	(29,979)

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Public safety: (continued)</b>			
<b>Fire and ambulance department:</b>			
Administration:			
Salaries	\$ 3,496,100	\$ 3,200,212	\$ 295,888
Contractual	403,000	514,657	(111,657)
Commodities	172,200	176,404	(4,204)
<b>Total fire and ambulance department</b>	<u>4,071,300</u>	<u>3,891,273</u>	<u>180,027</u>
<b>Fire academy:</b>			
Administration:			
Salaries	121,500	130,252	(8,752)
Contractual	27,900	35,613	(7,713)
Commodities	25,000	49,339	(24,339)
<b>Total fire academy</b>	<u>174,400</u>	<u>215,204</u>	<u>(40,804)</u>
<b>Romeoville emergency management agency:</b>			
Administration:			
Salaries	23,500	18,375	5,125
Contractual	4,000	5,890	(1,890)
Commodities	7,000	5,725	1,275
<b>Total administration</b>	<u>34,500</u>	<u>29,990</u>	<u>4,510</u>
<b>Operations:</b>			
Contractual	35,000	29,608	5,392
Commodities	5,500	4,410	1,090
<b>Total operations</b>	<u>40,500</u>	<u>34,018</u>	<u>6,482</u>
<b>Communications,     contractual</b>	<u>11,000</u>	<u>10,193</u>	<u>807</u>
<b>Total Romeoville emergency management agency</b>	<u>86,000</u>	<u>74,201</u>	<u>11,799</u>
<b>Total public safety</b>	<u>14,330,600</u>	<u>14,210,531</u>	<u>120,069</u>

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Public works:</b>			
Administration, salaries	\$ 440,900	\$ 435,299	\$ 5,601
<b>Buildings and grounds:</b>			
Salaries	1,024,100	1,138,573	(114,473)
Contractual	396,500	342,824	53,676
Commodities	77,000	69,864	7,136
Total buildings and grounds	1,497,600	1,551,261	(53,661)
<b>Motor pool:</b>			
Salaries	310,000	318,290	(8,290)
Contractual	215,200	133,116	82,084
Commodities	249,500	439,080	(189,580)
Total motor pool	774,700	890,486	(115,786)
<b>Streets and sanitation:</b>			
Salaries	1,063,200	1,028,308	34,892
Contractual	3,049,700	2,891,270	158,430
Commodities	220,000	153,673	66,327
Total streets and sanitation	4,332,900	4,073,251	259,649
<b>Total public works</b>	<b>7,046,100</b>	<b>6,950,297</b>	<b>95,803</b>
<b>Debt service:</b>			
Principal	169,100	70,671	98,429
Interest and fees	25,000	19,584	5,416
Total debt service	194,100	90,255	103,845
<b>Capital outlay:</b>			
General government	1,136,500	1,143,383	(6,883)
Public safety	418,800	741,534	(322,734)
Public works	3,715,000	2,840,097	874,903
Total capital outlay	5,270,300	4,725,014	545,286
<b>Total expenditures</b>	<b>\$ 35,921,700</b>	<b>\$ 34,026,372</b>	<b>\$ 1,895,328</b>

**Non-major Governmental Funds  
Combining Statements**

Village of Romeoville, Illinois

Combining Balance Sheet  
Non-Major Governmental Funds  
April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,461,398	\$ 2,080,803	\$ 6,980,827	\$ 10,523,028
Receivables:				
Property taxes	-	961,567	-	961,567
Accounts	2,976	-	141,603	144,579
Other	81,385	-	-	81,385
Due from other funds	-	-	1,807,925	1,807,925
Due from other governmental units	82,176	-	-	82,176
<b>Total assets</b>	<b>\$ 1,627,935</b>	<b>\$ 3,042,370</b>	<b>\$ 8,930,355</b>	<b>\$ 13,600,660</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 76,483	\$ 19,631	\$ 583	\$ 96,697
Due to other funds	-	2,392	-	2,392
Advance from other funds	220,472	-	-	220,472
Deferred revenue	13,667	961,567	-	975,234
<b>Total liabilities</b>	<b>310,622</b>	<b>983,590</b>	<b>583</b>	<b>1,294,795</b>
<b>Fund balances, unreserved, reported in:</b>				
Special revenue funds	1,317,313	-	-	1,317,313
Debt service funds	-	2,058,780	-	2,058,780
Capital projects funds	-	-	8,929,772	8,929,772
<b>Total fund balances</b>	<b>1,317,313</b>	<b>2,058,780</b>	<b>8,929,772</b>	<b>12,305,865</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,627,935</b>	<b>\$ 3,042,370</b>	<b>\$ 8,930,355</b>	<b>\$ 13,600,660</b>



Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 949,935	\$ 2,462,778	\$ 3,412,713
Other taxes	703,188	-	-	703,188
Interest	120,877	65,419	485,574	671,870
Intergovernmental	1,074,885	-	52,500	1,127,385
Developer contributions	-	-	1,272,231	1,272,231
Other	-	8,190	-	8,190
Total revenues	<u>1,898,950</u>	<u>1,023,544</u>	<u>4,273,083</u>	<u>7,195,577</u>
Expenditures:				
Current:				
General government	-	-	632,051	632,051
Public works	875,907	-	-	875,907
Debt service:				
Principal	-	1,139,362	-	1,139,362
Interest and fees	-	1,099,859	-	1,099,859
Capital outlay	1,531,596	-	1,829,697	3,361,293
Total expenditures	<u>2,407,503</u>	<u>2,239,221</u>	<u>2,461,748</u>	<u>7,108,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,553)</u>	<u>(1,215,677)</u>	<u>1,811,335</u>	<u>87,105</u>
Other financing sources (uses):				
Transfers in	-	2,471,418	116,700	2,588,118
Transfers (out)	(28,000)	-	(6,815,000)	(6,843,000)
Total other financing sources (uses)	<u>(28,000)</u>	<u>2,471,418</u>	<u>(6,698,300)</u>	<u>(4,254,882)</u>
Change in fund balance	<u>(536,553)</u>	<u>1,255,741</u>	<u>(4,886,965)</u>	<u>(4,167,777)</u>
Fund balances:				
May 1, 2007	<u>1,853,866</u>	<u>803,039</u>	<u>13,816,737</u>	<u>16,473,642</u>
April 30, 2008	<u>\$ 1,317,313</u>	<u>\$ 2,058,780</u>	<u>\$ 8,929,772</u>	<u>\$ 12,305,865</u>

Village of Romeoville, Illinois

Combining Balance Sheet  
Non-Major Special Revenue Funds  
April 30, 2008

	Motor Fuel Tax	Local Gas Tax	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,461,398	\$ -	\$ 1,461,398
Receivables:			
Accounts	2,976	-	2,976
Other	-	81,385	81,385
Due from other governmental units	82,176	-	82,176
<b>Total assets</b>	<b>\$ 1,546,550</b>	<b>\$ 81,385</b>	<b>\$ 1,627,935</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 61,905	\$ 14,578	\$ 76,483
Advances from other funds	-	220,472	220,472
Deferred revenue	-	13,667	13,667
<b>Total liabilities</b>	<b>61,905</b>	<b>248,717</b>	<b>310,622</b>
<b>Fund balances (deficits), unreserved</b>	<b>1,484,645</b>	<b>(167,332)</b>	<b>1,317,313</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,546,550</b>	<b>\$ 81,385</b>	<b>\$ 1,627,935</b>

Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
Non-Major Special Revenue Funds  
Year Ended April 30, 2008

	Motor Fuel Tax	Local Gas Tax	Total
Revenues:			
Other taxes	\$ -	\$ 703,188	\$ 703,188
Interest	111,088	9,789	120,877
Intergovernmental	1,074,885	-	1,074,885
Total revenues	<u>1,185,973</u>	<u>712,977</u>	<u>1,898,950</u>
Expenditures:			
Current, public works	875,907	-	875,907
Capital outlay	293,057	1,238,539	1,531,596
Total expenditures	<u>1,168,964</u>	<u>1,238,539</u>	<u>2,407,503</u>
Excess (deficiency) of revenues over (under) expenditures	17,009	(525,562)	(508,553)
Other financing uses, transfers out	<u>(28,000)</u>	<u>-</u>	<u>(28,000)</u>
Change in fund balance	(10,991)	(525,562)	(536,553)
Fund balances (deficits):			
May 1, 2007	<u>1,495,636</u>	<u>358,230</u>	<u>1,853,866</u>
April 30, 2008	<u>\$ 1,484,645</u>	<u>\$ (167,332)</u>	<u>\$ 1,317,313</u>

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Motor Fuel Tax Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ 76,000	\$ 111,088	\$ 35,088
Intergovernmental, motor fuel tax allotments	1,047,000	1,074,885	27,885
Total revenues	<u>1,123,000</u>	<u>1,185,973</u>	<u>62,973</u>
Expenditures:			
Current, public works:			
Contractual	506,000	526,439	(20,439)
Commodities	200,000	349,468	(149,468)
Capital outlay	1,200,000	293,057	906,943
Total expenditures	<u>1,906,000</u>	<u>1,168,964</u>	<u>737,036</u>
Excess (deficiency) of revenues over (under) expenditures	(783,000)	17,009	800,009
Other financing uses, transfers out	<u>(28,000)</u>	<u>(28,000)</u>	-
Change in fund balance	<u>\$ (811,000)</u>	<u>(10,991)</u>	<u>\$ 800,009</u>
Fund balance:			
May 1, 2007		<u>1,495,636</u>	
April 30, 2008		<u>\$ 1,484,645</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Local Gas Tax Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Other taxes, home rule gas tax	\$ 950,000	\$ 703,188	\$ (246,812)
Interest	5,000	9,789	4,789
Intergovernmental, state grants	70,000	-	(70,000)
Developer contributions	350,000	-	(350,000)
Total revenues	1,375,000	712,977	(662,023)
Expenditures, capital outlay	1,375,000	1,238,539	136,461
Change in fund balance	\$ -	(525,562)	\$ (525,562)
Fund balance (deficit):			
May 1, 2007		358,230	
April 30, 2008		\$ (167,332)	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Debt Service Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 949,100	\$ 949,935	\$ 835
Interest	4,125	65,419	61,294
Other	-	8,190	8,190
<b>Total revenues</b>	<u>953,225</u>	<u>1,023,544</u>	<u>70,319</u>
<b>Expenditures,</b>			
<b>debt service:</b>			
Principal	1,239,400	1,139,362	100,038
Interest	2,000,325	1,099,859	900,466
<b>Total expenditures</b>	<u>3,239,725</u>	<u>2,239,221</u>	<u>1,000,504</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,286,500)</b>	<b>(1,215,677)</b>	<b>1,070,823</b>
<b>Other financing sources, transfers in</b>	<u>2,286,500</u>	<u>2,471,418</u>	<u>184,918</u>
<b>Change in fund balance</b>	<u>\$ -</u>	<u>1,255,741</u>	<u>\$ 1,255,741</u>
<b>Fund balance:</b>			
May 1, 2007		<u>803,039</u>	
April 30, 2008		<u>\$ 2,058,780</u>	

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Village of Romeoville, Illinois

Combining Balance Sheet  
Non-Major Capital Project Funds  
April 30, 2008

	Road Improvements Fund	Marquette Center TIF Fund	2004 Construction Fund	2002A Construction Fund	Romeo Road TIF Fund	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,603,908	\$ 3,749,384	\$ 656,681	\$ 970,821	\$ 33	\$ 6,980,827
Accounts receivable	-	-	141,603	-	-	141,603
Due from other funds	-	1,805,533	-	2,392	-	1,807,925
<b>Total assets</b>	<b>\$ 1,603,908</b>	<b>\$ 5,554,917</b>	<b>\$ 798,284</b>	<b>\$ 973,213</b>	<b>\$ 33</b>	<b>\$ 8,930,355</b>
<b>Liabilities and Fund Balances</b>						
Liabilities, accounts payable	\$ -	\$ -	\$ 583	\$ -	\$ -	\$ 583
Fund balances, unreserved	1,603,908	5,554,917	797,701	973,213	33	8,929,772
<b>Total liabilities and fund balances</b>	<b>\$ 1,603,908</b>	<b>\$ 5,554,917</b>	<b>\$ 798,284</b>	<b>\$ 973,213</b>	<b>\$ 33</b>	<b>\$ 8,930,355</b>



Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -  
Non-Major Capital Projects Funds  
Year Ended April 30, 2008

	Road Improvements Fund	Marquette Center TIF Fund	2004 Construction Fund	2002A Construction Fund	Romeo Road TIF Fund	Total
<b>Revenues:</b>						
Property taxes	\$ -	\$ 2,462,778	\$ -	\$ -	\$ -	\$ 2,462,778
Interest	40,150	355,019	51,338	39,067	-	485,574
Intergovernmental	-	-	52,500	-	-	52,500
Developer contributions	717,184	-	555,047	-	-	1,272,231
<b>Total revenues</b>	<u>757,334</u>	<u>2,817,797</u>	<u>658,885</u>	<u>39,067</u>	<u>-</u>	<u>4,273,083</u>
<b>Expenditures:</b>						
Current, general government, contractual	-	515,384	-	-	116,667	632,051
Capital outlay	-	-	1,755,693	74,004	-	1,829,697
<b>Total expenditures</b>	<u>-</u>	<u>515,384</u>	<u>1,755,693</u>	<u>74,004</u>	<u>116,667</u>	<u>2,461,748</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>757,334</u>	<u>2,302,413</u>	<u>(1,096,808)</u>	<u>(34,937)</u>	<u>(116,667)</u>	<u>1,811,335</u>
<b>Other financing sources (uses):</b>						
Transfer in	-	-	-	-	116,700	116,700
Transfers (out)	-	(6,815,000)	-	-	-	(6,815,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(6,815,000)</u>	<u>-</u>	<u>-</u>	<u>116,700</u>	<u>(6,698,300)</u>
<b>Change in fund balance</b>	<u>757,334</u>	<u>(4,512,587)</u>	<u>(1,096,808)</u>	<u>(34,937)</u>	<u>33</u>	<u>(4,886,965)</u>
<b>Fund balances:</b>						
May 1, 2007	<u>846,574</u>	<u>10,067,504</u>	<u>1,894,509</u>	<u>1,008,150</u>	<u>-</u>	<u>13,816,737</u>
April 30, 2008	<u>\$ 1,603,908</u>	<u>\$ 5,554,917</u>	<u>\$ 797,701</u>	<u>\$ 973,213</u>	<u>\$ 33</u>	<u>\$ 8,929,772</u>

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Road Improvements Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ -	\$ 40,150	\$ 40,150
Developer contribution	-	717,184	717,184
Total revenues	-	757,334	757,334
Expenditures, capital outlay	875,000	-	875,000
Change in fund balance	<u>\$ (875,000)</u>	757,334	<u>\$ 1,632,334</u>
Fund balance:			
May 1, 2007		<u>846,574</u>	
April 30, 2008		<u>\$ 1,603,908</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Marquette Center Tax Increment Financing District Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2,625,000	\$ 2,462,778	\$ (162,222)
Interest	242,000	355,019	113,019
Total revenues	2,867,000	2,817,797	(49,203)
Expenditures, current, general government, contractual	617,000	515,384	101,616
Excess (deficiency) of revenues over (under) expenditures	2,250,000	2,302,413	52,413
Other financing uses, transfers out	(2,250,000)	(6,815,000)	(4,565,000)
Change in fund balance	\$ -	(4,512,587)	\$ (4,512,587)
Fund balance:			
May 1, 2007		10,067,504	
April 30, 2008		\$ 5,554,917	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
2004 Construction Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Interest	\$ -	\$ 51,338	\$ 51,338
Intergovernmental, state grants	780,000	52,500	(727,500)
Developer contributions	-	555,047	555,047
<b>Total revenues</b>	<u>780,000</u>	<u>658,885</u>	<u>(121,115)</u>
<b>Expenditures,</b> capital outlay	<u>1,650,000</u>	<u>1,755,693</u>	<u>(105,693)</u>
<b>Change in fund balance</b>	<u>\$ (870,000)</u>	<u>(1,096,808)</u>	<u>\$ (226,808)</u>
<b>Fund balance:</b>			
May 1, 2007		<u>1,894,509</u>	
April 30, 2008		<u>\$ 797,701</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
2002 A Construction Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues, interest	\$ -	\$ 39,067	\$ 39,067
Expenditures, capital outlay	<u>1,045,000</u>	<u>74,004</u>	<u>970,996</u>
Change in fund balance	<u>\$ (1,045,000)</u>	<u>(34,937)</u>	<u>\$ 1,010,063</u>
Fund balance: May 1, 2007		<u>1,008,150</u>	
April 30, 2008		<u>\$ 973,213</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
Downtown Tax Increment Financing District Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 135,000	\$ 133,802	\$ (1,198)
Interest	200,000	9,861	(190,139)
Charges for Services	-	38,508	38,508
Total revenues	<u>335,000</u>	<u>182,171</u>	<u>(152,829)</u>
Expenditures:			
Current, general government, contractual	1,042,000	66,555	975,445
Capital outlay	24,708,000	6,782,557	17,925,443
Total expenditures	<u>25,750,000</u>	<u>6,849,112</u>	<u>18,900,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,415,000)</u>	<u>(6,666,941)</u>	<u>18,899,690</u>
Other financing sources (uses):			
Bond proceeds	18,729,000	-	(18,729,000)
Transfers in	2,250,000	6,815,000	4,565,000
Transfers (out)	-	(116,700)	(116,700)
Total other financing sources	<u>20,979,000</u>	<u>6,698,300</u>	<u>(14,280,700)</u>
Change in fund balance	<u>\$ (4,436,000)</u>	<u>31,359</u>	<u>\$ 4,618,990</u>
Fund balance:			
May 1, 2007		<u>1,439,581</u>	
April 30, 2008		<u>\$ 1,470,940</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Facility Construction Fund  
Year Ended April 30, 2008

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Interest	\$ -	\$ 71,926	\$ 71,926
Other	-	15,000	15,000
<b>Total Revenues</b>	<u>-</u>	<u>86,926</u>	<u>86,926</u>
<b>Expenditures:</b>			
Current, general government, contractual		1,267,800	(1,267,800)
Debt service:			
Interest	-	224,062	(224,062)
Bond issuance costs	-	186,914	(186,914)
Capital outlay	65,815,000	4,514,214	61,300,786
<b>Total expenditures</b>	<u>65,815,000</u>	<u>6,192,990</u>	<u>59,622,010</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(65,815,000)</u>	<u>(6,106,064)</u>	<u>59,708,936</u>
<b>Other financing sources:</b>			
Bond proceeds	63,915,000	12,900,000	(51,015,000)
Premium on bonds sold	-	23,147	23,147
Sale of property	1,900,000	1,955,776	55,776
Transfers in	-	815,000	815,000
<b>Total other financing sources</b>	<u>65,815,000</u>	<u>15,693,923</u>	<u>(50,121,077)</u>
<b>Change in fund balance</b>	<u>\$ -</u>	<u>9,587,859</u>	<u>\$ 9,587,859</u>
<b>Fund balance (deficit):</b>			
May 1, 2007		<u>(6,401,372)</u>	
April 30, 2008		<u>\$ 3,186,487</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures, and Changes in Net Assets  
Budget and Actual - Water and Sewer Fund  
Year Ended April 30, 2008

	Budget	Actual
Operating revenues:		
Charges for services:		
Water sales	\$ 5,715,000	\$ 5,569,504
Sewer sales	6,935,000	6,902,084
Fines and fees:		
Late charges	335,000	332,682
Other fees	-	688
Tap on fees	525,000	798,012
Reconnection fees	40,000	48,778
NSF Charges	9,000	11,616
Developer contributions	-	1,347,601
Reimbursements	100,000	79,949
Other	8,859,800	1,054,233
Total operating revenues	<u>22,518,800</u>	<u>16,145,147</u>
Operating expenses:		
Finance administration:		
Salaries	324,000	334,946
Contractual	152,400	161,128
Commodities	8,000	7,320
Other	2,875	2,333
Total finance administration	<u>487,275</u>	<u>505,727</u>
Public works administration:		
Contractual	997,000	593,278
Commodities	14,000	8,686
Capital outlay	280,000	302,115
Other	100,000	50
Total public works administration	<u>1,391,000</u>	<u>904,129</u>
Public works water distribution:		
Salaries	1,170,800	1,301,843
Contractual	1,235,000	1,030,063
Commodities	874,000	716,736
Capital outlay	6,490,000	3,158,084
Total public works water distribution	<u>9,769,800</u>	<u>6,206,726</u>

(continued)



Village of Romeoville, Illinois

Schedule of Revenues, Expenditures, and Changes in Net Assets (Continued)  
 Budget and Actual - Water and Sewer Fund  
 Year Ended April 30, 2008

	Budget	Actual
Operating expenses: (continued)		
Public works sewage treatment:		
Salaries	\$ 795,500	\$ 816,035
Contractual	1,309,000	1,008,322
Commodities	182,000	127,833
Capital outlay	13,000,000	6,410,505
Total public works sewage treatment	<u>15,286,500</u>	<u>8,362,695</u>
Public works sewage collection:		
Salaries	674,400	720,697
Contractual	822,000	624,798
Commodities	73,000	38,837
Capital outlay	1,626,000	1,539,266
Total public works sewage collection	<u>3,195,400</u>	<u>2,923,598</u>
Total	30,129,975	18,902,875
Less capitalized items	-	(11,263,069)
Total operating expenses	<u>30,129,975</u>	<u>7,639,806</u>
Operating income (loss) before depreciation and amortization	(7,611,175)	8,505,341
Depreciation	-	3,211,867
Amortization	-	11,402
Operating income (loss)	<u>(7,611,175)</u>	<u>5,282,072</u>
Non-operating income (expense):		
Interest income	1,200,000	1,229,074
Interest expense	(4,122,000)	(919,601)
Total non-operating income (expense)	<u>(2,922,000)</u>	<u>309,473</u>
Income (loss) before contributions and transfers	(10,533,175)	5,591,545
Capital contributions	-	2,122,940
Transfers out	(2,385,000)	(2,385,000)
Change in net assets	<u>\$ (12,918,175)</u>	<u>5,329,485</u>
Net assets:		
May 1, 2007		<u>99,336,135</u>
April 30, 2008		<u>\$ 104,665,620</u>

Village of Romeoville, Illinois

Schedule of Debt Service Requirements  
April 30, 2008

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Refunding Series 1997B	2009	\$ 50,000	\$ 19,845	\$ 69,845
Dated November 15, 1997	2010	55,000	17,445	72,445
Interest due on June 30	2011	55,000	14,750	69,750
and December 30 at rates	2012	55,000	12,000	67,000
ranging from 4.8% to 5%	2013	60,000	9,250	69,250
	2014	60,000	6,250	66,250
	2015	65,000	3,250	68,250
		<u>\$ 400,000</u>	<u>\$ 82,790</u>	<u>\$ 482,790</u>

General Obligation Bonds:				
Series 2000A	2009	\$ 305,000	\$ 194,723	\$ 499,723
Dated June 30, 2000	2010	365,000	170,018	535,018
Interest due on June 30	2011	430,000	140,453	570,453
and December 30 at rates	2012	445,000	106,590	551,590
ranging from 5.1% to 8.1%	2013	540,000	83,895	623,895
	2014	585,000	56,355	641,355
	2015	520,000	26,520	546,520
		<u>\$ 3,190,000</u>	<u>\$ 778,554</u>	<u>\$ 3,968,554</u>

General Obligation Bonds:				
Series 2002A	2009	\$ 145,000	\$ 82,570	\$ 227,570
Dated September 15, 2002	2010	150,000	75,320	225,320
Interest due on June 30	2011	160,000	67,820	227,820
and December 30 at rates	2012	165,000	59,820	224,820
ranging from 4.1% to 5%	2013	175,000	51,570	226,570
	2014	185,000	42,820	227,820
	2015	190,000	33,570	223,570
	2016	200,000	24,545	224,545
	2017	210,000	16,345	226,345
	2018	175,000	7,525	182,525
		<u>\$ 1,755,000</u>	<u>\$ 461,905</u>	<u>\$ 2,216,905</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)

April 30, 2008

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Dated September 15, 2004	2009	\$ 335,000	\$ 888,723	\$ 1,223,723
Refunding Series 2004	2010	1,090,000	880,348	1,970,348
Interest due on June 30 and	2011	1,280,000	836,748	2,116,748
December 30 at rates of 2.5%	2012	1,710,000	785,548	2,495,548
to 5%	2013	1,810,000	717,148	2,527,148
	2014	2,050,000	644,747	2,694,747
	2015	2,095,000	542,248	2,637,248
	2016	2,120,000	463,685	2,583,685
	2017	2,205,000	378,885	2,583,885
	2018	2,235,000	290,685	2,525,685
	2019	1,385,000	201,285	1,586,285
	2020	425,000	144,500	569,500
	2021	445,000	123,250	568,250
	2022	470,000	101,000	571,000
	2023	490,000	77,500	567,500
	2024	515,000	53,000	568,000
	2025	545,000	27,250	572,250
		<u>\$ 21,205,000</u>	<u>\$ 7,156,550</u>	<u>\$ 28,361,550</u>
General Obligation Bonds:				
Dated September 15, 2005	2009	\$ 1,175,000	\$ 137,818	\$ 1,312,818
Refunding series 2005	2010	1,225,000	99,630	1,324,630
Interest due on June 15	2011	285,000	62,880	347,880
and December 15 at rates	2012	295,000	53,617	348,617
of 3% to 3.6%	2013	305,000	44,030	349,030
	2014	315,000	33,965	348,965
	2015	325,000	23,255	348,255
	2016	330,000	11,880	341,880
		<u>\$ 4,255,000</u>	<u>\$ 467,075</u>	<u>\$ 4,722,075</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)  
April 30, 2008

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Dated November 15, 2007	2009	\$ -	\$ 233,845	\$ 233,845
Refunding series 2007A	2010	10,000	207,863	217,863
Interest due on June 30	2011	540,000	207,488	747,488
and December 30 at rates	2012	560,000	187,238	747,238
ranging from 3.75% to 5.25%	2013	580,000	164,838	744,838
	2014	605,000	141,638	746,638
	2015	590,000	117,438	707,438
	2016	620,000	93,838	713,838
	2017	640,000	69,038	709,038
	2018	675,000	35,438	710,438
		<u>\$ 4,820,000</u>	<u>\$ 1,458,662</u>	<u>\$ 6,278,662</u>

General Obligation Bonds:				
Dated November 15, 2007	2009	\$ -	\$ 611,578	\$ 611,578
Refunding series 2007B	2010	-	543,625	543,625
Interest due on June 30	2011	-	543,625	543,625
and December 30 at rates	2012	-	543,625	543,625
ranging from 4.00% to 4.375%	2013	-	543,625	543,625
	2014	-	543,625	543,625
	2015	-	543,625	543,625
	2016	-	543,625	543,625
	2017	-	543,625	543,625
	2018	2,000,000	543,625	2,543,625
	2019	2,225,000	463,625	2,688,625
	2020	3,925,000	374,625	4,299,625
	2021	4,750,000	207,813	4,957,813
		<u>\$ 12,900,000</u>	<u>\$ 6,550,266</u>	<u>\$ 19,450,266</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)

April 30, 2008

	Year Ending	Principal	Interest	Total
<b>Alternate Revenue Bonds:</b>				
Dated February 2, 1999	2009	\$ -	\$ 223,255	\$ 223,255
Refunding Bonds Series 1999	2010	-	223,255	223,255
Interest due on June 30 and	2011	330,000	223,255	553,255
December 30 at rates of 4.3%	2012	325,000	209,065	534,065
to 4.7%	2013	330,000	194,765	524,765
	2014	350,000	180,245	530,245
	2015	375,000	164,495	539,495
	2016	400,000	147,620	547,620
	2017	735,000	129,220	864,220
	2018	775,000	95,410	870,410
	2019	1,255,000	58,985	1,313,985
		<u>\$ 4,875,000</u>	<u>\$ 1,849,570</u>	<u>\$ 6,724,570</u>
<b>Alternate Revenue Bonds</b>				
Dated June 30, 2001				
Refunding Series 2001A				
Interest due on June 30 and				
December 30 at rate of 4.25%	2009	\$ 325,000	\$ 13,812	\$ 338,812
<b>Alternate Revenue Bonds</b>				
Dated June 30, 2001				
Refunding Series 2001B				
Interest due on June 30 and				
December 30 at rate of 4.13%	2009	\$ 400,000	\$ 16,500	\$ 416,500
<b>Alternate Revenue Bonds</b>				
Dated September 15, 2002	2009	\$ 115,000	\$ 89,495	\$ 204,495
Refunding Series 2002B	2010	135,000	85,815	220,815
Interest due on June 30 and	2011	170,000	81,225	251,225
December 30 at rates of 3.2%	2012	-	75,105	75,105
to 4.3%	2013	-	75,105	75,105
	2014	-	75,105	75,105
	2015	-	75,105	75,105
	2016	525,000	75,105	600,105
	2017	600,000	53,580	653,580
	2018	660,000	28,380	688,380
		<u>\$ 2,205,000</u>	<u>\$ 714,020</u>	<u>\$ 2,919,020</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)  
April 30, 2008

	Year Ending	Principal	Interest	Total
Capital Lease	2009	\$ 51,491	\$ 6,805	\$ 58,296
Dated June 25, 2005	2010	53,114	5,182	58,296
2006 Pierce Pumper	2011	54,788	3,508	58,296
Principal and Interest due on May 7 at rates of 3.15%	2012	56,514	1,782	58,296
		<u>\$ 215,907</u>	<u>\$ 17,277</u>	<u>\$ 233,184</u>
Capital Lease	2009	\$ 35,963	\$ 9,909	\$ 45,872
Dated June 25, 2005	2010	37,235	8,637	45,872
2006 Pierce Heavy Duty Fire Vehicle	2011	38,552	7,320	45,872
Principal and Interest due on May 7 at rates of 3.15%	2012	39,916	5,956	45,872
	2013	41,329	4,543	45,872
	2014	42,791	3,081	45,872
	2015	44,301	1,571	45,872
		<u>\$ 280,087</u>	<u>\$ 41,017</u>	<u>\$ 321,104</u>
Capital Lease	2009	\$ 27,963	\$ 3,567	\$ 31,530
Dated September 11, 2006	2010	29,105	2,425	31,530
2007 Street Sweeper	2011	30,293	1,237	31,530
Principal and Interest due on September 11 at rates of 4.083%		<u>\$ 87,361</u>	<u>\$ 7,229</u>	<u>\$ 94,590</u>
Capital Lease	2009	\$ 45,678	\$ 13,047	\$ 58,725
Dated April 5, 2007	2010	47,631	11,094	58,725
2007 Pierce Pumper	2011	49,668	9,057	58,725
Principal and Interest due on April 5 at rates of 4.28%	2012	51,792	6,933	58,725
	2013	54,007	4,718	58,725
	2014	56,317	2,408	58,725
		<u>\$ 305,093</u>	<u>\$ 47,257</u>	<u>\$ 352,350</u>
Total Capital Leases		<u>\$ 888,448</u>	<u>\$ 112,780</u>	<u>\$ 1,001,228</u>