

Village of Matteson, Illinois

Tax Incremental Finance District II Fund
Financial and Compliance Report
April 30, 2010

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Honorable President and
Members of the Board of Trustees
Village of Matteson, Illinois

We have submitted, under separate cover, the financial statements of the Village of Matteson, Illinois, for the year ended April 30, 2010, and our report thereon, dated November 23, is as follows:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Matteson, Illinois, as of and for the year ended April 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Matteson, Illinois. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police or Firefighters' Pension Funds, both fiduciary fund types, or the Matteson Public Library, a discretely presented component unit, which statements reflect total assets of \$18,699,998, \$15,436,763 and \$8,374,827, respectively, as of April 30, 2010; total net assets of \$18,695,747, \$15,190,215 and \$8,252,978, respectively, as of April 30, 2010; and total additions to net assets/revenues of \$3,764,090, \$3,090,238 and \$2,891,080, respectively, for the year ended April 30, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Police and Firefighters' Pension Funds and the Matteson Public Library, are based solely on the reports of the other auditors.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Matteson, Illinois, as of April 30, 2010, 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 and the other auditors' information which includes management's discussion and analysis (pages 3-15), schedules of funding progress and employer contributions (pages 66-69), and budgetary comparison information and note (pages 70-71) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors 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 Matteson, Illinois. The combining and individual fund financial statements listed in the table of contents as supplementary information 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 by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was made for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is 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, and should be read in conjunction with these financial statements and related notes.

The supplementary information submitted herewith is as follows:

1. Schedule of Balance Sheet Information
2. Schedule of Revenues, Expenditures and Changes in Fund Balance Information

McGladrey & Pullen, LLP

Chicago, Illinois
November 23, 2010

Village of Matteson, Illinois
Tax Incremental Finance District II Fund

Schedule of Balance Sheet Information
April 30, 2010

Assets	
Cash and cash equivalents	<u>\$ 1,535,588</u>
 Liabilities and Fund Balance	
Liabilities	\$ -
Fund balance, unreserved	<u>1,535,588</u>
Total liabilities and fund balance	<u>\$ 1,535,588</u>

Village of Matteson, Illinois
Tax Incremental Finance District II Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance Information
Year Ended April 30, 2010

Revenues:	
Property taxes	\$ 709,932
Interest	864
Total revenues	<u>710,796</u>
Expenditures	<u>-</u>
Excess of revenues over expenditures	710,796
Other financing sources:	
Transfer in	<u>824,792</u>
Change in fund balance	1,535,588
Fund balance:	
May 1, 2009	<u>-</u>
April 30, 2010	<u>\$ 1,535,588</u>

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance

To the Honorable President and
Members of the Board of Trustees
Village of Matteson, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Matteson, Illinois, as of and for the year ended April 30, 2010, which collectively comprise the Village's basic financial statements and have issued our report thereon dated November 23, 2010.

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

We conducted our audit of compliance 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village of Matteson, Illinois' compliance with those requirements and performing such procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village of Matteson, Illinois' compliance with those requirements.

In our opinion, the Village of Matteson, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the Tax Incremental Finance District II Fund.

This report is intended for the information of the members of the Board of Trustees, management, and certain state agencies and is not intended to be used and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Chicago, Illinois
November 23, 2010