

VILLAGE OF ARLINGTON HEIGHTS

TIF II

ANNUAL REPORT

FY 08-09



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

The Honorable Mayor
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion included in its representation letter dated September 14, 2009, that the Village of Arlington Heights, Illinois complied 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) during the year ended April 30, 2009. As discussed in that representation letter, management is responsible for the Village of Arlington Heights, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Arlington Heights, Illinois' compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village of Arlington Heights, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village of Arlington Heights, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois complied with the aforementioned requirements for the year ended April 30, 2009 is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Sikich LLP'.

Aurora, Illinois
September 14, 2009

ATTACHMENT A

(TIF II)

I, EDWINA CORSO, Village Clerk, do hereby certify that there were no amendments to the redevelopment project area and plan as it relates to the Tax Increment Financing District Number II, in the Village of Arlington Heights, County of Cook, State of Illinois in fiscal year May 1, 2008 to April 30, 2009.

November 17, 2009


EDWINA CORSO
Village Clerk

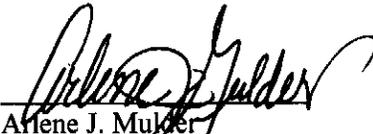
Attest:

ATTACHMENT B

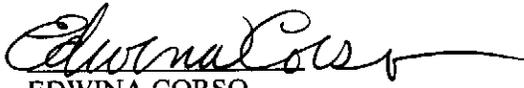
(TIF II)

I, Arlene J. Mulder, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District Number II, during the current municipal fiscal year, May 1, 2008 to April 30, 2009.

November 17, 2009.


Arlene J. Mulder
President Board of Trustees
Village of Arlington Heights

ATTEST:


EDWINA CORSO
Village Clerk

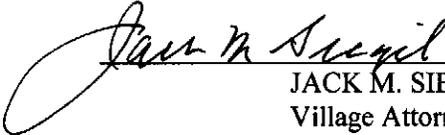
ATTACHMENT C and L

(TIF II)

I, JACK M. SIEGEL, Village Attorney of the Village of Arlington Heights, County of Cook, State of Illinois, and have been such throughout the fiscal year covered by this report, May 1, 2008 to April 30, 2009, do hereby state as follows:

It is my opinion that the Village of Arlington Heights has in all respects complied with the requirements of the Tax Allocation Redevelopment Act as it relates to Tax Increment Financing District Number II, for the fiscal year, May 1, 2008 to April 30, 2009.

November 17, 2009


JACK M. SIEGEL, P.C.
Village Attorney

ATTEST:


EDWINA CORSO
Village Clerk

ATTACHMENT F and K

(TIF II)

SEE ATTACHED

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF II NORTH FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2009
(With Comparative Actual for 2008)

	2009			2008 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 1,741,000	\$ 1,741,000	\$ 1,689,958	\$ 1,723,984
Intergovernmental	36,000	36,000	-	9,490
Investment income	-	-	4,864	2,515
Total revenues	1,777,000	1,777,000	1,694,822	1,735,989
EXPENDITURES				
Current				
Highways and streets				
Contractual services	15,000	15,000	2,250	-
Other charges	45,000	62,320	45,165	25,445
Capital outlay	1,797,400	1,828,900	246,236	102,940
Total expenditures	1,857,400	1,906,220	293,651	128,385
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,400)	(129,220)	1,401,171	1,607,604
OTHER FINANCING SOURCES (USES)				
Transfers in	697,460	697,460	748,805	15,000
Total other financing sources (uses)	697,460	697,460	748,805	15,000
NET CHANGE IN FUND BALANCE	\$ 617,060	\$ 568,240	2,149,976	1,622,604
FUND BALANCE (DEFICIT), MAY 1			(2,182,715)	(3,805,319)
FUND BALANCE (DEFICIT), APRIL 30			\$ (32,739)	\$ (2,182,715)

(See independent auditor's report.)

Village of Arlington Heights
 Analysis of T.I.F II Fund
 For The Fiscal Year Ended April 30, 2009

New Beginning Balance May 1, 2008		(2,182,715)
Deposits:		
Property Taxes	\$ 1,689,958	
State Sales Taxes	0	
Local Sales Taxes	-	
Interest	4,864	
Residual Equity Transfer	<u>748,805</u>	
	Total	<u>2,443,627</u>
	Balance plus Deposits	260,912
Expenditures:		
Redevelopment	\$293,651	
	Total	<u>293,651</u>
Ending Balance April 30, 2009		<u><u>(\$32,739)</u></u>
Ending Balance by Source:		
Property Tax	(\$32,739)	
	<u><u>(\$32,739)</u></u>	

Fund Balance by Source and by Year for Determining Surplus Allocations
 Village of Arlington Heights -- T.I.F. II

	BALANCE 2007	BALANCE 2008	BALANCE 2009	BALANCE 2010
SOURCE YEAR				
2005-2006				
PROPERTY	(1,198,580)	0	0	0
LOCAL SALES	0	0	0	0
STATE SALES	0	0	0	0
INTEREST	0	0	0	0
BOND PROCEED	0	0	0	0
OTHER	0	0	0	0
TOTAL	(1,198,580)	0	0	0
2006-2007				
PROPERTY	(2,606,739)		0	0
LOCAL SALES	0	0	0	0
STATE SALES	0	0	0	0
INTEREST	0	0	0	0
BOND PROCEED	0	0	0	0
OTHER	0	0	0	0
TOTAL	(2,606,739)		0	0
2007-2008				
PROPERTY		(2,182,715)	0	0
LOCAL SALES		0	0	0
STATE SALES		0	0	0
INTEREST		0	0	0
BOND PROCEED		0	0	0
OTHER		0	0	0
TOTAL		(2,182,715)	0	0
2008-2009				
PROPERTY			(\$32,739)	0
LOCAL SALES			0	0
STATE SALES			0	0
INTEREST			0	0
BOND PROCEED			0	0
STATE GRANT			0	0
TOTAL			(32,739)	0
2009-2010				
PROPERTY			\$0	0
LOCAL SALES			0	0
STATE SALES			0	0
INTEREST			0	0
BOND PROCEED			0	0
STATE GRANT			0	0
TOTAL			0	0
ENDING BALANCE	(\$3,805,319)	(\$2,182,715)	(\$32,739)	\$0

Balance required for debt service and additional redevelopment projects.

Village of Arlington Heights
 Additional T.I.F. II Information
 Fiscal 2009 Annual Report

Initial Equalized Assessed Valuation	\$2,319,059
Current Equalized Assessed Valuation (2007)	26,072,299
Incremental revenues generated from 2007 EAV	1,698,357
Incremental revenues generated from previous year EAV	1,741,300

Annual Change	(\$42,943)
	=====

Breakdown of change by taxing district:

Cook County & Forest Preserve	39
Metropolitan Reclamation District of Greater Chicago	1,153
Municipality	(6,353)
School District(s)	(33,933)
Park District(s)	(3,571)
Other	(278)

Total	(42,943)
	=====

**The base EAV (frozen valuation) of TIFII was amended on 4/28/97,
 Ordinance 97-20 from \$2,247,126 to \$2,319,059.**

TIF II

<u>2007</u>	<u>Rate</u>	<u>2006</u>	<u>2007</u>	<u>Variance</u>
0.511	Cook Cty	121,340	121,379	39
0.263	MSD	61,318	62,471	1,153
1.134	Mun	275,715	269,362	(6,353)
4.771	Schools	1,167,200	1,133,267	(33,933)
0.404	Park	99,534	95,963	(3,571)
0.067	Other	16,193	15,915	(278)
<u>7.150</u>		<u>1,741,300</u>	<u>1,698,357</u>	<u>(42,943)</u>

26,072,299 - 2007 EAV
(2,319,059) - Base
23,753,240 - Increase from Base

ATTACHMENT D

(TIF II)

I, WILLIAM C. DIXON, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District Number II, between May 1, 2008 and April 30, 2009.

1. Community activities such as Christkindlmarkt, art fairs, farmers market were encouraged in the downtown.
2. The Village assisted a number of businesses with marketing plans.
3. Village assisted one business through the Façade and Interior Buildout program.
4. Lighting and security were enhanced in the North municipal garage.

November 17, 2009



WILLIAM C. DIXON
Village Manager

ATTEST:

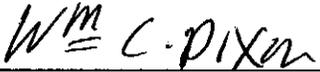
EDWINA CORSO
Village Clerk

ATTACHMENT E

(TIF II)

I, WILLIAM C. DIXON, Village Manager of the Village of Arlington Heights, do hereby state that the Village of Arlington Heights did not purchase property within Tax Increment Financing District Number II, in the fiscal year, May 1, 2008 to April 30, 2009.

November 17, 2009



WILLIAM C. DIXON
Village Manager

ATTEST:



EDWINA CORSO
Village Clerk

ATTACHMENT I

(TIF II)

I, EDWINA CORSO, Village Clerk, do hereby certify that the Village of Arlington Heights, County of Cook, State of Illinois, did not issue any obligations between May 1, 2008 and April 30, 2009, in Tax Increment Financing District Number II.

November 17, 2009

A handwritten signature in black ink that reads "Edwina Corso". The signature is written in a cursive style with a long horizontal flourish extending to the right.

EDWINA CORSO
Village Clerk

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

Name of Redevelopment Project Area: TIF #2
Primary Use of Redevelopment Project Area*: Mixed Use
If "Combination/Mixed" List Component Types: Retail, Office, Residential
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)] If yes, please enclose the amendment labeled Attachment A	x	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		x
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		x
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)] If yes, please enclose the Activities Statement labeled Attachment D		x
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	x	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		x
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	x	
Were there any reports 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)] If yes, please enclose the Joint Review Board Report labeled Attachment H	x	
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)] If yes, please enclose the Official Statement labeled Attachment I	x	
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)] If yes, please enclose the Analysis labeled Attachment J	x	
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) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		x
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) If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		x

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

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

\$ (2,182,715.00)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 1,689,958	\$ 27,746,263	88%
State Sales Tax Increment	\$ -	\$ 261,136	1%
Local Sales Tax Increment	\$ -	\$ 183,784	1%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 4,864	\$ 967,471	3%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 1,180,753	4%
Transfers from Municipal Sources	\$ 748,805	\$ 827,475	3%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 250,000	1%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 2,443,627

Cumulative Total Revenues/Cash Receipts

\$ 31,416,882 100%

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

\$ 293,651.00

Distribution of Surplus

\$ -

Total Expenditures/Disbursements

\$ 293,651

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

\$ 2,149,976

FUND BALANCE, END OF REPORTING PERIOD

\$ (32,739)

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

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)		
Professional Services	2,250	
		\$ 2,250
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Marketing (Discover Arlington; Christkindlmarkt)	45,165	
		\$ 45,165
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)		
Landscaping Evergreen Garage	1,942	
Façade & Interior Buildout Programs - Javiers	10,000	
Miner Street Plaza Engineering	3,400	
Decorative benches/trash receptacles	11,224	
Engineering Services	2,400	
North Garage Security (emergency call boxes; enhanced lighting)	217,270	
		\$ 246,236
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

**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 \$ (32,739)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Refunding of Parking 1986 Bonds - 1995	\$ 6,376,500	\$ -

Total Amount Designated for Obligations \$ 6,376,500 \$ -

2. Description of Project Costs to be Paid		
Marketing		\$ 30,000
Construction Redevelopment		\$ 938,390
		\$ -
Other/Environmental		\$ 300,000

Total Amount Designated for Project Costs \$ 1,268,390

TOTAL AMOUNT DESIGNATED \$ 1,268,390

SURPLUS*/(DEFICIT) \$ (1,301,129)

* 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	Estimated Cost of the Total Project
TOTAL:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,759,550		
Ratio of Private/Public Investment	0		0

Project 1: CBD Train Station			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,030,550		
Ratio of Private/Public Investment	0		0

Project 2: CBD Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 473,000		
Ratio of Private/Public Investment	0		0

Project 3: Old Train Station Site Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 256,000		
Ratio of Private/Public Investment	0		0

Project 4: Civic Events Sign			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 224,320		
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

