

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

<b>Name of Redevelopment Project Area: TIF #3</b>
<b>Primary Use of Redevelopment Project Area*: Commercial</b>
<b>If "Combination/Mixed" List Component Types:</b>
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>
<b>Tax Increment Allocation Redevelopment Act <u>  x  </u> Industrial Jobs Recovery Law <u>      </u></b>

	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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>		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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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) <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.

**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
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Fund Balance at Beginning of Reporting Period \$ 305,017.00

**Revenue/Cash Receipts Deposited in Fund During Reporting FY:**

			% of Total
Property Tax Increment	\$ 184,296	\$ 1,612,097	30%
State Sales Tax Increment			0%
Local Sales Tax Increment	\$ 138,170	\$ 753,357	14%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 18,197	\$ 284,179	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,783,526	51%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** \$ 340,663

**Cumulative Total Revenues/Cash Receipts** \$ 5,433,159 100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2) \$ 294,230.00

**Distribution of Surplus** \$ -

**Total Expenditures/Disbursements** \$ 294,230

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** \$ 46,433

**FUND BALANCE, END OF REPORTING PERIOD** \$ 351,450

- 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)		
		\$ -
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Marketing	22,917	
		\$ 22,917
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)		
		\$ -
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** \$ 351,450

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
Capital Projects	\$ 3,000,000	\$ 2,280,000

**Total Amount Designated for Obligations** \$ 3,000,000 \$ 2,280,000

<b>2. Description of Project Costs to be Paid</b>		

**Total Amount Designated for Project Costs** \$ -

**TOTAL AMOUNT DESIGNATED** \$ 2,280,000

**SURPLUS\*/(DEFICIT)** \$ (1,928,550)

\* 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.

**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
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<b>TOTAL:</b>			
Private Investment Undertaken (See Instructions)	\$ 12,318,720		
Public Investment Undertaken	\$ 3,026,000		
Ratio of Private/Public Investment	4 1/14		0

<b>Project 1:</b>			
Private Investment Undertaken (See Instructions)	\$ 12,318,720		
Public Investment Undertaken	\$ 3,026,000		
Ratio of Private/Public Investment	4 1/14		0

<b>Project 2:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 3:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 4:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

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

<b>Project 7:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 8:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 9:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

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

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

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

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

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

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

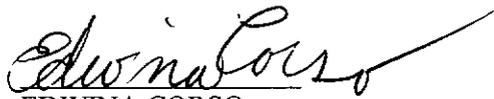


ATTACHMENT A

(TIF III)

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 III, in the Village of Arlington Heights, County of Cook, State of Illinois in fiscal year May 1, 2005 to April 30, 2006.

December 8 , 2006.

  
EDWINA CORSO  
Village Clerk

Attest:

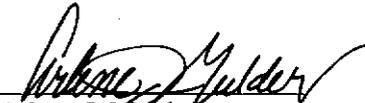
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**ATTACHMENT B**

(TIF III)

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 III, during the current municipal fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006.

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

ATTEST: ,

  
EDWINA CORSO  
Village Clerk

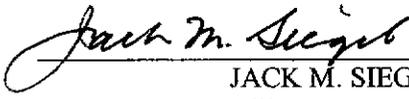
ATTACHMENT C and L

(TIF III)

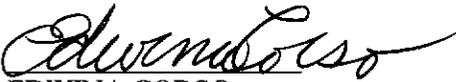
I, JACK M. SIEGEL, Village Attorney of the Village of Arlington Heights, County of Cook, State of Illinois, and have been such throughout the fiscal year covered by this report, May 1, 2005 to April 30, 2006, do hereby state as follows:

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 III, for the fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006

  
\_\_\_\_\_  
JACK M. SIEGEL, P.C.  
Village Attorney

ATTEST:

  
\_\_\_\_\_  
EDWINA CORSO  
Village Clerk



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society*

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 July 28, 2006, 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, 2006. 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, 2006 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.

*Sikich LLP*

Aurora, Illinois  
July 28, 2006

**ATTACHMENT D**

(TIF III)

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 III, between May 1, 2005 and April 30, 2006.

1. Marketing/Promotional.

December 8, 2006



WILLIAM C. DIXON  
Village Manager

ATTEST:



EDWINA CORSO  
Village Clerk

**ATTACHMENT E**

(TIF III)

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 III, in the fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006

  
\_\_\_\_\_  
WILLIAM C. DIXON  
Village Manager

ATTEST:

  
EDWINA CORSO  
Village Clerk

**ATTACHMENT F and K**

(TIF III)

**SEE ATTACHED**

Village of Arlington Heights  
Analysis of T.I.F. III Fund  
For the Fiscal Year Ended April 30, 2006

Beginning Balance May 1, 2005: \$305,017

Deposits:

Property Taxes	184,296
State Sales Tax	0
Local Sales Tax	138,170
Interest	18,197
Loan Repayments	0
Bond Proceeds	0

Total 340,663

Balance plus Deposits \$645,680

Expenditures:

Redevelopment	22,917
Service charge	0
Debt Service	271,313
Bond Issuance Costs	0

Total 294,230

Ending Balance April 30, 2006: \$351,450

Ending Balance by Source:

Property Tax	195,083
Local Sales Tax	138,170
Interest	18,197
	<u>351,450</u>

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

REPORT YEAR (ENDING YR)

SOURCE YEAR	BALANCE 2006	BALANCE 2007	BALANCE 2008	BALANCE 2009	BALANCE 2010
2004-05					
PROPERTY	10,787	0			
LOCAL SALES	0	0			
STATE SALES	0	0			
INTEREST	0	0			
BOND PROCEED	0	0			
OTHER	0	0			
TOTAL	10,787	0			
2005-06					
PROPERTY	184,296	0			
LOCAL SALES	138,170	0	0		
STATE SALES	0	0	0		
INTEREST	18,197	0	0		
BOND PROCEED	0	0	0		
OTHER	0	0	0		
TOTAL	340,663	0	0		
2006-07					
PROPERTY			0		
LOCAL SALES			0	0	
STATE SALES			0	0	
INTEREST			0	0	
BOND PROCEED			0	0	
OTHER			0	0	
TOTAL			0	0	
2007-08					
PROPERTY				0	0
LOCAL SALES				0	0
STATE SALES				0	0
INTEREST				0	0
BOND PROCEED				0	0
OTHER				0	0
TOTAL				0	0
2008-09					
PROPERTY					0
LOCAL SALES					0
STATE SALES					0
INTEREST					0
BOND PROCEED					0
OTHER					0
TOTAL					0
ENDING BALANCE	351,450	0	0	0	0

Balance required for debt sevice and additional redevelopment projects.

TIF III

<u>2004</u>	<u>Rate</u>	<u>2003</u>	<u>2004</u>	<u>Variance</u>
0.654	Cook Cty	29,790	30,465	675
0.347	MSD	14,895	16,164	1,269
1.128	Mun	48,522	52,545	4,023
5.234	Schools	245,290	243,813	(1,477)
0.465	Park	21,290	21,661	371
0.072	Other	3,301	3,354	53
<u>7.900</u>		<u>363,088</u>	<u>368,002</u>	<u>4,914</u>

5,581,877 - 2004 EAV

(923,618) - Base

4,658,259 - Increase from Base

Village of Arlington Heights  
 Additional T.I.F. III Information  
 Fiscal 2006 Annual Report

Initial Equalized Assessed Valuation	\$923,618
Current Equalized Assessed Valuation (2004)	\$5,581,877
Incremental revenues generated from 2004 EAV	\$368,002
Incremental revenues generated from previous year EAV	363,088
Annual change	<u>\$4,914</u>

Breakdown of change by taxing district:

Cook County & Forest Preserve	\$675
Metropolitan Reclamation District of Greater Chicago	1,269
Municipality	4,023
School District(s)	(1,477)
Park District(s)	371
Other	53
Total	<u>\$4,914</u>

**ATTACHMENT I**

(TIF III)

I, EDWINA CORSO, Village Clerk, do hereby certify that the Village of Arlington Heights, County of Cook, State of Illinois, did not authorize any obligations between May 1, 2005 and April 30, 2006, in Tax Increment Financing District Number III.

December 8, 2006

  
EDWINA CORSO  
Village Clerk