

**VILLAGE OF ARLINGTON HEIGHTS**

**TIF III**

**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'.

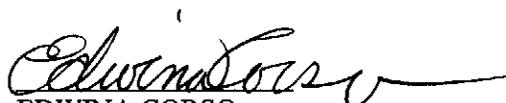
Aurora, Illinois  
September 14, 2009

**ATTACHMENT A**

(TIF 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, 2008 to April 30, 2009.

November 17, 2009

  
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, 2008 to April 30, 2009

November 17, 2009.

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

ATTEST:

  
EDWINA CORSO  
Village Clerk

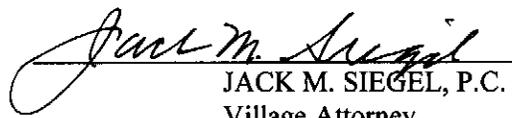
**ATTACHMENT C and L**

(TIF 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, 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 III, 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 III)

**SEE ATTACHED**

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF III 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	
<b>REVENUES</b>				
Property taxes	\$ 398,000	\$ 398,000	\$ 380,438	\$ 398,742
Investment income	30,000	30,000	27,296	40,442
Total revenues	428,000	428,000	407,734	439,184
<b>EXPENDITURES</b>				
Current				
Community development				
Administration	30,000	51,352	31,250	7,367
Contractual services	30,000	30,000	-	-
Total expenditures	60,000	81,352	31,250	7,367
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	368,000	346,648	376,484	431,817
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(257,200)	(257,200)	(257,200)	(227,900)
Total other financing sources (uses)	(257,200)	(257,200)	(257,200)	(227,900)
NET CHANGE IN FUND BALANCE	\$ 110,800	\$ 89,448	119,284	203,917
FUND BALANCE, MAY 1			873,810	669,893
FUND BALANCE, APRIL 30			\$ 993,094	\$ 873,810

(See independent auditor's report.)

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

Beginning Balance May 1, 2008: \$873,810

Deposits:

Property Taxes	380,438
State Sales Tax	0
Local Sales Tax	0
Interest	27,296
Loan Repayments	0
Bond Proceeds	0

Total	<u>407,734</u>
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Balance plus Deposits	\$1,281,544
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Expenditures:

Redevelopment	31,250
Service charge	0
Debt Service	257,200
Bond Issuance Costs	0

Total	<u>288,450</u>
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Ending Balance April 30, 2009	<u><u>\$993,094</u></u>
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Ending Balance by Source:

Property Tax	925,356
Local Sales Tax	0
Interest	67,738
	<u>993,094</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
<b>2004-05</b>					
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			
<b>2005-06</b>					
PROPERTY	184,296	184,296			
LOCAL SALES	138,170	36,627	0		
STATE SALES	0	0	0		
INTEREST	18,197	18,197	0		
BOND PROCEED	0	0	0		
OTHER	0	0	0		
TOTAL	340,663	239,120	0		
<b>2006-07</b>					
PROPERTY		394,911	434,626	146,176	
LOCAL SALES		0	0	0	
STATE SALES		0	0	0	
INTEREST		35,861	0	0	
BOND PROCEED		0	0	0	
OTHER		0	0	0	
TOTAL		430,773	434,626	146,176	
<b>2007-08</b>					
PROPERTY			398,742	398,742	0
LOCAL SALES			0	0	0
STATE SALES			0	0	0
INTEREST			40,442	40,442	0
BOND PROCEED			0	0	0
OTHER			0	0	0
TOTAL			439,184	439,184	0
<b>2008-09</b>					
PROPERTY				380,438	0
LOCAL SALES				0	0
STATE SALES				0	0
INTEREST				27,296	0
BOND PROCEED				0	0
OTHER				0	0
TOTAL				407,734	0
ENDING BALANCE	351,450	669,893	873,810	993,094	0

Balance required for debt service and additional redevelopment projects.

Village of Arlington Heights  
 Additional T.I.F. III Information  
 Fiscal 2008 Annual Report

Initial Equalized Assessed Valuation	\$923,618
Current Equalized Assessed Valuation (2006)	\$6,244,423
Incremental revenues generated from 2006 EAV	\$380,438
Incremental revenues generated from previous year EAV	398,741
Annual change	(\$18,303)

Breakdown of change by taxing district:

Cook County & Forest Preserve	(\$597)
Metropolitan Reclamation District of Greater Chicago	(47)
Municipality	(2,798)
School District(s)	(13,422)
Park District(s)	(1,296)
Other	(143)
Total	(\$18,303)

TIF III

<u>2007</u>	<u>Rate</u>	<u>2006</u>	<u>2007</u>	<u>Variance</u>
0.511	Cook Cty	27,786	27,189	(597)
0.263	MSD	14,041	13,994	(47)
1.134	Mun	63,136	60,338	(2,798)
4.771	Schools	267,278	253,856	(13,422)
0.404	Park	22,792	21,496	(1,296)
0.067	Other	3,708	3,565	(143)
<u>7.150</u>		<u>398,741</u>	<u>380,438</u>	<u>(18,303)</u>

6,244,423	- 2007 EAV
<u>(923,618)</u>	- Base
<u>5,320,805</u>	- Increase from Base

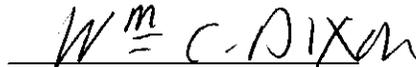
**ATTACHMENT D**

(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, 2008 and April 30, 2009.

1. Marketing/Promotional.

November 17, 2009

  
WILLIAM C. DIXON  
Village Manager

ATTEST: r

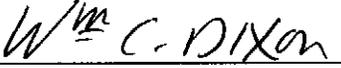
  
EDWINA CORSO  
Village Clerk

**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, 2008 to April 30, 2009.

November 17, 2009

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

ATTEST:

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

**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, 2008 and April 30, 2009, in Tax Increment Financing District Number III.

November 17, 2009

  
EDWINA CORSO  
Village Clerk

**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 <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/></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 \$ 873,810.00

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

			% of Total
Property Tax Increment	\$ 380,438	\$ 2,970,484	45%
State Sales Tax Increment			0%
Local Sales Tax Increment	\$ -	\$ 615,187	9%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 27,296	\$ 293,278	4%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 2,783,526	42%
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** \$ 407,734

**Cumulative Total Revenues/Cash Receipts** \$ 6,662,475 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ 288,450.00

**Distribution of Surplus** \$ -

**Total Expenditures/Disbursements** \$ 288,450

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** \$ 119,284

**FUND BALANCE, END OF REPORTING PERIOD** \$ 993,094

- 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
<b>1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)</b>		
		\$ -
<b>2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)</b>		
Marketing	31,250	
		\$ 31,250
<b>3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)</b>		
		\$ -
<b>4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)</b>		
		\$ -
<b>5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)</b>		
		\$ -
<b>6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY</b>		
		\$ -



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>		<b>\$ 288,450</b>



**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** \$ 993,094

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
Capital Projects	\$ 3,000,000	\$ 1,770,000

**Total Amount Designated for Obligations** \$ 3,000,000 | \$ 1,770,000

<b>2. Description of Project Costs to be Paid</b>		
Marketing		\$ 30,000
Administrative Service Charge		\$ 15,000
Consultants		\$ 30,000

**Total Amount Designated for Project Costs** \$ 75,000

**TOTAL AMOUNT DESIGNATED** \$ 1,845,000

**SURPLUS\*/(DEFICIT)** \$ (851,906)

\* 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
<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

