

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

FY 2014

Name of Redevelopment Project Area:	TIF #3 NORTH AVENUE
Primary Use of Redevelopment Project Area*:	COMMERCIAL
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)] 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
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	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.

FY 2014

TIF NAME: TIF #3 NORTH AVENUE

Fund Balance at Beginning of Reporting Period

\$ 3,360,818

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 186,845	\$ 13,715,647	75%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 1,679	\$ 81,414	0%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 3,700,000	20%
Transfers from Municipal Sources			0%
Private Sources		\$ 417,091	2%
Other (identify source _____; if multiple other sources, attach schedule) SEE ATTACHED SCHEDULE	\$ 192,759	\$ 277,928	2%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 381,283

Cumulative Total Revenues/Cash Receipts

\$ 18,192,080 100%

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

\$ 1,094,605

Distribution of Surplus

Total Expenditures/Disbursements

\$ 1,094,605

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

\$ (713,322)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 2,647,496

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

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3)

\$ (17,462,860)

Other Revenue	
Rental Income	\$ 46,000
Build America Bonds Interest	\$ 130,919
Cell Tower Rent	\$ 15,840
Total Other Revenue	\$ 192,759

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2014

TIF NAME: TIF #3 NORTH AVENUE

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)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
LEGAL	14,781	
SURVEY	3,530	
ADMINISTRATIVE	1,169	
ENGINEERING	59,104	
PROFESSIONAL SERVICES	3,938	
TRADE SHOW BOOTH	400	
APPRAISAL REPORTS	3,245	
ADMINISTRATIVE/PERSONNEL COSTS	44,072	
MAINTENANCE LABOR COSTS	12,798	
		\$ 143,036
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
FOR SALE SIGNS	1,104	
		\$ 1,104
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
EQUIPMENT	845	
		\$ 845
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private 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

FY 2014

TIF NAME: TIF #3 NORTH AVENUE

FUND BALANCE, END OF REPORTING PERIOD \$ 2,647,496

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
2008 DEBT CERTIFICATE	\$ 3,700,000	\$ 4,851,444
GENERAL OBLIGATION (ALT. REV) BONDS, SERIES 2009A	\$ 2,500,000	\$ 3,112,188
TAXABLE GEN OBLIGATION (ALT. REV.) BONDS 2009B	\$ 7,000,000	\$ 12,146,725

Total Amount Designated for Obligations \$ 13,200,000 \$ 20,110,356

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 20,110,356

SURPLUS*/(DEFICIT) \$ (17,462,860)

* 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)]

FY 2014

TIF NAME: TIF #3 NORTH AVENUE

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)

PAGE 1

FY 2014

TIF NAME: TIF #3 NORTH AVENUE

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below* _____ <u>3</u>			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 1,500,000	\$ -	\$ 4,000,000
Public Investment Undertaken	\$ 2,524,000	\$ -	\$ 2,001,422
Ratio of Private/Public Investment	41/69		2

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

WILDFIRE			
Private Investment Undertaken (See Instructions)	\$ 1,500,000		\$ 4,000,000
Public Investment Undertaken	\$ 1,300,000		\$ 1,300,000
Ratio of Private/Public Investment	1 2/13		3 1/13

Project 2:

198 W. NORTH AVE.

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 894,000		\$ 371,422
Ratio of Private/Public Investment	0		0

Project 3:

824 N. YALE

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 330,000		\$ 330,000
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Project 21:			
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

Village of Villa Park, Illinois

Unit Code 022/100/32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Deborah Bullwinkel, the President of the Village of Villa Park, DuPage County, Illinois, certify that the City has complied with all of the requirements of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1, *et seq.*, during the fiscal year ending April 30, 2014, in connection with the administration of the North Avenue (TIF 3) Tax Increment Redevelopment Project Area.



Deborah Bullwinkel, President

ATTACHMENT B

LAW OFFICE
KATHLEEN FIELD ORR & ASSOCIATES
53 West Jackson Blvd., Suite 964
Chicago, Illinois 60604
(312)382-2113
(312)382-2127 facsimile

KATHLEEN FIELD ORR
kfo@kfoassoc.com

October 27, 2014

Judith Baar Topinka, State Comptroller
State of Illinois Building
100 West Randolph Street
Suite 15-500
Chicago, Illinois 60601

*Re: Village of Villa Park TIF #3 North Avenue for the Fiscal Year Ending April 30,
2014*

Dear Sir:

I, Kathleen Field Orr, am the Tax Increment Financing attorney for the Village of Villa Park, DuPage County, Illinois, and have been such throughout the fiscal year covered by this Report.

I reviewed all of the information provided to me by the Village Administration and I find that the Village of Villa Park, Illinois, has conformed with all of the applicable provisions of the Illinois Tax Increment Allocation Redevelopment Act.

This opinion relates only to the time periods set forth and is based on all information available to me at the end of said fiscal year.

Very truly yours,

KATHLEEN FIELD ORR & ASSOCIATES



KATHLEEN FIELD ORR

KFO/kms

VILLAGE OF VILLA PARK, ILLINOIS
TAX INCREMENT FINANCING FUND,
TAX INCREMENT FINANCING FUND TWO
TAX INCREMENT FINANCING FUND THREE
AND
TAX INCREMENT FINANCING FUND FOUR
FINANCIAL AND COMPLIANCE REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2014

**VILLAGE OF VILLA PARK, ILLINOIS
TAX INCREMENT FINANCING FUND, TAX INCREMENT FINANCING FUND TWO, TAX
INCREMENT FINANCING FUND THREE AND TAX INCREMENT FINANCING FUND
FOUR**

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

August 25, 2014

The Honorable Village President
Members of the Board of Trustees
Village of Villa Park, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four of the Village of Villa Park, Illinois as of and for the year ended April 30, 2014, which collectively comprise the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four as listed in the table of contents. The basic financial statements are the responsibility of the Village of Villa Park, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four of the Village of Villa Park, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Villa Park, Illinois, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four of the Village of Villa Park, Illinois as of April 30, 2014, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated August 25, 2014, on our consideration of the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four's compliance with laws, regulations, contracts and grants.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

**VILLAGE OF VILLA PARK, ILLINOIS
 TAX INCREMENT FINANCING FUND AND TAX INCREMENT FINANCING FUND TWO, TAX
 INCREMENT FINANCING FUND THREE AND TAX INCREMENT FINANCING FUND FOUR**

**Balance Sheet
 April 30, 2014**

	Tax Increment Financing	Tax Increment Financing Two	Tax Increment Financing Three	Tax Increment Financing Four
ASSETS				
Cash and Investments	\$ 23,870	295,806	2,609,334	252
Receivables - Net of Allowances				
Property Taxes	134,704	835,137	90,822	10,180
Due from Other Funds		4,300	-	
Due from Other Governments	-	-	77,459	-
Total Assets	<u>158,574</u>	<u>1,135,243</u>	<u>2,777,615</u>	<u>10,432</u>
LIABILITIES				
Accounts Payable	-	5,500	39,298	-
Due to Other Funds	-	-	-	4,300
Total Liabilities	<u>-</u>	<u>5,500</u>	<u>39,298</u>	<u>4,300</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	134,703	835,137	90,821	10,180
Total Liabilities and Deferred Inflows of Resource	<u>134,703</u>	<u>840,637</u>	<u>130,119</u>	<u>14,480</u>
FUND BALANCES				
Restricted	<u>23,871</u>	<u>294,606</u>	<u>2,647,496</u>	<u>(4,048)</u>
Total Liabilities, Deferred Inflows of Resource and Fund Balances	<u>158,574</u>	<u>1,135,243</u>	<u>2,777,615</u>	<u>10,432</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF VILLA PARK, ILLINOIS
TAX INCREMENT FINANCING FUND AND TAX INCREMENT FINANCING FUND TWO, TAX
INCREMENT FINANCING FUND THREE AND TAX INCREMENT FINANCING FUND FOUR**

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended April 30, 2014**

	Tax Increment Financing	Tax Increment Financing Two	Tax Increment Financing Three	Tax Increment Financing Four
Revenues				
Taxes				
Property Taxes	\$ 134,167	823,176	186,845	564
Interest	17	128	1,679	-
Miscellaneous	-	-	192,759	-
Total Revenues	134,184	823,304	381,283	564
Expenditures				
General Government	140,161	709,554	345,642	5,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,977)	113,750	35,641	(5,231)
Other Financing (Uses)				
Transfers Out	-	(69,775)	(748,963)	-
Net Change in Fund Balance	(5,977)	43,975	(713,322)	(5,231)
Fund Balance - Beginning	29,848	250,631	3,360,818	1,183
Fund Balance - Ending	23,871	294,606	2,647,496	(4,048)

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF VILLA PARK, ILLINOIS
TAX INCREMENT FINANCING FUND, TAX INCREMENT FINANCING FUND TWO, TAX
INCREMENT FINANCING THREE AND TAX INCREMENT FINANCING FUND FOUR**

**Notes to the Financial Statements
April 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The operations of Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four are accounted for through special revenue funds of the Village of Villa Park, Illinois. It applies the following policies:

Basis of Accounting

The financial statements are prepared on the modified accrual basis of accounting under which revenue is recognized when it becomes both measurable and available, and expenditures generally are recognized when the liability is incurred.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

August 25, 2014

The Honorable Village President
Members of the Board of Trustees
Village of Villa Park, Illinois

We have audited the accompanying basic financial statements of the governmental activities of the Tax Increment Financing Fund, Tax Increment Financing Fund Two, Tax Increment Financing Fund Three and Tax Increment Financing Fund Four of the Village of Villa Park, Illinois, as of and for the year ended April 30, 2014, and have issued our report thereon dated August 25, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing Districts are the responsibility of the Village of Villa Park's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

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

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP