

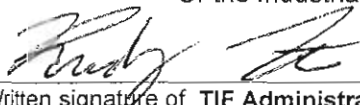
**FY 2010
ANNUAL TAX INCREMENT FINANCE REPORT**

Name of Municipality	Dekalb	Reporting Fiscal Year	2010
Unit Code	019/015/30	Fiscal Year End	6/30/2010
County	DEKALB		

TIF Administrator Contact Information

First Name:	Rudy Espiritu, Assistant City Manager		
Address:	200 S 4th St		
City:	Dekalb, Illinois	Zip:	60115
Telephone:	(815) 748-2393	E-Mail:	

I attest to the best of my knowledge, this report of the redevelopment project areas in:
Dekalb City
is complete and accurate at the end of this reporting fiscal year under the Tax Increment Allocation
Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]



Written signature of TIF Administrator

12/7/10
Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY), ADD ADDITIONAL ROWS AS NECESSARY

Name of Redevelopment Project Area	Date Designated	Date Terminated
Central Area	12/22/1986	
Nursing Home RPA	12/13/1999	12/14/2009 <i>AD 09-79</i>
TIF 2	3/27/1995	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

2010 TIF#2

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*: Combination/mixed
If "Combination/Mixed" List Component Types: Commercial/residential
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <u> X </u> Industrial Jobs Recovery Law <u> </u>

	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.

Reporting Year	Cumulative
----------------	------------

Fund Balance at Beginning of Reporting Period \$ 1,220,083.00

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 2,073,700	\$ 7,492,318	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
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 \$ 2,073,700

Cumulative Total Revenues/Cash Receipts \$ 7,492,318 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 936,685

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 936,685

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 1,137,015

FUND BALANCE, END OF REPORTING PERIOD \$ 2,357,098

- 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)		
Developmental services/economic development incentives	316,473	
Administration	165,873	
		\$ 482,346
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
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)		
Streets/Alleys	192,391	
Street Construction/Reconstruction	446	
Remodeling/Renovation	161,441	
		\$ 354,278
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		
		\$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
		\$ -
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
Private Prop Rehab/Redevelopment	100,061	
		\$ 100,061
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		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 936,685

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 \$ 2,357,098

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid

Contractual Services		\$ 200,000
Permanent Improvements		\$ 320,000
Transfers		\$ 167,468
Municipal Building Renovations		\$ 2,850,000

Total Amount Designated for Project Costs \$ 3,537,468

TOTAL AMOUNT DESIGNATED \$ 3,537,468

SURPLUS*/(DEFICIT) \$ (1,180,370)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

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.

 x **No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area**

	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
11/1/99 to Date		

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

Project 1:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
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



Established 1856

DEKALB MUNICIPAL BUILDING

200 South Fourth Street
DeKalb, Illinois 60115
www.cityofdekalb.com
(815) 748-2000

ATTACHMENT "B"

December 10, 2010

Office of the Comptroller
Local Government Division
100 West Randolph
Suite 15-500
Chicago, Illinois 60601

Dear Local Government Division:

The City of DeKalb was in compliance with the Tax Increment Allocation
Redevelopment Act for its Tax Increment Financing District No.2 for Fiscal Year
2010.

Sincerely,

Kris Povlsen
Mayor

City of
DEKALB

Established 1856

DEKALB MUNICIPAL BUILDING

200 South Fourth Street
DeKalb, Illinois 60115
www.cityofdekalb.com
(815) 748-2000

December 10, 2010

Office of the Comptroller
Local Government Division
100 West Randolph
Suite 15-500
Chicago, Illinois 60601

Dear Local Government Division:

The City of DeKalb was in compliance with the Tax Increment Allocation
Redevelopment Act for its Tax Increment Financing District No.2 for Fiscal Year
2010.

Sincerely,

Norma Guess
City Attorney



AGREEMENT

This Agreement Made and Entered into in duplicate original this 1st day of July, 1993, by and between the City of DeKalb, a municipal corporation of the State of Illinois, hereinafter referred to as "City", and Barb City Manor, Inc., an Illinois not-for-profit corporation, hereinafter referred to as "BCM", WITNESSETH:

WHEREAS, City has determined that there is an on-going need to provide services to encourage, promote, and engage in the development and operation of low and moderate income housing for senior citizens; and

WHEREAS, City desires that BCM provide such services to the citizens of the City of DeKalb; and

WHEREAS, BCM is capable of and desires to provide such services; now

THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, City and BCM agree as follows:

1. TERM

The term of this Agreement shall be from July 1, 1993 until June 30, 2013, unless otherwise terminated sooner under the provisions of this Agreement.

2. SCOPE OF SERVICE

BCM shall provide for the development and operation of housing for low and moderate income senior citizens as set forth in Exhibit "A" attached hereto and made a part hereof by reference.

3. LOCATION

BCM shall operate said housing and perform the services provided for in paragraph 2 at the improvements located at 680 Haish Boulevard, DeKalb, Illinois, hereinafter referred to as "Premises", unless otherwise agreed by the parties hereto. City shall retain title and ownership of Premises and BCM shall have no ownership or other interest in said Premises beyond the scope of the terms set forth herein. The legal description for Premises is set forth in Exhibit "B" attached hereto and made a part hereof by reference.

4. TENANT RATIO

BCM in providing housing for low and moderate income senior citizens, shall maintain a tenant ratio of at least 51% DeKalb residents and not more than 49% non-DeKalb residents. For purposes of this provision, "DeKalb residents" shall mean tenants who were residents within the City of DeKalb immediately prior to becoming tenants of Premises and tenants who have an immediate

family member who is a resident of DeKalb. "Non-DeKalb residents" shall mean tenants who were not living within the City of DeKalb immediately prior to becoming tenants of Premises and who did not have an immediate family member who is a resident of DeKalb. If a waiting list is established, BCM shall give priority to "DeKalb residents" in filling any vacancies.

5. SCOPE OF SERVICE

City may terminate this Agreement upon 180 days prior to written notice to BCM should BCM fail to provide low and moderate income senior citizen housing and/or provide the services referenced in paragraph 2 above.

6. INSURANCE

City shall acquire and maintain in full force and effect during the term of this Agreement, policies of insurance through private companies or under its self-insurance program covering the structures on the Premises against property damage and fire.

BCM shall acquire and maintain in full force and effect during the term of this Agreement policies of insurance in connection with providing retirement housing services at Premises including, but not limited to public liability insurance, personal injury insurance, theft, building contents, and worker's compensation insurance. The City of DeKalb shall be named as an additional insured under each such policy with a provision that City shall receive written notice thirty (30) days in advance of any action by the insurance company to non-renew or cancel such policy.

7. MAINTENANCE AND REPAIRS

BCM shall, subject to the provisions below, keep and maintain in thorough repair and good and safe condition, the Premises and improvements constructed thereon and its full equipment and appurtenances, and each and every part of them, and shall use reasonable precaution to prevent waste, damage or injury.

In addition to the foregoing, BCM shall indemnify and save harmless City from and against any and all costs, expenses, claims, losses, damages, fines, penalties and reasonable attorney's fees because of or due to BCM's failure to comply with the foregoing.

BCM shall, at its own expense, perform all maintenance and repairs on Premises, when such maintenance or repair costs less than Ten Thousand Dollars (\$10,000) per maintenance or repair activity to perform and shall also be responsible for the first Ten Thousand Dollars (\$10,000) of any maintenance or repair activity that exceeds Ten Thousand Dollars (\$10,000).

City shall be responsible for that portion of any maintenance or repair activity that exceeds Ten Thousand Dollars (\$10,000).



Any maintenance or repair activity that is reasonably expected to exceed Ten Thousand Dollars (\$10,000) shall only be performed after consultation with City and only with the prior approval of City except in emergency conditions. Any maintenance or repair activity reasonably anticipated to exceed Ten Thousand Dollars (\$10,000) shall be competitively bid by BCM in consultation with City.

BCM agrees that it will not allow any mechanics liens to be recorded against Premises, for any maintenance or repair activities costing less than Ten Thousand Dollars (\$10,000) to perform. If, because of any act or omission of BCM, any mechanic's lien or other lien or order for payment of money shall be filed against Premises, or other improvements there or against City, BCM, at BCM's sole expense, shall cause the same to be canceled and discharged or recorded or bonded within sixty (60) days after the date of filing thereof. BCM shall indemnify and save harmless City against all costs, expenses, claims, losses or damages resulting therefrom.

8. STRUCTURAL CHANGES AND PERMANENT IMPROVEMENTS

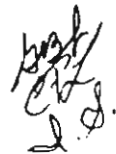
BCM may make structural changes or construct permanent improvements on Premises, during the term of this Agreement only with the prior written consent of City and the cost of such structural changes and/or permanent improvements shall be borne by BCM unless otherwise agreed to in writing by City. City shall waive all inspection and permit fees for such improvements except those fees such as water taps that reflect an actual cost incurred by City. The waiver of such fees shall not relieve BCM of the obligation to obtain all necessary permits.

9. LAWS AND ORDINANCES

During the term of this Agreement, BCM, at its sole expense, shall promptly comply with all present or future laws, rules, requirements, orders, directions, ordinances and regulations of the United States, the State of Illinois, county or municipal governments, or of any other municipal, governmental, or lawful authority, affecting the use of Premises or appurtenances, or any part of them for intended purpose under this Agreement; to provide housing for low and moderate income senior citizens.

10. LIABILITY

City shall not be liable for any injury, claim or damage to any person happening on or about Premises, or to any tenant, guest, invitee, agent or employee of BCM, or to any property of BCM, or to any property of any other person on or about Premises, where such injury, claim or damage was not caused by an act or omission by City, or its agents or servants. BCM shall indemnify and hold harmless City for all claims, suits or actions taken to establish liability against City where City, its agents and employees have not been the cause of such injury or damage and shall reimburse City for the cost of any reasonable attorney's fees City may incur to defend any such liability for any injury, claim or damage.

Handwritten signature and initials, possibly "J.S.", in the bottom right corner of the page.

11. NON-DISCRIMINATION IN RENTING

BCM agrees, that except for the age, income and residency requirements established for tenants contained in Exhibit "A" and in paragraph 4, it shall not otherwise discriminate in providing housing under the provisions of this Agreement based on an applicant's race, religion, color, sex, national origin or ancestry.

12. MAINTENANCE OF GROUNDS, PARKING LOTS AND SIDEWALKS

BCM shall be solely responsible for mowing all grassed areas on Premises and shall cause the sidewalks adjacent to Premises to be maintained in a good and safe condition, free of snow and ice and shall also keep the parking lots covered under this Agreement in a good and safe condition at all times.

BCM shall indemnify and hold harmless City, its employees, agents and servants from any and all claims or causes of action arising out of BCM's failure to comply with the foregoing.

13. CHAPTER 35 DETERMINATION

This Agreement may be terminated by either party upon 180 days prior written notice to the other party if a determination should be made by the appropriate state or county official that Premises are assessable under the provisions of Chapter 35, Paragraphs 205/19.6, 205/19.7 or any other statutory provision of the Illinois Compiled Statutes. Unless otherwise mutually agreed, BCM and City shall equally share payments for any lawful real estate assessments.

14. DEFAULT

If BCM should default in the performance of any of the terms, covenants or conditions of this Agreement, and such default shall continue for a period of sixty (60) days after written notice by City (except if BCM shall, within said period of time, commence to remedy such default); upon expiration of the time fixed in such notice, if BCM has neither cured such default nor is diligently proceeding to cure such default, this Agreement as well as the right, title and interest of BCM under it shall wholly cease and expire in the same manner and with the same force and effect as the date fixed by such latter notice.

15. CITY'S CONSENT

Whenever City's consent in writing to any act to be performed by BCM is required under this Agreement, City agrees that its consent will not unreasonably be withheld.

16. SUBLEASE OR ASSIGNMENT

This Agreement shall inure only to the benefit of BCM and City. This Agreement may not be assigned nor may any part of Premises be subleased without the prior written consent of City.

17. SEVERABILITY

If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein and the Agreement shall remain valid and enforceable to the greatest extent permitted by law.

CITY OF DEKALB

BARB CITY MANOR, INC.

BY: *Greg Sparrow*
Greg Sparrow, Mayor

BY: *Peter Lawes*
Peter Lawes, Its President

ATTEST:

ATTEST:

Marguerite Hoyt
Marguerite Hoyt, City Clerk

Inez Schmidt
Inez Schmidt, Its Secretary

by *GR*



[Handwritten initials]
d.s.

EXHIBIT "A"

Provision of Services at Premises

The needs and interests of all of the citizens of the DeKalb area will be served by the creation of a living environment primarily for Senior Citizens who are able to provide in part for themselves, but are not able to provide total care for themselves, and to that end Barb City Manor, Inc. shall establish an environment for the benefit of said people in the Premises a safe, clean, decent and sanitary dwelling unit without overcrowding. The Premises will also provide the necessary social environment as well as a balanced nutritional diet each day. This service shall be licensed as a boarding house by the City of DeKalb, but will allow assistance through the social and health care services available in the community.

MSB
CH
L.D.

EXHIBIT "B"

That part of Lot 2 of a dimension of 50 feet by 50 feet located in the Southwest corner of Lot 2; and including Lots 3 through 11, all in Vaughn's Addition and Lots 1 through 7 in Block 10 of Taylor's Addition, all within the City of DeKalb.

[Handwritten signature]
J. D.



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

The Honorable Mayor
Members of the City Council
City of DeKalb, Illinois

We have audited the 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 City of DeKalb, Illinois, as of and for the year ended June 30, 2010, which collectively comprise the City of DeKalb, Illinois's basic financial statements, and have issued our report thereon dated December 3, 2010.

We have also audited the City of DeKalb, Illinois'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). The management of the City of DeKalb, Illinois, is responsible for the City of DeKalb, Illinois's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of DeKalb, Illinois's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of DeKalb, 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).

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, the Illinois State Comptrollers Office and the joint review boards 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 LP'.

Aurora, Illinois
December 3, 2010

CITY OF DEKALB, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended
June 30, 2010

Prepared by the Administrative Services Department

Rudy Espiritu
Assistant City Manager

Ted Kozinski
Comptroller/Treasurer

CITY OF DEKALB, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of DeKalb, Illinois

We have audited the 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 City of DeKalb, Illinois, for the year ended June 30, 2010, which collectively comprise the City of DeKalb, Illinois's basic financial statements, and have issued our report thereon dated December 3, 2010. These financial statements are the responsibility of the City of DeKalb, Illinois's management. Our responsibility is to express opinions on these financial statements based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. 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 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 provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of DeKalb, Illinois's basic financial statements. The accompanying combining schedule of revenues, expenditures, and changes in fund balances and schedules of fund balance by source for the County Home Tax Increment Financing Fund, Tax Increment Financing #1 Fund, Tax Increment Financing #2 Fund and Tax Increment Financing Debt Service Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads 'Sikich LLP'.

Aurora, Illinois
December 3, 2010

SUPPLEMENTARY INFORMATION

CITY OF DEKALB, ILLINOIS
TAX INCREMENT FINANCING DISTRICTS REDEVELOPMENT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2010

	Capital Projects Funds			Debt Service Fund TIF Debt Service	Total (Memorandum Only)
	Tax Increment Financing #1	Tax Increment Financing #2	County Home Tax Increment Financing		
REVENUES					
Taxes	\$ 8,361,066	\$ 2,073,700	\$ 311,219	\$ -	\$ 10,745,985
Investment Income	61,611	-	-	385	61,996
Miscellaneous	1,992	-	-	-	1,992
Total Revenues	8,424,669	2,073,700	311,219	385	10,809,973
EXPENDITURES					
Capital Outlay					
Contractual Services	148,482	675,183	300,071	-	1,123,736
Permanent Improvements	11,609,910	261,502	-	-	11,871,412
Debt Service					
Principal Retirement	-	-	-	8,850,000	8,850,000
Interest Charges	-	-	-	342,641	342,641
Total Expenditures	11,758,392	936,685	300,071	9,192,641	22,187,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,333,723)	1,137,015	11,148	(9,192,256)	(11,377,816)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	8,172,302	8,172,302
Transfers (Out)	(8,172,302)	-	-	-	(8,172,302)
Notes Issued, at Par	4,383,291	-	-	1,000,000	5,383,291
Bonds Issued, at Par	10,800,000	-	-	-	10,800,000
Premium on Bond Issue	336,326	-	-	-	336,326
Total Other Financing Sources (Uses)	7,347,315	-	-	9,172,302	16,519,617
NET CHANGE IN FUND BALANCES	4,013,592	1,137,015	11,148	(19,954)	5,141,801
FUND BALANCES (DEFICIT), JULY 1	7,554,750	1,220,083	(11,148)	578,956	9,342,641
FUND BALANCES (DEFICIT), JUNE 30	\$ 11,568,342	\$ 2,357,098	\$ -	\$ 559,002	\$ 14,484,442

(See independent auditor's report.)

CITY OF DEKALB, ILLINOIS
TAX INCREMENT FINANCING #2 FUND
SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended June 30, 2010

BEGINNING BALANCE, JULY 1, 2009	<u>\$ 1,220,083</u>
DEPOSITS	
Property Taxes	<u>2,073,700</u>
Total Deposits	<u>2,073,700</u>
Balance Plus Deposits	<u>3,293,783</u>
EXPENDITURES	
Capital Outlay	<u>936,685</u>
Total Expenditures	<u>936,685</u>
ENDING BALANCE, JUNE 30, 2010	<u><u>\$ 2,357,098</u></u>
ENDING BALANCE BY SOURCE	
Property Tax	<u>\$ 2,357,098</u>
Subtotal	2,357,098
Less Surplus Funds	<u>-</u>
ENDING BALANCE	<u><u>\$ 2,357,098</u></u>

(See independent auditor's report.)