



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Village of Palatine
County: Cook
Unit Code: 016/430/32

Reporting Fiscal Year: **2010**
Fiscal Year End: **12 / 31 /2010**

TIF Administrator Contact Information

First Name: Reid Last Name: Ottesen
Address: 200 E Wood Street Title: Village Manager
Telephone: 847-359-9050 City: Palatine Zip: 60067
E-Mail: findept@palatine.il.us

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City/Village of Palatine 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

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 ONE FOR EACH TIF DISTRICT

**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.]*

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

Name of Redevelopment Project Area: Rand Road Corridor TIF		
Primary Use of Redevelopment Project Area*: Retail		
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.

	Reporting Year	Cumulative
Fund Balance at Beginning of Reporting Period	\$ 11,202,740.00	

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 2,614,632	\$ 15,954,917	36%
State Sales Tax Increment	\$	\$	0%
Local Sales Tax Increment	\$	\$	0%
State Utility Tax Increment	\$	\$	0%
Local Utility Tax Increment	\$	\$	0%
Interest	\$ 3,101	\$ 354,443	1%
Land/Building Sale Proceeds	\$	\$	0%
Bond Proceeds	\$ -	\$ 25,625,000	58%
Transfers from Municipal Sources	\$ 9,293	\$ 2,239,452	5%
Private Sources	\$	\$ -	0%
Other (identify source _____; if multiple other sources, attach schedule)	\$	\$	0%

Total Amount Deposited in Special Tax Allocation**Fund During Reporting Period** \$ 2,627,026**Cumulative Total Revenues/Cash Receipts** \$ 44,173,812 100%**Total Expenditures/Cash Disbursements** (Carried forward from Section 3) \$ 2,166,931.00**Distribution of Surplus** \$ -**Total Expenditures/Disbursements** \$ 2,166,931**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENT** \$ 460,095**FUND BALANCE, END OF REPORTING PERIOD** \$ 11,662,835

- 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)		
Legal Fees	9,101	
Professional Services	1,500	
		\$ 10,601
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)		
Property Assembly	613,953	
		\$ 613,953
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)		
Infrastructure Improvements (streets, watermains, etc.)	89,032	
		\$ 89,032

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)		
Debt Service Principal	465,000	
Debt Service Interest & Fiscal Charges	988,345	
		\$ 1,453,345
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)		
		\$ -

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

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**

\$ 11,662,835

Amount of Original Issuance	Amount Designated
--	--------------------------

1. Description of Debt Obligations

General Obligation Bond Series of 2007C	\$ 1,215,000	\$ 1,115,000
Taxable General Obligation Bond Series of 2007D	\$ 9,885,000	\$ 9,170,000
General Obligation Bond Series of 2009B	\$ 8,000,000	\$ 8,000,000

Total Amount Designated for Obligations

\$ 19,100,000	\$ 18,285,000
---------------	---------------

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs

\$ -

TOTAL AMOUNT DESIGNATED

\$ 18,285,000

SURPLUS*/(DEFICIT)

\$ (6,622,165)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts

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

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

TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 34,594,493	\$ 1,500,000	\$ 36,094,493
Public Investment Undertaken	\$ 30,382,599	\$ -	\$ 30,472,293
Ratio of Private/Public Investment	1.14		1.18
Project 1: Walmart			
Private Investment Undertaken (See Instructions)	\$ 10,044,493	\$ -	\$ 10,044,493
Public Investment Undertaken	\$ 3,865,775	\$ -	\$ 3,865,775
Ratio of Private/Public Investment	2.60		2.60
Project 2: Foxfire/Caputo's			
Private Investment Undertaken (See Instructions)	\$ 3,300,000	\$ -	\$ 3,300,000
Public Investment Undertaken	\$ 901,601	\$ -	\$ 941,295
Ratio of Private/Public Investment	3.66		3.51
Project 3: Arlington Toyota			
Private Investment Undertaken (See Instructions)	\$ 10,000,000	\$ -	\$ 10,000,000
Public Investment Undertaken	\$ 13,086,705	\$ -	\$ 13,086,705
Ratio of Private/Public Investment	0.76		0.76
Project 4: Tore & Luke's			
Private Investment Undertaken (See Instructions)	\$ 1,500,000	\$ -	\$ 1,500,000
Public Investment Undertaken	\$ 1,066,390	\$ -	\$ 1,066,390
Ratio of Private/Public Investment	1.41		1.41
Project 5: General Public Improvements			
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ 426,371	\$ -	\$ 426,371
Ratio of Private/Public Investment	0.00		0.00
Project 6: White Castle			
Private Investment Undertaken (See Instructions)	\$ 1,500,000	\$ -	\$ 1,500,000
Public Investment Undertaken	\$ 121,520	\$ -	\$ 121,520
Ratio of Private/Public Investment	12.34		12.34
Project 7: Harley Davidson			
Private Investment Undertaken (See Instructions)	\$ 5,500,000	\$ 1,500,000	\$ 7,000,000
Public Investment Undertaken	\$ 2,600,000	\$ -	\$ 2,600,000
Ratio of Private/Public Investment	2.12		2.69

Project 8: Menards Site

Private Investment Undertaken (See Instructions)			\$	-
Public Investment Undertaken	\$ 8,210,100	\$ -	\$ 8,210,100	
Ratio of Private/Public Investment	0.00			0.00

Project 9: Thrifty Car Sales

Private Investment Undertaken (See Instructions)	\$ 1,900,000	\$ -	\$ 1,900,000	
Public Investment Undertaken	\$ 29,137	\$ -	\$ 29,137	
Ratio of Private/Public Investment	65.21			65.21

Project 10: Sonic Restaurant

Private Investment Undertaken (See Instructions)	\$ 850,000	\$ -	\$ 850,000	
Public Investment Undertaken	\$ 75,000	\$ -	\$ 125,000	
Ratio of Private/Public Investment	11.33			6.80

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

The overlapping taxing districts did not receive a surplus.

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents		Enclosed
Legal description of redevelopment project area		
Map of District		

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

I, Jim Schwantz, the duly elected Mayor and Chief Executive Officer of the Village of Palatine, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the Village complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the fiscal year beginning January 1, 2010 and ending December 31, 2010.



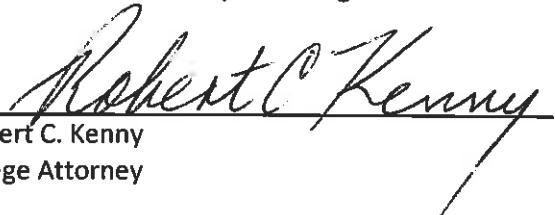
Jim Schwantz
Mayor



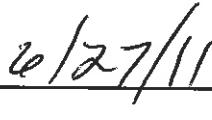
Date

CERTIFICATION BY THE VILLAGE ATTORNEY

This will confirm that I am the duly appointed Village Attorney of the Village of Palatine, County of Cook, State of Illinois. I have reviewed all information provided to me by the Village of Palatine staff and consultants. I find that the Village has conformed to all the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the fiscal year beginning January 1, 2010 and ending December 31, 2010, to the best of my knowledge and belief.



Robert C. Kenny
Village Attorney



Date

Activities Undertaken in Furtherance of the Objectives of the Redevelopment Plan

In 2007, the Council approved a Redevelopment Agreement to allow the redevelopment of the Subject Property as a new Thrifty Used Car dealership consisting of an approximately 7,000 square foot building and related site improvements. Although the Redevelopment Agreement was approved, the Thrifty Used Car dealership only remained open for a short amount of time and the owners never received any of the assistance that was outlined in the original Redevelopment Agreement. In 2010, the Council approved an Amended and Restated Redevelopment Agreement to allow a high end preowned car dealership, Fidelity Motor Group, to occupy the property.

Extension of listing agreement with Bradford Real Estates companies: Following the establishment of the Rand Road TIF District, the Village has taken a proactive role in promoting various commercial redevelopment projects. To further promote commercial development the Village recently acquired two properties along Rand Road, both were acquired entirely with funds from the Village's underlying TIF District. To help maximize the return on the Village's investment, a RFQ process was completed in 2009 to help identify potential brokers and/or developers. Based on the responses, the Council authorized Bradford Real Estate Companies to serve as the selected broker and/or developer. As the agreement was set to expire, the Council approved a one year extension with all terms of the agreement remaining the same.

Firestone/Bridgestone: In 2007, the Village acquired an approximately 4.5 acre vacant parcel at the northwest corner of Rand Road and Spruce Drive. In 2008, a portion of the property was transferred to Tore & Luke's restaurant in conjunction with the acquisition of their former site at the corner of Rand Road and Hicks Road. This previous transaction resulted in the relocation and expansion of Tore & Luke's restaurant as well as the development of the new Arlington Toyota dealership. As no specific development proposal came to fruition, the property was then openly listed with a commercial real estate broker in an effort to attract a use(s) for the remainder of the site. The Village was contacted in 2010 by Bridgestone Retail Operations, LLC for development of a Firestone tire store. The Council has approved an Ordinance authorizing the Village Manager to negotiate the sale of a portion of the property subject to any necessary zoning approvals. Negotiations with Bridgestone Retail Operations, LLC are ongoing.

**Agreements entered into by the municipality with regard to the disposition or
redevelopment of any property within the redevelopment project area**

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED AND RESTATED REDEVELOPMENT AGREEMENT
BETWEEN THE VILLAGE OF PALATINE, FIDELITY MOTOR GROUP, LLC AND GEN II REALTY, INC. FOR THE PROPERTY AT 2019
N. RAND ROAD -

In 2007, the Council approved a Redevelopment Agreement to allow the redevelopment of the Subject Property as a new Thrifty Used Car dealership consisting of an approximately 7,000 square foot building and related site improvements. Although the Redevelopment Agreement was approved, the Thrifty Used Car dealership only remained open for a short amount of time and the owners never received any of the assistance that was outlined in the original Redevelopment Agreement. In 2010, the Council approved an Amended and Restated Redevelopment Agreement to allow a high end preowned car dealership, Fidelity Motor Group, to occupy the property.



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the Village Council
Village of Palatine, Illinois

We have audited the accompanying schedule of revenues and other sources, expenditures and other financing uses and changes in fund balances of the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund of the Village of Palatine, Illinois for the year ended December 31, 2010. These financial statements are the responsibility of the Village of Palatine, Illinois' management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimated made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements present only the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund and are not intended to present fairly the financial position and changes in financial position of the Village of Palatine, Illinois in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the changes in financial position of the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund of the Village of Palatine, Illinois for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

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

Aurora, Illinois
May 2, 2011

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCESFor the Year Ended
December 31, 2010

	Tax Increment Revenue	Refunding Bond Series of 1998	Downtown TIF	Rand Road Corridor TIF
REVENUES				
Property taxes				
Rand/Dundee TIF	\$ 2,695,814	\$ -	\$ -	
Downtown TIF	-	6,090,100	-	
Rand Road Corridor TIF	-	-	-	2,614,632
Intergovernmental				
Investment income	8,470		11,331	3,101
Miscellaneous	-		40,122	9,293
 Total revenues	 2,704,284	 8,702,634	 2,627,026	
EXPENDITURES				
Economic development				
Project expenditures	-	2,357,555		704,498
Land acquisition	-	134,966	-	
Administration	3,100,000	378,163		9,088
Debt service				
Principal	-	2,818,915		465,000
Interest and fiscal charges	-	2,126,000		988,345
 Total expenditures	 3,100,000	 7,815,599	 2,166,931	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(395,716)		887,035	460,095
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	-	12,555,000	-	
Bond premium	-	693,945	-	
Payment to refunded bond escrow	-	(13,094,336)	-	
 Total other financing sources (uses)	 -	 154,609	 -	
NET CHANGES IN FUND BALANCES	(395,716)		1,041,644	460,095
FUND BALANCES, JANUARY 1	4,670,214		14,151,572	11,202,740
 FUND BALANCES, DECEMBER 31	 \$ 4,274,498	 \$ 15,193,216	 \$ 11,662,835	

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICTS FUNDS

SCHEDULE OF FUND BALANCES BY SOURCE

For the Year Ended
December 31, 2010

	Tax Increment	Revenue	Refunding	Downtown	Rand Road
	Series of 1998	Bond	TIF	TIF	Corridor
BEGINNING BALANCES, JANUARY 1, 2010					
	\$ 4,670,214		\$ 14,151,572		\$ 11,202,740
ADDITIONS					
Property taxes					
Dundee Road TIF	2,695,814			-	-
Downtown TIF	-	6,090,100		-	-
Rand Road Corridor TIF	-	-	2,561,081	-	2,614,632
Intergovernmental	-	8,470	11,331	3,101	-
Investment income	8,470		40,122	9,293	-
Miscellaneous	-		12,555,000	-	-
Bonds issued, at par	-		693,945	-	-
Premium on issuance of bonds	-				
Total additions	2,704,284		21,951,579		2,627,026
BEGINNING BALANCES PLUS ADDITIONS					
	7,374,498		36,103,151		13,829,766
DEDUCTIONS					
Economic development					
Project expenditures	-		2,357,555		704,498
Land acquisition	-		134,966		-
Administration	3,100,000		378,163		9,088
Debt service					
Principal	-		2,818,915		465,000
Interest and fiscal charges	-		2,126,000		988,345
Payment to refunded bond escrow	-		13,094,336		-
Total deductions	3,100,000		20,909,935		2,166,931
ENDING BALANCES, DECEMBER 31, 2010					
	\$ 4,274,498		\$ 15,193,216		\$ 11,662,835
ENDING BALANCES BY SOURCE					
Property taxes	\$ 466,189		\$ 672,709		\$ 1,516,257
Investment income	3,808,309		23,525		6,780
Investment in land held for resale	-		14,496,982		10,139,798
Subtotal	4,274,498		15,193,216		11,662,835
Less Surplus Funds	-		-		-
ENDING BALANCES, DECEMBER 31, 2010					
	\$ 4,274,498		\$ 15,193,216		\$ 11,662,835

(See independent auditor's report.)



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

The Honorable Mayor
Members of the Village Council
Village of Palatine, Illinois

We have audited the basic, combining and individual fund financial statements of the Village of Palatine, Illinois, as of and for the year ended December 31, 2010, and have issued our separate report thereon dated May 2, 2011. These financial statements are the responsibility of the Village of Palatine, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the Village of Palatine's compliance with the provisions of subsection (q) of Illinois Compiled Statutes 65 (ILCS) 5/11-74.43 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended December 31, 2010, for the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund. The management of the Village of Palatine, Illinois, is responsible for the Village'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 Village of Palatine, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Village of Palatine, Illinois, complied, in all material respects, with the requirements of subsection (q) of Illinois Compiled Statutes 65 (ILCS) 5/11-74.43 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended December 31, 2010, for the Dundee Road and Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, and the Rand Road Corridor Tax Increment Financing District Fund.

A handwritten signature in black ink that reads "Sikich CCP".

Aurora, Illinois
May 2, 2011