

FY 2018

ANNUAL TAX INCREMENT FINANCE

REPORT



STATE OF ILLINOIS
COMPTROLLER

SUSANA A. MENDOZA

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

Reporting Fiscal Year: **2018**
Fiscal Year End: **12/31/2018**

TIF Administrator Contact Information

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of: **Palatine** is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Karl J. Otto
Written signature of TIF Administrator

June 10, 2019

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.]**FY 2018****Name of Redevelopment Project Area (below):****Rand/Dundee TIF****Primary Use of Redevelopment Project Area*:****Retail**

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

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** **Industrial Jobs Recovery Law** **Please utilize the information below to properly label the Attachments.**

	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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [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 any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).	X	
An 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 attachment I is yes, then Analysis <u>MUST</u> be attached and (labeled Attachment J).	X	
Has a cumulative of \$100,000 of TIF revenue been deposited 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 taxes 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, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		X
A list of all intergovernmental agreements in effect 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, not actual agreements (labeled Attachment M).	X	

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 2018

Rand/Dundee TIF

TIF NAME:

Fund Balance at Beginning of Reporting Period

\$ 971,278

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 315,439	\$ 6,749,169	37%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 14,583	\$ 855,178	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 10,691,110	58%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation

Fund During Reporting Period

\$ 330,022

Cumulative Total Revenues/Cash Receipts

\$ 18,295,457 100%

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

\$	-
\$	-
\$	415,000

Transfers to Municipal Sources

Distribution of Surplus

Total Expenditures/Disbursements

\$ 415,000

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

\$ (84,978)

FUND BALANCE, END OF REPORTING PERIOD*

\$ 886,300

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

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment costs)

PAGE 1

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. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
		\$ -
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
</		

SECTION 3.2 A

PAGE 2

SECTION 3.2 A

PAGE 3

Section 3.2 B

FY 2018

TIF NAME:

Rand/Dundee TIF

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

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

**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period by source
FY 2018**

TIF NAME:

Rand/Dundee TIF

FUND BALANCE BY SOURCE

\$ 886,300

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

None		

Total Amount Designated for Obligations	\$ -	\$ -
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2. Description of Project Costs to be Paid

None		

Total Amount Designated for Project Costs	\$ -
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TOTAL AMOUNT DESIGNATED	\$ -
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SURPLUS/(DEFICIT)	\$ 886,300
--------------------------	------------

FY 2018

TIF NAME:

Rand/Dundee TIF

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

Check here if 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 - 20 ILCS 620/4.7 (7)(F)
PAGE 1

FY 2018

TIF NAME:

Rand/Dundee TIF

Page 1 is to be included with TIF Report. Pages 2 and 3 are to be included **ONLY** if projects are listed.

Select ONE of the following by indicating an 'X':

1. NO projects were undertaken by the Municipality Within the Redevelopment Project Area.	<input checked="" type="checkbox"/>
2. The Municipality DID undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

***PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER**

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2018

TIF NAME: Rand/Dundee TIF

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
1997	\$ 3,551,273	\$ 6,480,213

List all overlapping tax districts in the redevelopment project area.

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

_____ Check if 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:

Section 2: **What is the relationship between the two variables?**

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, 2018 and ending December 31, 2018.



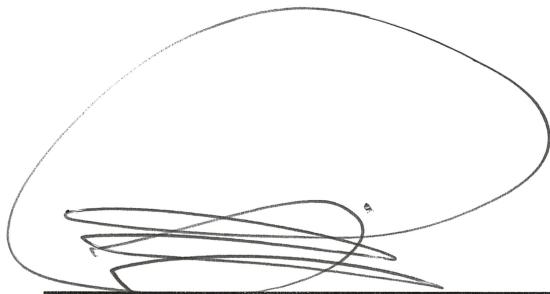
Jim Schwantz
Mayor

June 10, 2019

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, 2018 and ending December 31, 2018, to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "Patrick Brankin", is enclosed within a large, roughly drawn oval.

Patrick Brankin
Village Attorney

June 10, 2019

Date

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palatine, Illinois (the Village) as of and for the year ended December 31, 2018, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated May 31, 2019, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (schedule of revenues, expenditures and changes in fund balance and schedule of fund balance by source for the Dundee Road tax Increment Financing District Fund, Rand/Dundee Tax Increment Financing District Fund, Downtown Tax Increment Financing District Fund, Rand Road Corridor Tax Increment Financing District Fund and the Rand/Lake Cook Tax Increment Financing District Fund) of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
May 31, 2019

Supplementary Information

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2018

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
REVENUES					
Taxes					
Incremental property taxes	\$ 2,996,847	\$ 315,439	\$ 6,015,269	\$ 3,019,601	\$ 210,198
Investment income	132,660	14,583	90,880	71,087	4,754
Total revenues	3,129,507	330,022	6,106,149	3,090,688	214,952
EXPENDITURES					
Economic development					
Supplies and services	-	-	5,528	2,764	-
Project expenditures	1,804	-	13,522	2,563,056	-
Loss on disposal of land held for resale	-	-	-	1,875,000	-
Surplus distribution	1,656,000	415,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	9,990	66,833	-
Street improvements	-	-	353,046	-	-
Water system improvements	-	-	-	48,085	-
Debt service					
Principal retirement	-	-	2,890,000	1,585,000	-
Interest	-	-	578,901	385,780	-
Fiscal charges	-	-	1,500	1,875	-
Total expenditures	1,657,804	415,000	3,852,487	6,528,393	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,471,703	(84,978)	2,253,662	(3,437,705)	214,952
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	7,672,000	-
Transfers (out)	(7,672,000)	-	-	-	-
Total other financing sources (uses)	(7,672,000)	-	-	7,672,000	-
NET CHANGE IN FUND BALANCE	(6,200,297)	(84,978)	2,253,662	4,234,295	214,952
FUND BALANCE, JANUARY 1	7,944,176	971,278	2,312,421	5,765,971	115,434
FUND BALANCE, DECEMBER 31	\$ 1,743,879	\$ 886,300	\$ 4,566,083	\$ 10,000,266	\$ 330,386

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

TAX INCREMENT FINANCING DISTRICT FUNDS

SCHEDULE OF FUND BALANCES BY SOURCE

For the Year Ended December 31, 2018

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
BEGINNING BALANCES, JANUARY 1, 2018	\$ 7,944,176	\$ 971,278	\$ 2,312,421	\$ 5,765,971	\$ 115,434
ADDITIONS					
Taxes					
Incremental property taxes	2,996,847	315,439	6,015,269	3,019,601	210,198
Investment income	132,660	14,583	90,880	71,087	4,754
Transfers in	-	-	-	7,672,000	-
Total additions	3,129,507	330,022	6,106,149	10,762,688	214,952
BEGINNING BALANCES PLUS ADDITIONS	11,073,683	1,301,300	8,418,570	16,528,659	330,386
DEDUCTIONS					
Economic development					
Supplies and services	-	-	5,528	2,764	-
Project expenditures	1,804	-	13,522	2,563,056	-
Loss on disposal of land held for resale	-	-	-	1,875,000	-
Surplus distribution	1,656,000	415,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	9,990	66,833	-
Street improvements	-	-	353,046	-	-
Water system improvements	-	-	-	48,085	-
Debt service					
Principal retirement	-	-	2,890,000	1,585,000	-
Interest	-	-	578,901	385,780	-
Fiscal charges	-	-	1,500	1,875	-
Transfers out	7,672,000	-	-	-	-
Total deductions	9,329,804	415,000	3,852,487	6,528,393	-
ENDING BALANCES, DECEMBER 31, 2018	\$ 1,743,879	\$ 886,300	\$ 4,566,083	\$ 10,000,266	\$ 330,386
ENDING BALANCES BY SOURCE					
Incremental property taxes	\$ 1,743,879	\$ 886,300	\$ -	\$ 9,600,266	\$ 330,386
Investment in land held for resale	-	-	4,566,083	400,000	-
Subtotal	1,743,879	886,300	4,566,083	10,000,266	330,386
Less Surplus Funds	-	-	-	-	-
ENDING BALANCES, DECEMBER 31, 2018	\$ 1,743,879	\$ 886,300	\$ 4,566,083	\$ 10,000,266	\$ 330,386

(See independent auditor's report.)

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Naperville, IL 60563
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion, included in its representation letter dated May 31, 2019 that the Village of Palatine, Illinois (the Village) 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 December 31, 2018. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's 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's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Palatine, Illinois complied with the aforementioned requirements for the year ended December 31, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Village Council, management of the Village, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
May 31, 2019