

**FY 2017
ANNUAL TAX INCREMENT FINANCE
REPORT**



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: Village of Palatine Reporting Fiscal Year: **2017**
County: Cook Fiscal Year End: **12/31/2017**
Unit Code: **016-430-32**

TIF Administrator Contact Information

First Name: Reid Last Name: Ottesen
Address: 200 E Wood Street Title: Village Manager
Telephone: (847) 359-9031 City: Palatine Zip: 60067
E-mail-
required findept@palatine.il.us

I attest to the best of my knowledge, that this FY 2017 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 Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Ruf J. Otto

06/04/2018

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.]

FY 2017

Name of Redevelopment Project Area (below):

Dundee Road 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

	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 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 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 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 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 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 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 Were any obligations issued by the 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 and Attachment J MUST be Yes 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, Analysis MUST be attached and labeled Attachment J 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 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 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	X

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))
Provide an analysis of the special tax allocation fund.

FY 2017

TIF NAME:

Dundee Road TIF

Special Tax Allocation Fund Balance at Beginning of Reporting Period

\$ 5,962,366

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 2,700,698	\$ 52,782,873	70%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 66,182	\$ 3,076,345	4%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 14,252,408	19%
Transfers from Municipal Sources			0%
Private Sources		\$ 5,500,000	7%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation by source

\$ 2,766,880

Cumulative Total Revenues/Cash Receipts

\$ 75,611,626 100%

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

\$ 2,070

Distribution of Surplus

\$ 783,000

Total Expenditures/Disbursements

\$ 785,070

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ 1,981,810

FUND BALANCE, END OF REPORTING PERIOD*

\$ 7,944,176

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

FY 2017

TIF NAME: Dundee Road TIF

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND

(by category of permissible redevelopment project costs)

PAGE 1

SECTION 3.2 A

SECTION 3.2 A

Section 3.2 B

FY 2017

TIF NAME:

Dundee Road 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.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5d) 65 ILCS 5/11-74.6-22 (d) (5d))

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

FY 2017

TIF NAME:

Dundee Road TIF

FUND BALANCE BY SOURCE

\$ 7,944,176

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

1. Description of Debt Obligations

Total Amount Designated for Obligations

69 - 69 -

2. Description of Project Costs to be Paid

Total Amount Designated for Project Costs

\$ -

TOTAL AMOUNT DESIGNATED

§ -

SURPLUS/(DEFICIT)

\$ 7,944.176

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**FY 2017****TIF NAME:**

Dundee Road 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
_____ X _____ 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 2017

TIF Name:

Dundee Road 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 2017

TIF NAME: Dundee Road 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
1995	\$ 3,899,242	\$ 30,884,224

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
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SECTION 8

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

For more information on the project, visit www.earthobservatory.nasa.gov.

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, 2017 and ending December 31, 2017.



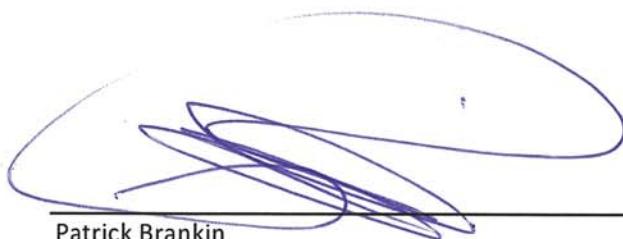
Jim Schwantz
Mayor

06/04/2018

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, 2017 and ending December 31, 2017, to the best of my knowledge and belief.



Patrick Brankin
Village Attorney

06/04/2018

Date

Joint Review Board Minutes

DRAFT

Village of Palatine

Rand/Dundee Tax Increment Financing District
Dundee Road Tax Increment Financing District
Rand Corridor Tax Increment Financing District
Rand/Lake Cook Tax Increment Financing District
Downtown Area Tax Increment Financing District

Meeting of the Joint Review Board

Tuesday, November 28, 2017 – 1:00 PM

Minutes

I. JOINT REVIEW BOARD CALL TO ORDER

Reid Ottesen, Village Representative, called the meeting to order at 1:03 PM

II. ROLL CALL OF TAX DISTRICT MEMBERS

Present:

Palatine Park District
Mike Clark, Executive Director
Elliott Becker, Finance Director
Palatine Public Library District
Melissa Gardner, Interim Executive Director
Regina Stapleton, Finance Manager
Township of Palatine
Andy John Kalkounos, Township Trustee
Village of Palatine
Reid Ottesen, Village Manager
Mike Jacobs, Deputy Village Manager
Paul Mehring, Finance Director
Patrick Brankin, Village Attorney
Bob Kenny, Village Attorney

Absent:

Community Consolidated School District 15
Cook County
Forest Preserve District of Cook County
Illinois Department of Commerce and Economic Opportunity
Metropolitan Water Reclamation District of Greater Chicago
Northwest Mosquito Abatement District
Palatine Township Road District
Township High School District 211
William Rainer Harper Community College District 512

Joint Review Board Minutes

III. NOMINATION FOR AND SELECTION OF PUBLIC MEMBER

Mike Jacobs indicated that Ray Franczak, who had previously served as the Public Member, was notified of the scheduled Joint Review Board meeting. Mr. Franczak was not in attendance, thus no public member nomination occurred.

IV. NOMINATION FOR CHAIR OF THE JOINT REVIEW BOARD

Mike Clark, seconded by Andy John Kalkounos, nominated Reid Ottesen as the Chair of the Joint Review Board meeting for November 28, 2017. The motion was approved unanimously.

V. APPROVAL OF THE NOVEMBER 18, 2016 MINUTES OF THE JOINT REVIEW BOARD

Elliott Becker, seconded by Mike Clark, moved to approve the November 18, 2016 minutes of the Joint Review Board. The motion was approved unanimously.

VI. ANNUAL REVIEW OF PERFORMANCE

Reid Ottesen explained that all taxing bodies are required to meet once a year to discuss the status of the Village's TIF districts. He then indicated that he would review the projected surplus to be declared from the Dundee Road TIF and Rand/Dundee TIF and the upcoming expiration of these two TIF districts following an overview of development activity within the Village's TIF Districts over the past year.

- A. DUNDEE ROAD TIF DISTRICT
- B. RAND/DUNDEE TIF DISTRICT
- C. RAND ROAD CORRIDOR TIF DISTRICT
- D. DOWNTOWN AREA TIF DISTRICT
- E. RAND/LAKE COOK TIF DISTRICT

Mike Jacobs provided a brief overview of the development activity that occurred last year, is currently underway, and is anticipated in the coming year. The projects highlighted included the redevelopment of the former Idol's site with a drive-through Panera, Mattress Firm, and Verizon. He noted the Village is in discussions with a potential buyer/user for the former Menard's site, outlined the status of the Park Place center, and noted IDOT's pending plans to modify Dundee Road, between Rand Road and Kennedy Drive. Mike Jacobs also outlined the ongoing construction of a new drive-through Starbucks on Lake Cook Road and a proposed self-storage use south of Grossinger Hyundai. Lastly, Mike Jacobs indicated that in the coming year the Village will be reviewing options for the Village owned parcels within the Downtown TIF District.

Joint Review Board Minutes

Paul Mehring distributed a summary chart that outlined the projected surplus distribution by agency for 2018, while also sharing information regarding the potential balances that will exist in the Dundee Road and Rand/Dundee TIF Districts. Elliott Becker asked what the current balance was within the Dundee Road TIF District and Paul Mehring indicated it was approximately \$9,000,000.

Bob Kenny then distributed a memo outlining issues related to tax appeals following the closure of a TIF District. Mr. Kenny reviewed a recent court case involving Arlington Heights. Mr. Ottesen then indicated the Village would look to withhold a certain amount of funding from each TIF District as they expire to cover any appeals that may be processed in the future. Once the appeal window would close, which could take several years, remaining funds could then be distributed to the applicable taxing bodies by the County.

VII. ADJOURNMENT

Mike Clark, seconded by Melissa Gardner, moved to adjourn the Joint Review Board Meeting at 1:37 PM. The motion was approved unanimously.

Respectfully submitted,

Michael W. Jacobs
Village of Palatine

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, 2017, which collectively comprise the basic financial statements of the Village, and have issued our report thereon dated May 16, 2018, 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 16, 2018

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, 2017

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
REVENUES					
Taxes					
Incremental property taxes	\$ 2,700,698	\$ 287,944	\$ 5,552,634	\$ 2,896,082	\$ 150,353
Intergovernmental					
Build America bond interest rebate	-	-	127,262	-	-
Investment income	66,182	8,168	74,487	14,620	596
Total revenues	2,766,880	296,112	5,754,383	2,910,702	150,949
EXPENDITURES					
Economic development					
Supplies and services	-	-	7,353	536	-
Project expenditures	-	-	25,544	426,732	-
Surplus distribution	783,000	81,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	7,643	15,263	-
Street improvements	2,070	-	-	-	-
Debt service					
Principal retirement	-	-	10,519,233	1,200,000	-
Interest	-	-	1,016,718	554,790	-
Fiscal charges	-	-	96,273	72,238	-
Total expenditures	785,070	81,000	11,672,764	2,269,559	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,981,810	215,112	(5,918,381)	641,143	150,949
OTHER FINANCING SOURCES (USES)					
Refunding bonds, issued at par	-	-	10,830,000	6,060,000	-
Bond premium	-	-	131,324	35,615	-
Payment to refunded bond escrow agent	-	-	(3,067,030)	(6,019,541)	-
Transfers (out)	-	-	(6,810)	(3,025)	-
Total other financing sources (uses)	-	-	7,887,484	73,049	-
NET CHANGE IN FUND BALANCE	1,981,810	215,112	1,969,103	714,192	150,949
FUND BALANCE, JANUARY 1	5,962,366	756,166	343,318	5,051,779	(35,515)
FUND BALANCE, DECEMBER 31	\$ 7,944,176	\$ 971,278	\$ 2,312,421	\$ 5,765,971	\$ 115,434

(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, 2017

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand/Lake Cook TIF
BEGINNING BALANCES, JANUARY 1, 2017	\$ 5,962,366	\$ 756,166	\$ 343,318	\$ 5,051,779	\$ (35,515)
ADDITIONS					
Taxes					
Incremental property taxes	2,700,698	287,944	5,552,634	2,896,082	150,353
Intergovernmental					
Build america bond interest rebate	-	-	127,262	-	-
Investment income	66,182	8,168	74,487	14,620	596
Refunding bonds, issued at par	-	-	10,830,000	6,060,000	-
Bond premium	-	-	131,324	35,615	-
Total additions	2,766,880	296,112	16,715,707	9,006,317	150,949
BEGINNING BALANCES PLUS ADDITIONS	8,729,246	1,052,278	17,059,025	14,058,096	115,434
DEDUCTIONS					
Economic development					
Supplies and services	-	-	7,353	536	-
Project expenditures	-	-	25,544	426,732	-
Surplus distribution	783,000	81,000	-	-	-
Capital outlay					
Rights of way improvements	-	-	7,643	15,263	-
Street improvements	2,070	-	-	-	-
Debt service					
Principal retirement	-	-	10,519,233	1,200,000	-
Interest	-	-	1,016,718	554,790	-
Fiscal charges	-	-	96,273	72,238	-
Payment to refunded bond escrow agent	-	-	3,067,030	6,019,541	-
Transfers (out)	-	-	6,810	3,025	-
Total deductions	785,070	81,000	14,746,604	8,292,125	-
ENDING BALANCES, DECEMBER 31, 2017	\$ 7,944,176	\$ 971,278	\$ 2,312,421	\$ 5,765,971	\$ 115,434
ENDING BALANCES BY SOURCE					
Incremental property taxes	\$ 7,944,176	\$ 971,278	\$ -	\$ 990,971	\$ 115,434
Investment in land held for resale	-	-	2,312,421	4,775,000	-
Subtotal	7,944,176	971,278	2,312,421	5,765,971	115,434
Less Surplus Funds	-	-	-	-	-
ENDING BALANCES, DECEMBER 31, 2017	\$ 7,944,176	\$ 971,278	\$ 2,312,421	\$ 5,765,971	\$ 115,434

(See independent auditor's report.)

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630.566.8400

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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 16, 2018 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, 2017. 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, 2017 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 16, 2018