



Unit Code: **016/430/32**  
Reporting Fiscal Year: **2008**  
Fiscal Year End: **12/31/2008**

Last Name: **Ottesen**  
Title: **Village Manager**  
City: **Palatine** Zip: **60067**

Or the Industrial Jobs Rec

7/9/09

Date

[illegible]

## Section 1

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

<b>Name of Redevelopment Project Area:</b>	Dundee Road TIF
<b>Primary Use of Redevelopment Project Area*:</b>	Retail
<b>If "Combination/Mixed" List Component Types:</b>	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act</b> <u>  X  </u>	<b>Industrial Jobs Recovery Law</b> <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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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) <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		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	\$	10,898,764	
Revenue/Cash Receipts Deposited in Fund During Reporting FY:			
			% of Total
Property Tax Increment	\$	3,149,295	\$ 26,715,787 54%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$	235,055	\$ 2,930,321 6%
Land/Building Sale Proceeds			0%
Bond Proceeds			\$ 14,252,408 29%
Transfers from Municipal Sources			0%
Private Sources			\$ 5,500,000 11%
Other (identify source _____; if multiple other sources, attach schedule)			0%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period			
	\$	3,384,350	
Cumulative Total Revenues/Cash Receipts		\$	49,398,516 100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3		\$	6,915,892
Distribution of Surplus		\$	-
Total Expenditures/Disbursements		\$	6,915,892
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENT		\$	(3,531,542)
FUND BALANCE, END OF REPORTING PERIOD		\$	7,367,222

- 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)		
		\$ -
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)		
		\$ -
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)		
Debt Service Principal	\$ 6,497,300	
Debt Service Interest	418,592	
		\$ 6,915,892
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)		
		\$ -
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		\$ 6,915,892

### 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.

[illegible]

**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**

\$	7,367,222
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	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
Tax Increment Revenue Refunding Bonds	\$ 24,290,000	\$ 7,367,222
Subordinated Limited Redevelopment Note	\$ 380,000	
Subordinated Limited Redevelopment Note	\$ 100,000	
Subordinated Limited Redevelopment Note	\$ 337,100	
<b>Total Amount Designated for Obligations</b>	<b>\$ 25,107,100</b>	<b>\$ 7,367,222</b>

**2. Description of Project Costs to be Paid**


**Total Amount Designated for Project Costs**

\$	-
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**TOTAL AMOUNT DESIGNATED**

\$	7,367,222
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**SURPLUS\*/(DEFICIT)**

\$	-
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\* 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

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 1,800,000	\$ -	\$ 1,800,000
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0
Project 1: Staples			
Private Investment Undertaken (See Instructions)	\$ 1,800,000	\$ -	\$ 1,800,000
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

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

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

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

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

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

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

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

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

<b>Project 15:</b>			
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.

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
1995	\$	3,899,242	\$ 48,122,252

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.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

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
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

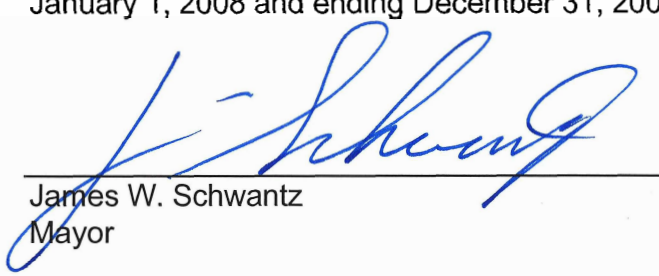
SECTION 8

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, James W. 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, 2008 and ending December 31, 2008.



James W. Schwantz  
Mayor

7-13-09  
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 Incremental Redevelopment Allocation Act set forth thereunder for the fiscal year beginning January 1, 2008 and ending December 31, 2008, to the best of my knowledge and belief.

  
\_\_\_\_\_  
Robert C. Kenny  
Village Attorney

7/7/09  
\_\_\_\_\_  
Date

## **Activities Undertaken in Furtherance of the Objectives of the Redevelopment Plan**

The Village Management is actively pursuing alternative uses for the property recently vacated at 715 E. Dundee. The property was formerly occupied by Linens N' Things.

**Reconciliation of Auditors Report to TIF Report  
December 31, 2008**

For financial reporting purposes, the Dundee Road and Rand/Dundee TIF Districts are accounted for as one "fund". This is done due to the 1998 Refunding Bond being serviced by the incremental revenues of both of these two TIF Districts. This reconciliation breaks the combined information into the individual districts.

	<u><b>Combined</b></u>	<u><b>Dundee Road</b></u>	<u><b>Rand/Dundee</b></u>
Beginning Balances, January 1, 2008	\$ 12,588,735	\$ 10,898,764	\$ 1,689,971
<b>ADDITIONS</b>			
Incremental Property Taxes	3,573,439	3,149,295	424,144
Investment Income	273,320	235,055	38,265
Total Additions	<u>3,846,759</u>	<u>3,384,350</u>	<u>462,409</u>
<b>DEDUCTIONS</b>			
Debt Service			
Principal	7,555,000	6,497,300	1,057,700
Interest & Fiscal Charges	486,735	418,592	68,143
	<u>8,041,735</u>	<u>6,915,892</u>	<u>1,125,843</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(4,194,976)</u>	<u>(3,531,542)</u>	<u>(663,434)</u>
Ending Balances, December 31, 2008	<u><b>\$ 8,393,759</b></u>	<u><b>\$ 7,367,222</b></u>	<u><b>\$ 1,026,537</b></u>
<b>Ending Balances by Source</b>			
Property Taxes	\$ 4,642,271	\$ 4,436,901	\$ 205,370
Investment Income	<u>3,751,488</u>	<u>2,930,321</u>	<u>821,167</u>
	<u><b>\$ 8,393,759</b></u>	<u><b>\$ 7,367,222</b></u>	<u><b>\$ 1,026,537</b></u>



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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, 2008. 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.

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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, 2008, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Sikich LLP'.

Aurora, Illinois  
May 29, 2009

VILLAGE OF PALATINE, ILLINOIS  
TAX INCREMENT FINANCING DISTRICTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the Year Ended  
December 31, 2008

	Dundee Road and Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF
REVENUES AND OTHER FINANCING SOURCES			
Property taxes			
Rand/Dundee TIF	\$ 3,573,439	\$ -	\$ -
Downtown TIF	-	5,612,469	-
Rand Road Corridor TIF	-	-	3,198,105
Investment income	273,320	125,655	44,419
Miscellaneous	-	41,920	-
Total revenues	<u>3,846,759</u>	<u>5,780,044</u>	<u>3,242,524</u>
EXPENDITURES AND OTHER FINANCING USES			
Economic development			
Project expenditures	-	1,097,912	13,669,079
Land acquisition	-	1,936,736	-
Administration	-	257,602	142,206
Debt service			
Principal	7,555,000	2,349,337	2,285,739
Interest and fiscal charges	486,735	1,882,470	731,901
Total expenditures	<u>8,041,735</u>	<u>7,524,057</u>	<u>16,828,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,194,976)	(1,744,013)	(13,586,401)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	1,230,159
NET CHANGES IN FUND BALANCES	(4,194,976)	(1,744,013)	(12,356,242)
FUND BALANCES, JANUARY 1	<u>12,588,735</u>	<u>6,641,163</u>	<u>13,510,765</u>
FUND BALANCES, DECEMBER 31	<u>\$ 8,393,759</u>	<u>\$ 4,897,150</u>	<u>\$ 1,154,523</u>

(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, 2008

	Dundee Road and Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF
BEGINNING BALANCES, JANUARY 1, 2008	\$ 12,588,735	\$ 6,641,163	\$ 13,510,765
ADDITIONS			
Property taxes			
Dundee Road TIF	3,573,439	-	-
Downtown TIF	-	5,612,469	-
Rand Road Corridor TIF	-	-	3,198,105
Investment income	273,320	125,655	44,419
Proceeds from sale of capital assets	-	-	1,230,159
Miscellaneous	-	41,920	-
Total additions	3,846,759	5,780,044	4,472,683
BEGINNING BALANCES PLUS ADDITIONS	16,435,494	12,421,207	17,983,448
DEDUCTIONS			
Economic development			
Project expenditures	-	1,097,912	13,669,079
Land acquisition	-	1,936,736	-
Administration	-	257,602	142,206
Debt service			
Principal	7,555,000	2,349,337	2,285,739
Interest and fiscal charges	486,735	1,882,470	731,901
Total deductions	8,041,735	7,524,057	16,828,925
ENDING BALANCES, DECEMBER 31, 2008	\$ 8,393,759	\$ 4,897,150	\$ 1,154,523
ENDING BALANCES BY SOURCE			
Property taxes	\$ 4,642,271	\$ (891,836)	\$ (982,344)
Investment income	3,751,488	-	-
Investment in land held for resale	-	5,788,986	2,136,867
Subtotal	8,393,759	4,897,150	1,154,523
Less Surplus Funds	-	-	-
ENDING BALANCES, DECEMBER 31, 2008	\$ 8,393,759	\$ 4,897,150	\$ 1,154,523

(See independent auditor's report.)



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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, 2008, and have issued our separate report thereon dated May 29, 2009. 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, 2008, 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, 2008, 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 dark ink, appearing to read 'Sikich LLP', written in a cursive, flowing style.

Aurora, Illinois  
May 29, 2009