



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

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

Reil J. Otter

6/28/11

Date _____

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

[illegible]

*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.]

James R. Thompson Center
Local Government Division
100 W. Randolph Street, Suite 15-500
Chicago, IL 60601
Tel.: (877) 304 3899 Fax: (312) 814-2986 E-mail: locgov@mail.joc.state.il.us



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

Name of Redevelopment Project Area: Dundee Road 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 <u> X </u> Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

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

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

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

Fund Balance at Beginning of Reporting Period

\$ 4,142,573.00

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 2,456,264	\$ 32,445,800	59%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 7,513	\$ 2,980,271	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 14,252,408	26%
Transfers from Municipal Sources			0%
Private Sources		\$ 5,500,000	10%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period

\$ 2,463,777

Cumulative Total Revenues/Cash Receipts

\$ 55,178,479 100%

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

\$ -

Distribution of Surplus

\$ 2,800,000.00

Total Expenditures/Disbursements

\$ 2,800,000

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

\$ (336,223)

FUND BALANCE, END OF REPORTING PERIOD

\$ 3,806,350

- 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		
		\$ -

[illegible]

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		\$ -

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 \$ 3,806,350

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

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ -

SURPLUS*/(DEFICIT) \$ 3,806,350

* 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.

 X **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

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

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

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

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

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

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

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

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

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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	\$ 50,417,069

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
	\$ -
Cook County - 100% sent to County for them to distribute.	\$ -
	\$ 2,800,000
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

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.



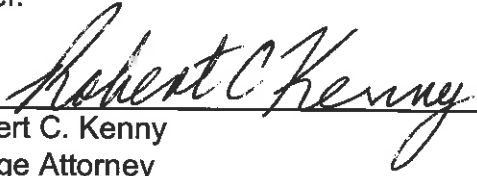
Jim Schwantz
Mayor



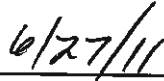
Date

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 Incremental 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

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, 2010**

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>Combined</u>	<u>Dundee Road</u>	<u>Rand/Dundee</u>
Beginning Balances, January 1, 2009	\$ 4,670,214	\$ 4,142,573	\$ 527,641
ADDITIONS			
Incremental Property Taxes	2,695,814	2,456,264	239,550
Investment Income	8,470	7,513	957
Total Additions	<u>2,704,284</u>	<u>2,463,777</u>	<u>240,507</u>
DEDUCTIONS			
Surplus Distribution	3,100,000	2,800,000	300,000
Debt Service			
Principal	-	-	-
Interest & Fiscal Charges	-	-	-
	<u>3,100,000</u>	<u>2,800,000</u>	<u>300,000</u>
NET CHANGE IN FUND BALANCES	<u>(395,716)</u>	<u>(336,223)</u>	<u>(59,493)</u>
Ending Balances, December 31, 2009	<u>\$ 4,274,498</u>	<u>\$ 3,806,350</u>	<u>\$ 468,148</u>
Ending Balances by Source			
Property Taxes	\$ 466,189	\$ 415,131	\$ 51,058
Investment Income	<u>3,808,309</u>	<u>3,391,219</u>	<u>417,090</u>
	<u>\$ 4,274,498</u>	<u>\$ 3,806,350</u>	<u>\$ 468,148</u>



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants

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 BALANCES

For 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	-	2,561,081	-
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

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 Bond Series of 1998	Downtown TIF	Rand Road Corridor TIF
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	-	-	2,614,632
Intergovernmental	-	2,561,081	-
Investment income	8,470	11,331	3,101
Miscellaneous	-	40,122	9,293
Bonds issued, at par	-	12,555,000	-
Premium on issuance of bonds	-	693,945	-
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

FY 2010

Attachment K
(See independent auditor's report.)

Village of Palatine, Dundee Road TIF



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants

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 cursive script that reads 'Sikich CCP'.

Aurora, Illinois
May 2, 2011