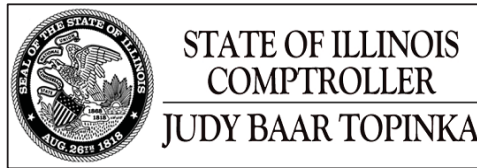


**FY 2012
ANNUAL TAX INCREMENT FINANCE
REPORT**



Name of Municipality: Village of Palatine Reporting Fiscal Year: **2012**
 County: Cook Fiscal Year End: 12/31/2012
 Unit Code: 016/430/32

TIF Administrator Contact Information			
First Name: <u>Reid</u>	Last Name: <u>Ottesen</u>		
Address: <u>200 E Wood Street</u>	Title: <u>Village Manager</u>		
Telephone: <u>847-359-9031</u>	City: <u>Palatine</u>	Zip: <u>60067</u>	
Mobile _____	E-mail: <u>findept@palatine.il.us</u>		
Mobile Provider _____	Best way to contact: <u> x </u> Email _____ Phone _____		
	<u> Mobile </u> _____ Mail _____		

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of PALATINE is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

R. J. Ottesen June 17, 2013

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 DISTICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Rand/Dundee Center Tax Increment Financing Redevelopment Project Area	03/31/1997	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

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

Name of Redevelopment Project Area:	Rand-Dundee TIF
Primary Use of Redevelopment Project Area*:	Retail
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law _____

	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.

Fund Balance at Beginning of Reporting Period \$ 443,219

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 248,691	\$ 5,094,136	31%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 444	\$ 829,265	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 10,691,110	64%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 249,135

Cumulative Total Revenues/Cash Receipts \$ 16,614,511 100%

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

Distribution of Surplus \$ 398,000.00

Total Expenditures/Disbursements \$ 398,000

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (148,865)

FUND BALANCE, END OF REPORTING PERIOD* \$ 294,354

* 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 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)]	Amounts	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		
		\$ -

SECTION 3.2 A

PAGE 2

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)		
		\$ -
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)		
		\$ -

SECTION 3.2 A

PAGE 3

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 3.3 - (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

FUND BALANCE, END OF REPORTING PERIOD \$ 294,354

	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) \$ 294,354

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

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:	

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: X

If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below.

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

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 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.

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
1997	\$ 3,551,273	\$ 6,433,269

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, 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, 2012 and ending December 31, 2012.



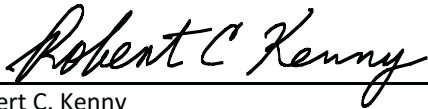
Jim Schwantz
Mayor

6/17/13

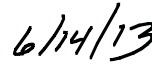
Date

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, 2012 and ending December 31, 2012, to the best of my knowledge and belief.



Robert C. Kenny
Village Attorney



Date

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

Wednesday, September 26, 2012 - 2:00 p.m.

Minutes

I. JOINT REVIEW BOARD CALL TO ORDER

Reid Ottesen, Village Representative, called the meeting to order at 2:01 p.m.

II. ROLL CALL OF TAX DISTRICT MEMBERS

Present:

Palatine Public Library District
Susan Strunk, Executive Director
Community Consolidated School District 15
Scott Thompson, Superintendent
Township High School District 211
Dave Torres, Associate Superintendent for Business
William Rainey Harper Community College
Bret Bonnstetter, Controller
Village of Palatine
Reid Ottesen, Village Manager
Mike Jacobs, Deputy Village Manager
Paul Mehring, Finance Director
Ray Franczak, Public Member

Absent:

Cook County
Metropolitan Water Reclamation District
Northwest Mosquito Abatement District
Palatine Park District
Township of Palatine

III. NOMINATION FOR AND SELECTION OF PUBLIC MEMBER

Scott Thompson, seconded by Dave Torres, moved to approve Ray Franczak as the Public Member of the Joint Review Board. The motion was approved unanimously.

IV. NOMINATION FOR CHAIR OF THE JOINT REVIEW BOARD

Scott Thompson, seconded by Susan Strunk, nominated Reid Ottesen as the Chair of the Joint Review Board meeting for Monday, September 26, 2012. The motion was approved unanimously.

V. APPROVAL OF THE NOVEMBER 14 2011 MINUTES OF THE JOINT REVIEW BOARD

Scott Thompson, seconded by Ray Franczak, moved to approve the November 14, 2011 minutes of the Joint Review Board. The motion was approved unanimously.

VI. APPROVAL OF THE JUNE 14, 2012 MINUTES OF THE JOINT REVIEW BOARD

Dave Torres, seconded by Scott Thompson, moved to approve the June 14, 2012 minutes of the Joint Review Board. The motion was approved unanimously.

VII. ANNUAL REVIEW OF PERFORMANCE

Reid Ottesen explained that all taxing bodies are required to get together once a year to discuss the status of the TIF districts. Reid Ottesen indicated that he would review the projected surplus to be declared from the Dundee Road TIF and Rand/Dundee TIF and that Mike Jacobs would provide 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

Reid Ottesen distributed summary charts for both TIF Districts that outlined the projected distribution of incremental revenues by agency from 2013 through 2018. He noted that 2013 includes a full payout of all surplus funds, while the projected distribution for future years includes only a partial surplus payout as the Village is looking to set aside some money for potential projects within the TIF District. He noted that the future year projections will be reconsidered each year as part of the Village's annual budget review and approval process.

C. RAND ROAD CORRIDOR TIF DISTRICT

Mike Jacobs reviewed the status of several properties including the former Idol's and Menard's sites, as well as some potential modifications to the Park Place shopping center. Scott Thompson asked some additional questions related to the status of Idol's. In addition, Mr. Jacobs outlined IDOT's proposed modifications to Dundee Road, between Rand Road and Route 53.

D. DOWNTOWN AREA TIF DISTRICT

Within the Village's Downtown TIF District, Mike Jacobs indicated that during the past year several business/property owners have participated in the Village's downtown façade grant program. Mr. Jacobs also noted that the reconstruction of Bothwell Street, between Palatine Road and the railroad tracks, has commenced and will result in additional on-street parking as well as enhanced pedestrian amenities. Susan Strunk inquired about the status of the Mia Cucina building as well as other vacant tenant spaces within the downtown area. Mr. Jacobs outlined the Village's efforts related to the Mia Cucina building as well as the status of some of the other available retail spaces within the downtown area.

E. RAND/LAKE COOK TIF DISTRICT

Mike Jacobs indicated that the Village Council formally approved the Rand/Lake Cook TIF District on August 20, 2012. Mr. Jacobs also noted that Patrick Hyundai was pursuing approval for a new automobile dealership at the southeast corner of Rand and Lake Cook Roads.

VIII. ADJOURNMENT

Scott Thompson, seconded by Ray Franczak, moved to adjourn the Joint Review Board Meeting at 2:25 p.m. The motion was approved unanimously.

Respectfully submitted,

Michael W. Jacobs
Village of Palatine



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Village of Palatine, Illinois as of and for the year ended December 31, 2012, which collectively comprise the basic financial statements of the Village of Palatine, Illinois, and have issued our report thereon dated April 16, 2013.

Our audit was conducted for the purpose of forming opinions 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 Tax Increment Financing District Fund) is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in black ink, appearing to read 'Sikich LLP'.

Naperville, Illinois
April 16, 2013

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, 2012

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand-Lake Cook TIF
REVENUES					
Taxes					
Incremental property taxes	\$ 2,646,573	\$ 248,691	\$ 5,298,957	\$ 2,736,497	\$ -
Intergovernmental					
Build america bond interest rebate	-	-	136,474	-	-
Investment income	2,499	444	11,928	3,306	-
Total revenues	2,649,072	249,135	5,447,359	2,739,803	-
EXPENDITURES					
Economic development					
Supplies and services	-	-	3,063	38,280	-
Project expenditures	-	-	243,906	1,952,068	2,043,615
Surplus distribution	3,192,000	398,000	-	-	-
Capital outlay					
Buildings and facilities	-	-	879	-	-
Rights of way improvements	-	-	44,210	11,065	-
Flood control	-	-	-	102,153	-
Street improvements	-	-	552,816	45,533	-
Debt service					
Principal retirement	-	-	3,631,824	500,000	-
Interest	-	-	1,829,968	905,398	-
Fiscal charges	-	-	86,684	1,000	-
Total expenditures	3,192,000	398,000	6,393,350	3,555,497	2,043,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(542,928)	(148,865)	(945,991)	(815,694)	(2,043,615)
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued, at par	-	-	5,025,000	-	-
Payment to refunded bond escrow agent	-	-	(4,939,073)	-	-
Proceeds from sale of capital assets	-	-	-	213,935	-
Transfers in (out)	-	-	-	(2,000,000)	2,000,000
Total other financing sources (uses)	-	-	85,927	(1,786,065)	2,000,000
NET CHANGE IN FUND BALANCE	(542,928)	(148,865)	(860,064)	(2,601,759)	(43,615)
FUND BALANCE, JANUARY 1	2,638,526	443,219	14,529,230	12,347,855	-
FUND BALANCE, DECEMBER 31	\$ 2,095,598	\$ 294,354	\$ 13,669,166	\$ 9,746,096	\$ (43,615)

(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, 2012

	Dundee Road TIF	Rand/Dundee TIF	Downtown TIF	Rand Road Corridor TIF	Rand Road Corridor TIF
BEGINNING BALANCES, JANUARY 1, 2012	\$ 2,638,526	\$ 443,219	\$ 14,529,230	\$ 12,347,855	\$ -
ADDITIONS					
Taxes					
Incremental property taxes	2,646,573	248,691	5,298,957	2,736,497	-
Intergovernmental					
Build america bond interest rebate	-	-	136,474	-	-
Investment income	2,499	444	11,928	3,306	-
Refunding bonds issued, at par	-	-	5,025,000	-	-
Proceeds from sale of capital assets	-	-	-	213,935	-
Transfers in	-	-	-	-	2,000,000
Total additions	2,649,072	249,135	10,472,359	2,953,738	2,000,000
BEGINNING BALANCES PLUS ADDITIONS	5,287,598	692,354	25,001,589	15,301,593	2,000,000
DEDUCTIONS					
Economic development					
Supplies and services	-	-	3,063	38,280	-
Project expenditures	-	-	243,906	1,952,068	2,043,615
Surplus distribution	3,192,000	398,000	-	-	-
Capital outlay					
Buildings and facilities	-	-	879	-	-
Rights of way improvements	-	-	44,210	11,065	-
Flood control	-	-	-	102,153	-
Street improvements	-	-	552,816	45,533	-
Debt service					
Principal retirement	-	-	3,631,824	500,000	-
Interest	-	-	1,829,968	905,398	-
Fiscal charges	-	-	86,684	1,000	-
Payment to refunded bond escrow agent	-	-	4,939,073	-	-
Transfers out	-	-	-	2,000,000	-
Total deductions	3,192,000	398,000	11,332,423	5,555,497	2,043,615
ENDING BALANCES, DECEMBER 31, 2012	\$ 2,095,598	\$ 294,354	\$ 13,669,166	\$ 9,746,096	\$ (43,615)
ENDING BALANCES BY SOURCE					
Incremental property taxes	\$ 2,095,598	\$ 248,691	\$ -	\$ 1,132,638	\$ (43,615)
Investment income	-	45,663	-	-	-
Investment in land held for resale	-	-	13,669,166	8,613,458	-
Subtotal	2,095,598	294,354	13,669,166	9,746,096	(43,615)
Less Surplus Funds	-	-	-	-	-
ENDING BALANCES, DECEMBER 31, 2011	\$ 2,095,598	\$ 294,354	\$ 13,669,166	\$ 9,746,096	\$ (43,615)

(See independent auditor's report.)



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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 April 16, 2013 that the Village of Palatine 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, 2012. 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 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 complied with the aforementioned requirements for the year ended December 31, 2012 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, 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.

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

Naperville, Illinois
April 16, 2013