

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT  
FISCAL YEAR ENDED  
DECEMBER 31, 2014



VILLAGE OF HOFFMAN ESTATES,  
ILLINOIS

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2014

Prepared by Finance Department

Rachel Musiala  
Director of Finance

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials .....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting .....	iii
Letter of Transmittal .....	iv-ix
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities .....	5-6
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	7-8
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position .....	9
Statement of Revenues, Expenditures and Changes in Fund Balances .....	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	11

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
TABLE OF CONTENTS (Continued)

---

Page(s)

**FINANCIAL SECTION (Continued)**

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position .....	12
Statement of Revenues, Expenses and Changes in Net Position .....	13
Statement of Cash Flows .....	14-15

Fiduciary Funds

Statement of Fiduciary Net Position .....	16
Statement of Changes in Fiduciary Net Position .....	17

Index to Notes to Financial Statements .....	18
--	----

Notes to Financial Statements .....	19-71
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund .....	72
EDA General Account .....	73
Notes to Required Supplementary Information .....	74
Schedule of Funding Progress	
Illinois Municipal Retirement Fund .....	75
Police Pension Fund .....	76
Firefighters' Pension Fund .....	77
Other Postemployment Benefit Plan .....	78
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	79
Police Pension Fund .....	80
Firefighters' Pension Fund .....	81
Other Postemployment Benefit Plan .....	82

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information (Continued)

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Police Pension Fund .....	83
Firefighters' Pension Fund .....	84
Schedule of Investment Returns	
Police Pension Fund .....	85
Firefighters' Pension Fund .....	86

COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Comparative Balance Sheet by Account - General Fund .....	87
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance by Account - General Fund .....	88-89
Schedule of Expenditures - Budget and Actual - General Account .....	90-91
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Municipal Waste System Account .....	92
EDA General Account Fund.....	93
EDA Series 1991 Project Fund.....	94

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet .....	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	96
Nonmajor Special Revenue Funds	
Combining Balance Sheet .....	97-98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	99-100

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Special Revenue Funds (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	101
Community Development Block Grant Fund.....	102
Asset Seizure Fund.....	103
Economic Development Area (EDA) Administration Fund.....	104
Emergency 911 Fund.....	105
Roselle Road TIF Fund.....	106
Higgins Hassell TIF Fund.....	107

Nonmajor Debt Service Funds

Combining Balance Sheet.....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	109
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
2005 EDA TIF Refunding Bond Fund.....	110
2008A General Obligation Debt Service Fund.....	111
2009A General Obligation Debt Service Fund.....	112

Nonmajor Capital Projects Funds

Combining Balance Sheet.....	113-114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	115-116
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Central Area Road Improvement Impact Fee Fund.....	117
Central Road Corridor Improvement Fund.....	118
Traffic Improvement Fund.....	119
Western Area Traffic Improvement Fund.....	120
Capital Improvements Fund.....	121
Western Area Road Improvement Impact Fee Fund.....	122

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Capital Projects Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)	
Capital Vehicle and Equipment Fund.....	123
Hoffman Boulevard Bridge Fund .....	124
Capital Replacement Fund.....	125
Western Corridor Fund .....	126
2008 Capital Projects Fund.....	127
2009 Capital Projects Fund.....	128
Stormwater Management Fund.....	129

MAJOR ENTERPRISE FUNDS

Statement of Net Position - Waterworks and Sewerage Fund .....	130
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Waterworks and Sewerage Fund.....	131
Statement of Net Position - Sears Centre Operating Fund .....	132
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Sears Centre Operating Fund .....	133

INTERNAL SERVICE FUNDS

Combining Statement of Net Position.....	134
Combining Statement of Revenues, Expenses and Changes in Net Position .....	135
Combining Statement of Cash Flows.....	136-137
Information Systems Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual.....	138
Insurance Fund	
Schedule of Net Position - by Program .....	139
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual .....	140
Schedule of Revenues, Expenses and Changes in Net Position - by Program .....	141

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position - Pension Trust Funds .....	142
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds .....	143
Schedule of Changes in Fiduciary Net Position - Budget and Actual Police Pension Fund .....	144
Firefighters' Pension Fund .....	145
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	146-147

SUPPLEMENTAL DATA

Schedule of Insurance in Force .....	148
Long-Term Debt Requirements	
General Obligation Taxable Bond Series of 2005A .....	149
General Obligation Bond Series of 2008A .....	150
General Obligation Bond Series of 2009A .....	151
Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes .....	152-155

**STATISTICAL SECTION**

Statistical Section Index .....	156
Financial Trends	
Net Position by Component .....	157-159
Net Position by Component Excluding EDA TIF Activity .....	160-161
Change in Net Position .....	162-164
Change in Net Position Excluding EDA TIF Activity .....	165-168
Fund Balances of Governmental Funds .....	169-170
Changes in Fund Balances of Governmental Funds .....	171-172
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property .....	173
Property Tax Rates - Direct and Overlapping Governments	
Schaumburg Township .....	174
Barrington Township .....	175
Palatine Township .....	176
Hanover Township .....	177

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

	<u>Page(s)</u>
<b>STATISTICAL SECTION (Continued)</b>	
Revenue Capacity (Continued)	
Principal Property Taxpayers .....	178
Property Tax Levies and Collections .....	179
Debt Capacity	
Ratios of Outstanding Debt by Type .....	180
Ratios of Net General Bonded Debt Outstanding .....	181
Direct and Overlapping Governmental Activities Debt .....	181
Schedule of Legal Debt Margin .....	183
Pledged-Revenue Coverage .....	184
Demographic and Economic Information	
Demographic and Economic Information .....	185
Principal Employers .....	186
Full-Time Equivalent Employees .....	187
Operating Information	
Operating Indicators .....	188
Capital Assets Statistics .....	189
Continuing Disclosure - Annual Financial Information .....	190-198

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2014

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LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Gary G. Stanton

Karen V. Mills

Michael Gaeta

Anna Newell

Gayle Vandenberg

Gary J. Pilafas

Bev Romanoff, Village Clerk

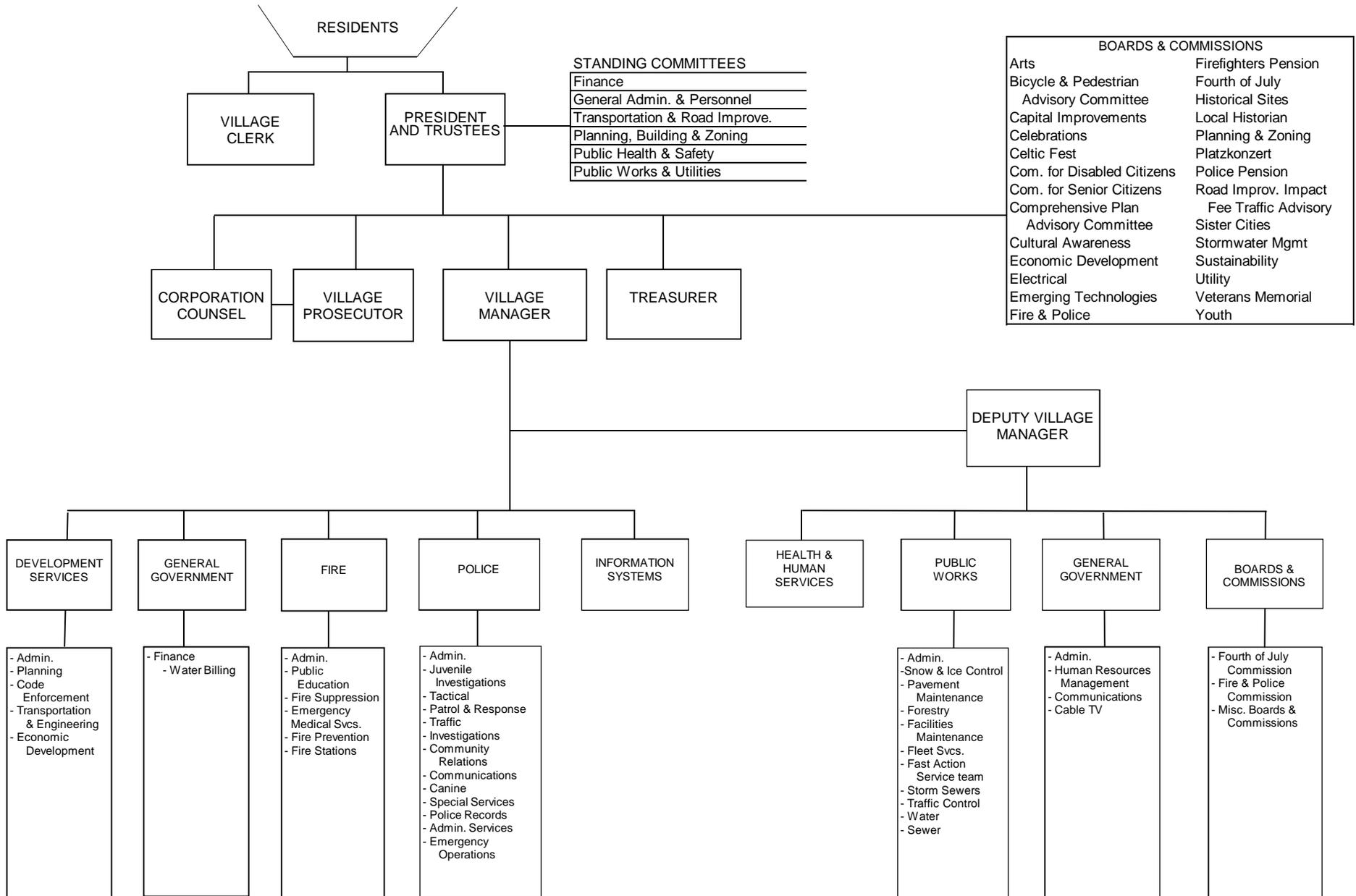
ADMINISTRATIVE

James H. Norris, Village Manager

FINANCE DEPARTMENT

Rachel Musiala, Director of Finance

# VILLAGE OF HOFFMAN ESTATES ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

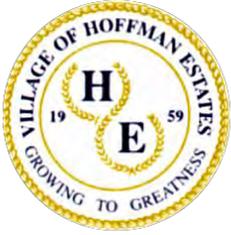
Presented to

**Village of Hoffman Estates  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO



# HOFFMAN ESTATES

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June 24, 2015

The Honorable William McLeod, President  
Board of Trustees  
Village Manager James H. Norris  
Citizens of the Village of Hoffman Estates

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Sikich LLP performed the audit this year. The independent auditor's report is included in the Financial Section of this report. The auditors have given this report an unmodified ("clean") opinion, meaning that the financial statements fairly present the Village's financial position at December 31, 2014, and the changes in financial position for the year then ended.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The Village of Hoffman Estates, incorporated in 1959, operates under the council/manager form of government. The legislative body consists of the Village President and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day administration of the Village. The Village is a home rule municipality as defined by the Illinois Constitution. Located approximately thirty miles northwest of Chicago, in the Counties of Cook and Kane, the Village occupies a land area of approximately 22.1 square miles.

Results of the 2010 Census were received in May, 2011 and show the Village's total population at 51,895. This figure represents an increase of 2,400 from the last decennial census, which was completed in 2000. The Village is projected to reach its population maximum at 58,000 residents.

Additional demographic information about the Village may be found in the Statistical Section of this report.

The Village provides a full range of general governmental services, including police and fire protection, health and social services, water and sewer utilities, street construction and maintenance, code enforcement, planning and zoning, and general administrative services. The financial reporting entity of

the Village of Hoffman Estates is comprised of all funds of the primary government (i.e., the Village of Hoffman Estates as legally defined) and its pension trust funds: the Hoffman Estates Police Pension Fund and the Hoffman Estates Firefighters' Pension Fund. These funds were determined to be pension trust funds due to their fiduciary and fiscal relationship with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers and firefighters. Tax increment financing (TIF) districts have been reported as blended funds in the Village's financial statements, as they are not legally separate. No other legally separate entity qualifies as a component unit of the Village.

The annual budget serves as the foundation for the Village's financial planning and control. State law requires that a municipality operating under the budget system adopt its annual budget prior to the start of its fiscal year. Through the budget, spending authority is conveyed by expenditure object. Budgetary control is maintained by the use of encumbrance accounting under which purchase orders, contracts, and other commitments are effectively recorded as temporary expenditures in order to reserve the proper portion of the applicable budgetary account. The legal level of budgetary control is the department level, or, where no departmental segregation of a fund exists, the fund level.

### **Local Economy**

The economy has recovered well in most sectors throughout Hoffman Estates during 2014 including retail and industrial, while the office sector continues to make slight improvements.

**Retail/Restaurants:** During 2014, a number of retailers opened for business in Hoffman Estates while several shopping centers were purchased by new investors. Two of the larger shopping centers in Hoffman Estates, Poplar Creek Crossing and Prairie Stone Crossing, were purchased in August 2014 by Pine Tree Commercial Realty. Immediately they made a decision to focus on bringing more customers to the center through events, promotions and give-away drawings. The center also welcomed new tenants like Maurice's and Heroic Fitness. Additionally, the Poplar Commons Shopping Center was purchased by Windy City Real Estate with the intention to invest and improve the neighborhood center through site plan and façade upgrades. Aside from centers being purchased several new restaurants opened in Hoffman Estates to serve the diverse community. Great Harvest Bread Company, Viet House, Mumbai Café, Milano Pizza, SweetnSpice, and Molly's Deli are just a few of the great variety of restaurants investing in Hoffman Estates.

#### ***Village TIF Districts:***

**Roselle Road TIF District:** The Hoffman Plaza Shopping Center owners continued to explore ways to enhance and add value to the center. The renovated Jewel store continues to be a solid anchor for the center but they also looked to add outlots to their Plaza. The shopping center owners purchased the former Burger King along Higgins Road and have plans to buy the vacant gas station site at Higgins and Roselle Roads. This will open a new opportunity for a complete redevelopment at the site since Dania Furniture vacated 60,000 square feet in the middle of 2014. Opportunities remain for redevelopment of the property. After many years of coordination, Cook County approved the traffic signal at the entrances to Golf Center and Hoffman Plaza on Roselle Road. The Village received all easements needed and plans to have the signal constructed by the end of 2015. The signal will help to connect the entrances of the two shopping centers, as well as address traffic safety issues.

#### ***Higgins Hassell TIF District:***

The Barrington Square Shopping Center owner continued to make investments in the center despite the negative balance in the TIF. A façade remodel finished in the fall of 2014 which upgraded nearly 75% of the existing center. The McDonald's will have a new look as well since they have approval to build a new restaurant in an outlot east of Buona Beef. The old site will be demolished which presents an opportunity for a new development and new increment for the TIF.

#### ***Barrington Higgins TIF District:***

One of the oldest TIFs in the state of Illinois had a change of plans when the Redevelopment Plan was amended in November 2014. The amendment occurred due to the Village approval of a redevelopment agreement with Ala Carte Entertainment, who purchased two vacant restaurants on the southeast corner

of Barrington and Higgins Roads. The former Max & Erma's and Lone Star stood vacant since 2011 and 2007, respectively and, after renovation, opened as a Moretti's Ristorante and Pizzeria and BBQ restaurant in 2015. Additionally, talks continued in 2014 for a full-service hotel to locate adjacent to the Stonegate Conference Center.

**Office/Light Industrial:** The Village saw development and occupancy for several major facilities in several areas of Hoffman Estates. After their complete building remodel in 2013, ADP, a Fortune 500 Company, changed names to CDK Global and added an extra department to the Hoffman Estates branch. This created a need for extra space so they leased a full floor in the Greenspoint Office Campus. That Campus also welcomed Omron Corporation's move from Schaumburg to take over 70,000 square feet throughout 3 floors. The industrial market in Hoffman Estates also saw an increase in interest with Adesa Auto Auction purchasing nearly 65 acres of land at the northwest corner of Beverly Road and I-90 to construct a brand new facility to serve the Chicago market.

Finally, the Golden Corridor Advanced Manufacturing Partnership (GCAMP) formed a non-profit organization to continue to work with municipalities and private companies to increase awareness of advanced manufacturing jobs in the area and improve workforce development. The group coordinated 35 student internships in 2014 and reached more than 1,900 students through 13 events. The Village Board approved a \$10,000 grant for the GCAMP to be used for scholarships, marketing and overall development of the GCAMP.

### **Long-term Financial Planning**

The Village has a history of sound planning and financial practices. The Village's first Comprehensive Plan was prepared by outside consultants and was adopted in 1969 and has been updated several times since then, most recently in April, 2009. The Comprehensive Plan is intended to guide the long range development policy of the Village. A broad array of development related issues are discussed in the plan, including transportation, land use and economic development. The general guidance provided by the plan is considered when new developments are proposed and when specific programs are considered for implementation by the Village. Over time, it is expected that the broad policies in the plan may need to be adapted to meet changing conditions. Many of the policies of the plan are proposed with this need for flexibility in mind.

The Village also takes stringent steps in preparing for long-term capital planning. Every year, the Village produces an eight-year Capital Improvements Program (CIP) budget, which focuses on all vehicles and all capital items that are over \$25,000. The CIP is the result of an ongoing infrastructure and vehicles/equipment planning process. These planning decisions are made with regard to both existing and new facilities and equipment. For existing facilities, the planning process addresses appropriate maintenance strategies and repair versus replacement of facilities. New service demands are also considered since they will affect capital facility requirements as well.

In addition, the Village continues to implement its Sustainability Plan. This plan formally recognizes the green initiatives that the Village has already undertaken, and assists in prioritizing future green initiatives and capital projects, identifies potential financial savings, and better positions the Village for future grant and rebate opportunities. The Plan calls for consideration of efficiency, environmental impact, and the long-term viability of the Village's fiscal health.

The Village Board has established guidelines for budgetary and planning purposes of the amount of unassigned fund balance in the General Fund that should be kept as a reserve. This policy states:

"The Village will strive to maintain an Unassigned Fund Balance within the General Fund equal to 25% of the preceding year's annual operating budget (not including transfers to fund capital projects), barring any unforeseen circumstances that may arise as a result of the State of Illinois' financial condition. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will remain in the General Fund or be transferred to other funds to address known future financial needs."

As of December 31, 2014, General Fund unassigned fund balance is 24 percent of budgeted operating expenditures.

### **Relevant Financial Policies**

The Village has established several specific policies to guide its financial operations. Those policies relate to financial stability and reporting, debt issuance, investment and cash management, purchasing, and budget development and adjustment. Some of the most significant policies include:

- Issue a Comprehensive Annual Financial report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles. (Financial Stability and Reporting)
- Capitalize building improvements, land improvements, infrastructure, vehicles, and equipment having a minimum acquisition cost of \$10,000 or more on an individual asset basis. (Financial Stability and Reporting)
- The budget of a fund shall be considered “balanced” when planned revenues or existing fund equity equal or exceed planned expenditures, that is, total outlays or disbursements, for a fiscal year. (Budget Development and Adjustment)
- Invest public funds in a manner that will provide a competitive investment return with the maximum security while meeting daily cash flow demands of the Village and conform to all state statutes governing the investment of public funds. (Investment and Cash Management)
- Require that all bank deposits be collateralized with high-quality securities having a market value of at least 110% of the underlying securities. (Investment and Cash Management)
- Place all investment securities with a third-party custodian for safekeeping. (Investment and Cash Management)
- Conduct a formal competitive bidding process (newspaper publication) for purchases of \$20,000 or more. (Purchasing)

### **Major Initiatives**

The Village of Hoffman Estates is dedicated to constantly improving the delivery of its services, thereby enhancing the quality of life for its residents and the operating environment for its businesses. The Village Board sets goals that provide valuable input into the financial planning and practices that will take place throughout the rest of the year, specifically during the budgeting process. The most recently established goals are:

#### *Short-Term Goals:*

- Build upon recent environmental recognition, including Platinum Clean Air Counts status and the Illinois Governor's Sustainability Award, by researching and drafting a Sustainability Plan with assistance from Boards and Commissions and other environmental partners.
- Through cooperation with the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA), work toward completion of Phase I engineering for the Barrington Road full interchange project.
- Reconstruct Hassell Road and complete the Palatine Road project utilizing federal Surface Transportation Program (STP) funds.

- Address the Emerald Ash Borer (EAB) infestation and its numerous impacts on the Village's public tree population, and be a resource for residents and businesses for private infestation.
- Maintain existing public safety programs, including school outreach, public education, citizen academies and neighborhood watch programs, which promote the safety of individuals, neighborhoods and the Village as a whole.
- Explore grants, alternative service delivery methods and innovative practices to augment the Village's financial resources. Provide savings to residents and businesses through municipal electricity aggregation.
- Continually improve the Sears Centre Arena's performance by increasing events, paid attendance, concession commissions and sponsorship/premium seating revenue across all areas.
- Revitalize aging shopping centers through innovative redevelopment strategies, including public-private partnerships impacting Barrington Square, Hoffman Village, the Roselle Road Business District and other centers.
- Evaluate and implement new avenues of communication, such as a Village Mobile Application, creating electronic forms available on the website and enhanced use of social media outlets.

*Ongoing Goals:*

- Explore and implement sustainable programs and practices as outlined in the Sustainability Plan by applying for grant opportunities, and integrate sustainability into Village operations where feasible.
- Cooperate with local, regional, state and national agencies to identify and implement initiatives to improve all modes of public transit, including vehicle, bicycle and pedestrian travel, throughout the Village.
- Maintain and improve the Village's infrastructure, including designing, funding and implementation of a comprehensive and continuing revitalization program for Village streets, sidewalks and stormwater management projects.
- Ensure the health, welfare and safety of Village residents and businesses through provision of excellent public safety services, including EMS, fire, police and emergency management, as well as affordable health and wellness services.
- Provide municipal services in a fiscally sustainable manner given current economic conditions, and continue to be a leader in legislative advocacy to protect local government revenue streams and oppose unfunded mandates.
- Create a thriving and vital local economy with a strong blend of retail, clean-industrial, commercial and residential properties.
- Evaluate and integrate emerging technology and communication tools where feasible to streamline operations, improve service delivery, foster sustainability and increase accessibility and convenience to residents and businesses.
- Enhance the Village's operations through employee development and training in customer service, leadership and other core skill sets that will develop our employees and create a cadre of future leaders for the organization.

## Awards and Acknowledgements

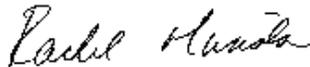
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the thirty-first consecutive year the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village of Hoffman Estates received the GFOA's Distinguished Budget Presentation Award for its annual budget for the 2014 fiscal year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This is the sixth year the Village has received this award.

The preparation of this report on a timely basis was made possible by the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. In addition, I would like to thank the Mayor, the Village Trustees and the Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



Rachel Musiala  
Director of Finance



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors  
Members of American Institute of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Village President  
Members of the Board of Trustees  
Village of Hoffman Estates, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois (the Village) as of and for the year ended December 31, 2014, and the notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The Village adopted the GASB Statement No 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

A predecessor auditor previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois as of and for the year ended December 31, 2013, and they expressed unmodified opinions on those financial statements (none of which are presented herein) in their report dated June 17, 2014.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the 2014 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the 2014 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and supplemental data and statistical section are presented for purposes of additional analysis and are not a required part

of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 2014 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 2014 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The supplemental data, introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. The 2013 comparative information was subjected to the auditing procedures applied in the 2013 audit of the basic financial statements by the predecessor auditor, whose report on such information stated that it was fairly stated in all material respects in relation to the 2013 financial statements as a whole.

#### *Prior Period Adjustments*

As discussed in Note 13, the Village has restated its 2013 financial statements during the current year to correct certain errors in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2013 financial statements before the restatement. As part of our audit of the 2014 financial statements, we also audited adjustments described in Note 13 that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Village other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2015 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Naperville, Illinois  
May 27, 2015

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014**

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As management of the Village of Hoffman Estates (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2014. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the Village's financial statements (beginning on page 4).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including general government, public safety, highways and streets, sanitation, health and welfare, economic development, and culture and recreation. The business-type activities include the water and sewer operations and the operation of the Sears Centre Arena.

The government-wide financial statements can be found on pages 4 through 6 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, EDA General Account Fund, and the EDA Series 1991 Project Fund, all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds. A budgetary comparison statement has been provided for the General Fund and EDA General Account Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 through 11 of this report.

**Proprietary Funds.** The Village maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer system as well as the operation of the Sears Centre Arena. Ownership of the Sears Centre Arena was taken over by the Village in late 2009. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for the costs of property and casualty insurance, workers' compensation insurance, and its information systems. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which is considered to be a major fund of the Village. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 12 through 15 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains two different types of fiduciary funds: pension trust funds and agency funds.

The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 71 of this report.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 72 through 86 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 87 through 147 of this report.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

Beyond presenting current-year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior years in the Management's Discussion and Analysis. By doing so, the Village believes that it is providing the best means of analyzing its financial condition and position as of December 31, 2014.

**Net Position**

The table below reflects the condensed Statement of Net Position.

**Table 1  
Statement of Net Position  
As of December 31, 2014**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
Current and Other Assets	\$ 64,988,676	\$ 57,478,425	\$ 7,551,492	\$ 5,797,489	\$ 72,540,168	\$ 63,275,914
Capital Assets	149,301,070	148,485,734	107,050,067	103,794,710	256,351,137	252,280,444
<b>Total Assets</b>	<b>214,289,746</b>	<b>205,964,159</b>	<b>114,601,559</b>	<b>109,592,199</b>	<b>328,891,305</b>	<b>315,556,358</b>
Long-Term Liabilities	114,892,436	172,029,647	53,703,678	52,383,143	168,596,114	224,412,790
Other Liabilities	31,932,404	8,341,683	2,494,287	2,443,945	34,426,691	10,785,628
<b>Total Liabilities</b>	<b>146,824,840</b>	<b>180,371,330</b>	<b>56,197,965</b>	<b>54,827,088</b>	<b>203,022,805</b>	<b>235,198,418</b>
Property Taxes	-	17,997,684	-	-	-	17,997,684
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>17,997,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,997,684</b>
Net Position:						
Invested in Capital Assets,						
Net of Debt	99,421,159	99,864,591	54,117,345	52,052,387	153,538,504	151,916,978
Restricted	8,705,357	6,556,733	-	-	8,705,357	6,556,733
Unrestricted	(40,661,610)	(98,826,179)	4,286,249	2,712,724	(36,375,361)	(96,113,455)
<b>Total Net Position</b>	<b>\$ 67,464,906</b>	<b>\$ 7,595,145</b>	<b>\$ 58,403,594</b>	<b>\$ 54,765,111</b>	<b>\$ 125,868,500</b>	<b>\$ 62,360,256</b>

The deficit in unrestricted net position is primarily the result of the Village sponsoring one of the largest economic development area (EDA) tax increment financing (TIF) districts in the State of Illinois to induce the relocation of the headquarters of a major retailer to the Village and keeping the jobs within the state. As part of the inducement, the Village issued \$65,400,000 Senior Lien Tax Increment Revenue Bonds, Series 2005 (expired in 2010), \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

(expired in 2007), and Tax Increment Revenue Notes in the amount of \$112,934,331 (as of December 31, 2014). These bonds and notes did not produce a capital asset that is owned by the Village, and even though the Village is not generally obligated for the retirement of the debt as it is payable solely from the incremental taxes generated by the EDA, the bonds and notes are, nonetheless, required to be reported as a liability of the Village. If sufficient funds are not available in the EDA to pay the debt as of the end of the useful life of the EDA, then the obligations would be cancelled and the Village would report a gain on the cancellation of said debt. Therefore, the deficit will be reduced and eliminated over the remaining life of the EDA. It should be noted that the end of the life of the EDA was originally scheduled for 2012. However, recent legislation enacted by the State of Illinois has extended the EDA for an additional 15 years and it will now end in 2027.

Since the EDA distorts the financial position and results of operations of the ongoing operations of the Village, the following table displays the Village's net position without the EDA activity, which is a better measure of the financial position of the Village.

**Table 1-a**  
**Statement of Net Position Excluding EDA TIF Activity**  
**As of December 31, 2014**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
Current and Other Assets	\$ 60,159,658	\$ 54,090,357	\$ 7,551,492	\$ 5,797,489	\$ 67,711,150	\$ 59,887,846
Capital Assets	149,301,070	148,485,734	107,050,067	103,794,710	256,351,137	252,280,444
<b>Total Assets</b>	<b>209,460,728</b>	<b>202,576,091</b>	<b>114,601,559</b>	<b>109,592,199</b>	<b>324,062,287</b>	<b>312,168,290</b>
Long-Term Liabilities	76,427,981	59,095,316	53,703,678	52,383,143	130,131,659	111,478,459
Other Liabilities	13,620,152	8,315,529	2,494,287	2,443,945	16,114,439	10,759,474
<b>Total Liabilities</b>	<b>90,048,133</b>	<b>67,410,845</b>	<b>56,197,965</b>	<b>54,827,088</b>	<b>146,246,098</b>	<b>122,237,933</b>
Property Taxes	-	17,997,684	-	-	-	17,997,684
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>17,997,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,997,684</b>
Net Position:						
Invested in Capital Assets,						
Net of Debt	99,421,159	99,864,591	54,117,345	52,052,387	153,538,504	151,916,978
Restricted	3,988,610	3,194,819	-	-	3,988,610	3,194,819
Unrestricted	16,002,826	14,108,152	4,286,249	2,712,724	20,289,075	16,820,876
<b>Total Net Position</b>	<b>\$ 119,412,595</b>	<b>\$ 117,167,562</b>	<b>\$ 58,403,594</b>	<b>\$ 54,765,111</b>	<b>\$ 177,816,189</b>	<b>\$ 171,932,673</b>

As you can see, the governmental activities no longer show a deficit in unrestricted net position when the EDA financial information is excluded. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Hoffman Estates (excluding EDA TIF activity), assets exceeded liabilities by \$171,932,673 as of December 31, 2014. The Village's combined net position decreased by \$5,883,516 from 2013 which is a result of the decision to use fund reserves for the Emerald Ash Borer Program and water and sewer improvements.

The largest portion of the Village's net position is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table 2**  
**Net Position Invested in Capital Assets, Net of Related Debt**  
**As of December 31, 2014**

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
Capital Assets	\$ 149,301,070	\$ 148,485,734	\$ 107,050,067	\$ 103,794,710	\$ 256,351,137	\$ 252,280,444
Less Outstanding Related Debt:						
2005A G.O. Bonds	-	-	(46,675,000)	(45,260,000)	(46,675,000)	(45,260,000)
2008 G.O. Bonds	(19,983,750)	(19,983,750)	(6,661,250)	(6,661,250)	(26,645,000)	(26,645,000)
2009 G.O. Bonds	(29,155,000)	(27,920,000)	-	-	(29,155,000)	(27,920,000)
Less Outstanding Premiums	(961,546)	(901,449)	-	-	(961,546)	(901,449)
Plus Outstanding Discounts	191,725	184,056	214,231	181,610	405,956	365,666
Less Capital Lease	-	-	-	(2,683)	-	(2,683)
Plus Unspent Bond Proceeds	28,660	-	189,297	-	217,957	-
<b>Total</b>	<b>99,421,159</b>	<b>99,864,591</b>	<b>54,117,345</b>	<b>52,052,387</b>	<b>153,538,504</b>	<b>151,916,978</b>

The second portion of the Village's net position in the amount of \$16,820,876 represents funds that are unrestricted and can be used for Village services. The final portion of the Village's net position in the amount of \$3,194,819 represents resources that are subject to external restrictions on how they may be used.

For more detailed information, see the Statement of Net Position on page 4.

**Activities**

The table on the following page summarizes the revenue and expenses of the Village's activities.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table 3**  
**Changes in Net Position**  
**For the Fiscal Year Ended December 31, 2014**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 11,511,935	\$ 10,966,450	\$ 15,796,230	\$ 25,061,467	\$ 27,308,165	\$ 36,027,917
Operating Grants	2,562,477	4,088,264	-	-	2,562,477	4,088,264
Capital Grants/Contributions	3,525,568	266,395	104,896	114,980	3,630,464	381,375
General Revenues:						
Property Taxes	36,803,822	48,756,911	-	-	36,803,822	48,756,911
Other Taxes	22,918,210	26,830,067	1,826,801	2,082,566	24,745,011	28,912,633
Other	3,300,104	1,682,739	1,058,592	1,153,993	4,358,696	2,836,732
<b>Total Revenues</b>	<b>80,622,116</b>	<b>92,590,826</b>	<b>18,786,519</b>	<b>28,413,006</b>	<b>99,408,635</b>	<b>121,003,832</b>
<b>EXPENSES</b>						
General Government	10,593,969	6,025,628	-	-	10,593,969	6,025,628
Public Safety	34,713,320	35,325,151	-	-	34,713,320	35,325,151
Highways and Streets	9,043,957	16,710,043	-	-	9,043,957	16,710,043
Sanitation	1,211,351	1,638,771	-	-	1,211,351	1,638,771
Health and Welfare	1,643,956	1,614,867	-	-	1,643,956	1,614,867
Culture and Recreation	360,479	355,894	-	-	360,479	355,894
Economic Development	2,435,172	81,666,884	-	-	2,435,172	81,666,884
Water and Sewer	-	-	15,096,017	16,505,476	15,096,017	16,505,476
Sears Centre	-	-	7,188,970	16,292,697	7,188,970	16,292,697
Interest on Long-Term Debt	3,866,269	6,427,621	-	-	3,866,269	6,427,621
<b>Total Expenses</b>	<b>63,868,473</b>	<b>149,764,859</b>	<b>22,284,987</b>	<b>32,798,173</b>	<b>86,153,460</b>	<b>182,563,032</b>
<b>Excess (Deficiency)</b>						
<b>Before Transfers</b>	<b>16,753,643</b>	<b>(57,174,033)</b>	<b>(3,498,468)</b>	<b>(4,385,167)</b>	<b>13,255,175</b>	<b>(61,559,200)</b>
Transfers In (Out)	(2,389,989)	(746,684)	2,389,989	746,684	-	-
<b>Change in Net Position</b>	<b>\$ 14,363,654</b>	<b>\$ (57,920,717)</b>	<b>\$ (1,108,479)</b>	<b>\$ (3,638,483)</b>	<b>\$ 13,255,175</b>	<b>\$ (61,559,200)</b>
<b>Net Position, January 1</b>	<b>\$ 53,101,252</b>	<b>\$ 67,464,906</b>	<b>\$ 59,512,073</b>	<b>\$ 58,403,594</b>	<b>\$ 112,613,325</b>	<b>\$ 125,868,500</b>
Prior Period Adjustments	-	(1,949,044)	-	-	-	(1,949,044)
<b>Net Position,</b>						
<b>January 1, as Restated</b>	<b>\$ 53,101,252</b>	<b>\$ 65,515,862</b>	<b>\$ 59,512,073</b>	<b>\$ 58,403,594</b>	<b>\$ 112,613,325</b>	<b>\$ 123,919,456</b>
<b>Net Position,</b>						
<b>December 31</b>	<b>\$ 67,464,906</b>	<b>\$ 7,595,145</b>	<b>\$ 58,403,594</b>	<b>\$ 54,765,111</b>	<b>\$ 125,868,500</b>	<b>\$ 62,360,256</b>

For the fiscal year ended December 31, 2014, revenues from governmental activities totaled \$92 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$48 million. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

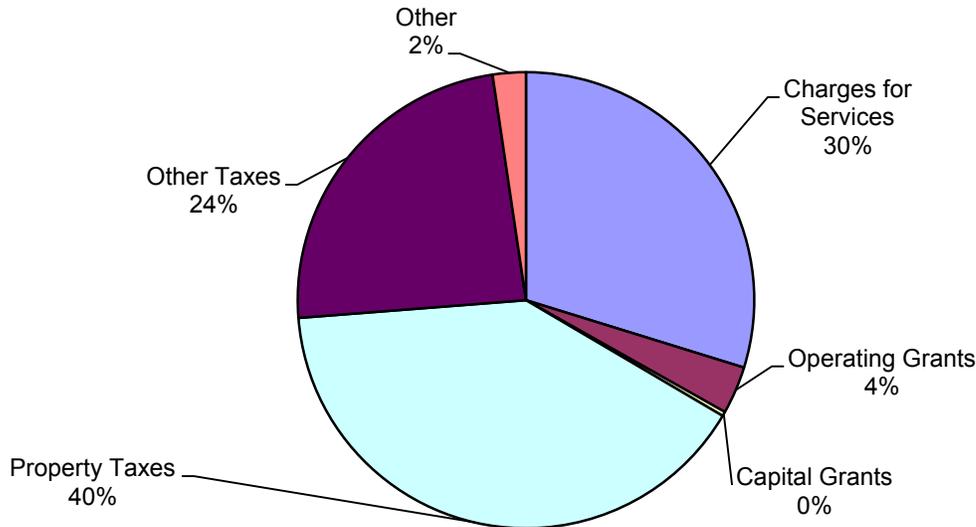
(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is at 9 percent, the equivalent of a 1 percent tax is remitted to Hoffman Estates, in addition to another 1 percent for the Village's home-rule sales tax portion.

In 2014, state-shared sales tax revenues were \$7,980,411 compared to \$7,306,806 in 2013. Home-rule sales tax revenues also saw an increase from \$3,777,094 in 2013 to \$3,835,430 in 2014. These increases reflect new business openings within the Village as well as the improvements in the nation's economy.

**Chart 1**  
**Revenues by Source – Primary Government**  
**For the Fiscal Year Ended December 31, 2014**



Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2013 and 2014, the Village's income and local use tax revenues decreased from \$5,931,409 to \$5,911,120.

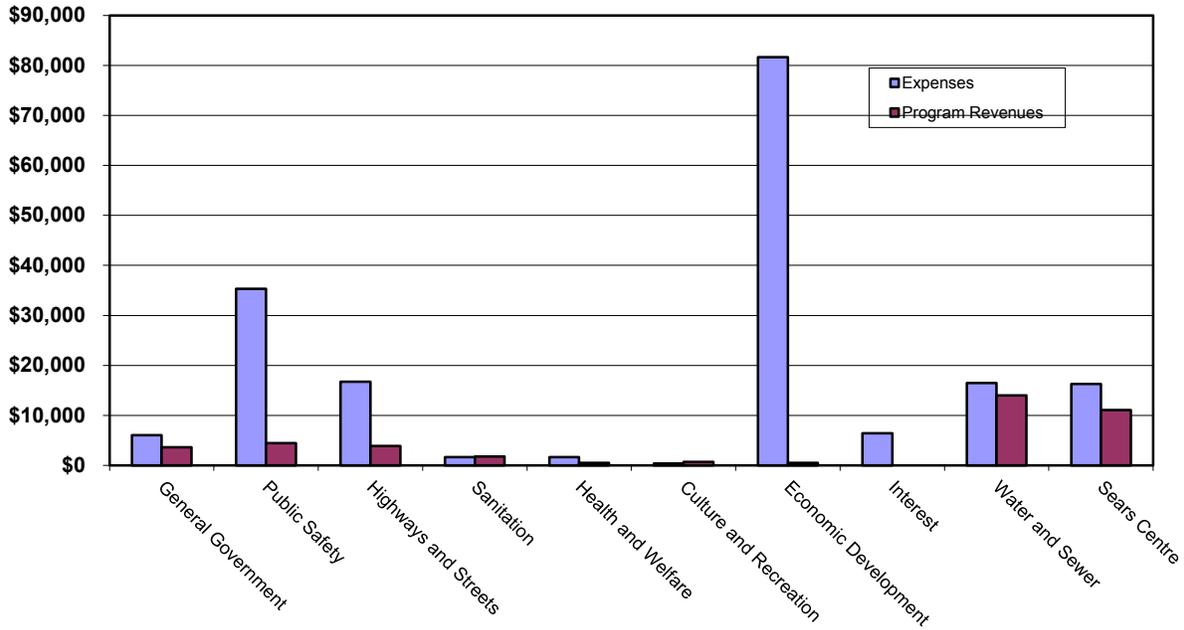
A major revenue component of the "Charges for Services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$13,980,643 in 2014 compared to \$13,792,658 in 2013. The Village had scheduled annual increases of approximately 6.2 percent based on a 5-year water rate study through the end of 2013. However, due to significant rate increases imposed by the City of Chicago (25% in FY2012, and 15% in each of the years FY2013, FY2014, and FY2015), the water supplier for the Village, the Village had to amend its planned increases to cover the additional, unforeseen cost. Fiscal year 2013 was the final year of those planned increases under the old water rate study, so a new 5-year water rate study was started in 2014. The Village did not impose an additional water rate increase until the water rate study was completed in early 2015.

As you can see by the chart below, very few Village programs are self-funded through program revenues. This is where general revenues like property taxes and sales taxes come in. These non-program revenues are what make it possible to fund necessary functions within the Village.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Chart 2**  
**Expenses and Program Revenues**  
**For the Fiscal Year Ended December 31, 2014**  
**(Dollars in Thousands)**



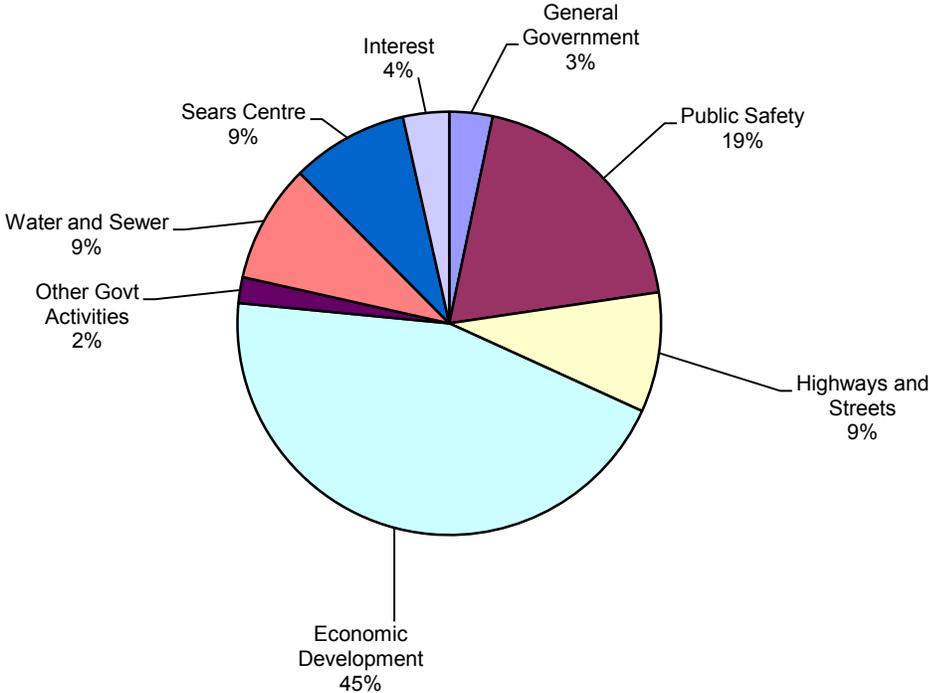
Village expenses amounted to \$182 million in 2014. The largest share is related to Economic Development due to the recognition of new EDA obligations in the amount of \$78 million.

With a high demand for skilled employees in both the public and private sectors in this region, it is important that the Village provide competitive compensation levels for our employees. However, due to economic uncertainty in terms of recovery and continuing the effort to reduce General Fund expenditures, the annual funding of the Village's performance based employee compensation package was kept at a minimum with only an average of a 2.5 percent increase given to non-union employees. Each of the collective bargaining units (Police, Fire, and Public Works) received salary increases based on their contractual agreements. Those agreements provided for various step (seniority) and general cost of living increases.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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**Chart 3**  
**Expenses by Function**  
**For the Fiscal Year Ended December 31, 2014**



Once again, it needs to be mentioned that the inclusion of the EDA debt distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$25,571,103, which represents general revenue to the governmental activities. On the expense side, the Village recognized new EDA debt of \$78,765,309 along with principal payments of \$26,371,103. Removing all EDA activity from the governmental activities results in the following:

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Table 3-a**  
**Changes in Net Position Excluding EDA TIF Activity**  
**For the Fiscal Year Ended December 31, 2014**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 11,511,935	\$ 10,966,450	\$ 15,796,230	\$ 25,061,467	\$ 27,308,165	\$ 36,027,917
Operating Grants	2,562,477	4,088,264	-	-	2,562,477	4,088,264
Capital Grants/Contributions	3,525,568	266,395	104,896	114,980	3,630,464	381,375
General Revenues:						
Property Taxes	18,169,718	23,237,428	-	-	18,169,718	23,237,428
Other Taxes	22,918,210	26,830,067	1,826,801	2,082,566	24,745,011	28,912,633
Other	3,296,109	1,701,170	1,058,592	1,153,993	4,354,701	2,855,163
<b>Total Revenues</b>	<b>61,984,017</b>	<b>67,089,774</b>	<b>18,786,519</b>	<b>28,413,006</b>	<b>80,770,536</b>	<b>95,502,780</b>
<b>EXPENSES</b>						
General Government	10,273,676	6,025,628	-	-	10,273,676	6,025,628
Public Safety	30,876,317	34,945,772	-	-	30,876,317	34,945,772
Highways and Streets	8,892,032	16,710,043	-	-	8,892,032	16,710,043
Sanitation	1,211,351	1,638,771	-	-	1,211,351	1,638,771
Health and Welfare	1,643,956	1,614,867	-	-	1,643,956	1,614,867
Culture and Recreation	360,479	355,894	-	-	360,479	355,894
Economic Development	2,290,749	2,901,575	-	-	2,290,749	2,901,575
Water and Sewer	-	-	15,096,017	16,505,476	15,096,017	16,505,476
Sears Centre	-	-	7,188,970	16,292,697	7,188,970	16,292,697
Interest on Long-Term Debt	2,791,680	2,420,719	-	-	2,791,680	2,420,719
<b>Total Expenses</b>	<b>58,340,240</b>	<b>66,613,269</b>	<b>22,284,987</b>	<b>32,798,173</b>	<b>80,625,227</b>	<b>99,411,442</b>
Excess (Deficiency)						
Before Transfers & Adjustments	3,643,777	476,505	(3,498,468)	(4,385,167)	145,309	(3,908,662)
Transfers In (Out)	(2,305,477)	(772,494)	2,389,989	746,684	84,512	(25,810)
<b>Change in Net Position</b>	<b>\$ 1,338,300</b>	<b>\$ (295,989)</b>	<b>\$ (1,108,479)</b>	<b>\$ (3,638,483)</b>	<b>\$ 229,821</b>	<b>\$ (3,934,472)</b>
<b>Net Position, January 1</b>	<b>\$ 118,074,295</b>	<b>\$ 119,412,595</b>	<b>\$ 59,512,073</b>	<b>\$ 58,403,594</b>	<b>\$ 177,586,368</b>	<b>\$ 177,816,189</b>
Prior Period Adjustments	-	(1,949,044)	-	-	-	(1,949,044)
<b>Net Position, January 1, as Restated</b>	<b>\$ 118,074,295</b>	<b>\$ 117,463,551</b>	<b>\$ 59,512,073</b>	<b>\$ 58,403,594</b>	<b>\$ 177,586,368</b>	<b>\$ 175,867,145</b>
<b>Net Position, December 31</b>	<b>\$ 119,412,595</b>	<b>\$ 117,167,562</b>	<b>\$ 58,403,594</b>	<b>\$ 54,765,111</b>	<b>\$ 177,816,189</b>	<b>\$ 171,932,673</b>

As can be seen, when the EDA activity is removed, a clearer picture of the Village's finances is revealed. The increase of net position realized in 2013 of \$229,821 was primarily due to proceeds for road construction. As for 2014, the Village is showing a decrease in net position, including the prior period adjustment, of \$5,883,516 primarily due to the Emerald Ash Borer Program and water and sewer system improvements.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the fiscal year ended December 31, 2014, the governmental funds reported combined ending fund balances of over \$26 million. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,469,497, while total fund balance equaled \$16,418,655. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.9 percent of budgeted General Fund expenditures, while total fund balance represents 29.2 percent of that same amount.

**Table 4  
General Fund Budgetary Highlights  
For the Fiscal Year Ended December 31, 2014**

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			2014	2013
<i>REVENUES &amp; SALE OF CAPITAL ASSETS</i>				
Taxes	\$29,804,320	\$29,804,320	\$29,447,436	\$24,417,385
Inter-Governmental	14,329,520	14,635,020	15,207,160	14,386,548
Other	10,136,180	10,163,580	10,756,497	10,575,794
Transfers In	50,000	50,000	173,996	192,417
<b>Total Revenues</b>	<b>54,320,020</b>	<b>54,652,920</b>	<b>55,585,089</b>	<b>49,572,144</b>
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(53,245,470)	(53,675,690)	(52,226,264)	(45,654,640)
Transfers Out	(2,593,940)	(2,593,940)	(2,146,782)	(3,401,999)
<b>Total Expenditures and Transfers</b>	<b>(55,839,410)</b>	<b>(56,269,630)</b>	<b>(54,373,046)</b>	<b>(49,056,639)</b>
<b>Change in Fund Balance</b>	<b>(\$1,519,390)</b>	<b>(\$1,616,710)</b>	<b>\$1,212,043</b>	<b>\$515,505</b>

The fund balance of the Village's General Fund increased by \$1,212,043 during the current fiscal year. This was a positive result when compared to the planned drawdown of \$1,616,710. In years where revenues exceed expenditures within the General Fund, excess funds are utilized according to the Village's Fund Balance Policy. This policy states that the Village will strive to maintain an unassigned fund balance within the General Fund equal to 18 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board.

Actual General Fund revenues exceeded the mended budgeted revenues by \$932,169 during fiscal year 2014, which hopefully is a continued sign that the economic downturn is ending. During fiscal years 2008 and 2009, revenues fell short of projections and the economic downturn had a tremendous impact on Hoffman Estates' overall budget. Village revenues had dropped almost \$7 million during these two previous years. All of the Village's economy or consumption driven revenues, like sales tax, food & beverage tax, hotel tax, development fees, real estate transfer tax, and building permits all saw significant decreases. The Village is optimistic that these revenues have stabilized and will continue to improve.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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Actual General Fund expenditures and transfers ended up being less than the amended budget by \$1,896,584 in 2014.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2014. This fund is used to account EDA Revenue Note payments that are made when surplus revenues are available related to the EDA. Since this fund has revenues matching the expenditures, there is no fund balance as of December 31, 2014.

With respect to the business-type activities, the Waterworks and Sewerage Fund recorded a decrease in net position in the amount of \$2,652,718, which was greater than the \$1,411,610 million decrease that was originally projected. This is primarily due to the fact that the Village budgets from a cash flow perspective, therefore depreciation expense is not part of the annual budgeted costs. Unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$1,059,815.

The Sears Centre Operating Fund was created in 2009 when the Village took over ownership of the arena. This fund is used to account for all operations of the Sears Centre arena. As of December 31, 2014 this fund had an unrestricted net position in the amount of \$1,652,909.

The Village Board amended the fiscal year 2014 budget on three occasions. These budget amendments were primarily for the following purposes:

- Utilization of better than expected 2014 mid-year financial results to increase the Emerald Ash Borer program efforts by \$100,000.
- Increase in salt expenses by \$115,000 because of a greater need than anticipated to salt the roads during the winter season.
- Use of unexpected Supplemental Capital Allotment disbursement in the Motor Fuel Tax Fund to increase road revitalization program by \$551,500.
- The issuance of new debt in the EDA resulted in a budget amendment of \$78,635,100 to capital improvements and note proceeds.
- Use of grant revenues to increase the I-90/Barrington Interchange project work by \$1,452,000.
- Use of grant revenue to purchase Fire Station Alerting equipment for \$120,000.
- Increase budget by \$495,600 to accommodate for late delivery of a fire apparatus that was budgeted in 2013

Of the total budgeted expense increases of \$121,332,350, \$78,635,100 related to the issuance of new EDA debt, \$26,372,000 represented EDA incremental property taxes to pay outstanding EDA revenue notes, \$3,391,250 was to be funded from available fund balance in various funds, and the remaining increases were funded out of miscellaneous increases in various revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The Village's investment in capital assets for both its governmental and business-type activities as of December 31, 2014 amounted to \$252,280,444 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, and storm sewers. The total investment in capital assets for the current fiscal year decreased by 1.6 percent from 2013.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Major capital asset events during 2014 included the following:

- The Village reconstructed many streets in 2014. The largest street reconstruction completed in 2014 was Hassell Rd., resulting in the addition of \$3.3 million in new street and a new bridge totaling over \$900,000.
- Additional street reconstructions in 2014 resulted in excess of \$3.7 million in street additions.
- The Village purchased nine new vehicles totaling \$861,809. Seven of them were for the Police Department, one of them was for the Public Works Department, and one of them was for the Fire Department.
- Upgrades were made to the Sears Centre Marquee totaling \$289,900.
- The Village purchased a new audio/visual Fire Station Alerting System at a cost of \$212,976.

The following schedule reflects the Village's capital asset balances as of December 31, 2014.

**Table 5**  
**Capital Assets**  
**As of December 31, 2014**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
Land and Land Right of Way	\$ 49,184,393	\$ 49,184,393	\$ 6,499,000	\$ 6,499,000	\$ 55,683,393	\$ 55,683,393
Plant System and Equipment			55,288,621	55,288,621	55,288,621	55,288,621
Buildings and Improvements	50,212,758	50,504,819	74,258,503	74,285,951	124,471,261	124,790,770
Machinery, Vehicles and Equipment	12,225,197	13,157,710	7,221,809	7,654,921	19,447,006	20,812,631
Infrastructure	105,123,137	112,152,134	-	-	105,123,137	112,152,134
Construction in Progress	5,290,267	261,496	19,575	19,575	5,309,842	281,071
Less:						
Accumulated Depreciation	(72,734,682)	(76,774,818)	(36,237,441)	(39,953,358)	(108,972,123)	(116,728,176)
<b>Total</b>	<b>149,301,070</b>	<b>148,485,734</b>	<b>107,050,067</b>	<b>103,794,710</b>	<b>256,351,137</b>	<b>252,280,444</b>

Additional information on the Village's capital assets can be found in note 4 on pages 31 and 32 of this report.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Long-Term Debt**

The following table summarizes the Village's bonded and similar indebtedness.

**Table 6**  
**Bonded and Similar Indebtedness**  
**As of December 31, 2014**

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>
General Obligation Bonds	\$ 49,138,750	\$ 47,903,750	\$ 53,336,250	\$ 51,921,250	\$ 102,475,000	\$ 99,825,000
Unamortized Prem/(Discount)	769,821	717,393	(214,231)	(181,610)	555,590	535,783
TIF Revenue Notes	61,382,691	118,365,117	-	-	61,382,691	118,365,117
Net Pension Obligation	518,295	539,965	-	-	518,295	539,965
Capital Lease	-	-	7,283	2,683	7,283	2,683
Compensated Absences	2,871,443	2,850,479	377,343	401,715	3,248,786	3,252,194
Net OPEB	1,588,603	1,652,943	192,409	239,105	1,781,012	1,892,048
Termination Benefits	4,224	-	4,624	-	8,848	-
<b>Total</b>	<b>\$ 116,273,827</b>	<b>\$ 172,029,647</b>	<b>\$ 53,703,678</b>	<b>\$ 52,383,143</b>	<b>\$ 169,977,505</b>	<b>\$ 224,412,790</b>

At the end of the current fiscal year, the Village had total debt outstanding of \$224,412,790. Of this amount, \$99,825,000 comprises general obligation bonds backed by the full faith and credit of the Village. The Village also issues notes where the Village pledges incremental tax income derived from a separately created tax increment financing district. These notes are not obligations of the Village and are secured only by the incremental revenues generated by the TIF districts and the EDA.

In 2014, the Village's total long-term debt increased by \$54,435,285 or 32 percent. This was primarily due to the issuance of new EDA debt in the amount of \$78,765,309 offset by the annual EDA note payment in the amount of \$26,371,103 from EDA incremental revenues.

As an Illinois home-rule community, the Village is not subject to any debt limitation. The Village's general obligation bonds have been given a credit rating of Aa2 from Moody's Investors Services and AA+ from Standard & Poor's, both of which were reaffirmed recently. Moody's reported the Aa2 rating reflected the Village's large and wealthy suburban Chicago tax base with improved financial position benefiting from our home rule status and prudent management. Standard & Poor's rating reflected the Village's strong economy and management, and highlighted the Village's budgetary flexibility and strong liquidity.

Additional information on the Village's long-term debt can be found in note 5 on pages 33 through 39 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. The levies for the police and fire pension plans, which are actuarially determined, decreased slightly in tax levy year 2014 (fiscal year 2015). Pension funding comes from three sources: employee contributions, employer contributions and investment returns. Since employee contributions are capped by the Illinois General Assembly, the fiscal burden falls upon Village contributions (local taxpayers) to keep these funds financially solvent. By law, Hoffman Estates is mandated to fund the pension benefits of police, firefighters and other municipal employees.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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All Village Sworn Police Officers and Firefighters are covered under the downstate police pension plan and fire pension plan, respectively, as governed by Illinois Compiled Statutes and amended only by the Illinois Legislature. All other Village employees are covered under the Illinois Municipal Retirement Fund (IMRF).

Meaningful pension reform related to police and fire pensions has been at the forefront of attention by every municipality as well as the State of Illinois. But it has been difficult to come by. Because of this, various public and private sector organizations across the State formed the Pension Fairness for Illinois Communities Coalition. The Village of Hoffman Estates has been an active participant. During the regular 2010 legislative session, major negotiations occurred between coalition members and representatives of the Police and Fire labor groups. Legislation passed, which created a second tier system for all new hires effective January 1, 2011. In addition, increased investment authority combined with a 30 year rolling amortization will help to stabilize employer public safety pension costs. However, recently the Illinois Supreme Court ruled some of this reform as unconstitutional, so work will have to begin again.

The 2010 census found that the median household income was \$75,506 and the median home value was \$301,500. The Village's population, per the 2010 census, is 51,895, an increase of 2,400 from the 2000 census figure of 49,495. This increase in population means that the Village will be entitled to larger portions of state-shared revenue such as income taxes and motor fuel taxes.

All of these factors were considered in preparing the Village's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased from \$13,177,033 to \$13,469,497 primarily due to higher than projected revenues. The Village is planning on utilizing \$1,056,710 of this fund balance in the 2015 fiscal year budget.

The water and sewer rates have been dramatically impacted recently by sudden and unplanned rate increases imposed by the water supplier, the City of Chicago. Although the Village conducts water rate studies every five years in order to plan for needed rates necessary to fund future water and sewer system improvements, those plans have been interrupted by the City of Chicago. Hoffman Estates is a member of the Joint Action Water Agency of Cook County (JAWA). JAWA is a municipal corporation consisting of seven municipalities, established to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members. JAWA has entered into an agreement with the City of Chicago under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2020. The Village was not in a position to absorb any of the increases imposed by the water supplier. To ease the burden on the residents, the Village had spread the needed rate increases into three installments. The first increase was effective March 1, 2012 for 13.5 percent. The next increase was on December 1, 2012 for approximately 14.0 percent. The final increase pertaining to the current water rate study and City of Chicago rate increase was implemented on December 1, 2013 for about 10 percent. The Village had no water rate increase during 2014. However, the Village was aware that the City of Chicago was planning another significant rate increase of 15% effective January 1, 2015, so a new 5-year water rate study was conducted during 2014 and a rate increase of 16% was implemented in March, 2015. This rate will be able to fund the supplier increase as well as a bond issue expected later in 2015 to fund water capital expenses.

#### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability of the money it receives. Questions concerning this report or requests for additional financial information should be directed to Rachel Musiala, Director of Finance, Village of Hoffman Estates, 1900 Hassell Road, Hoffman Estates, IL 60169.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 29,106,316	\$ 2,976,553	\$ 32,082,869
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	18,048,557	-	18,048,557
Accounts	227,173	2,405,121	2,632,294
Accrued Interest	17,932	-	17,932
Other	3,890,511	271,166	4,161,677
Deposits	50,000	-	50,000
Prepaid Expenses	84,735	35,049	119,784
Inventories	136,188	203,170	339,358
Due from Other Governments	4,997,225	-	4,997,225
Due to/from Other Funds	93,570	(93,570)	-
Due from Fiduciary Funds	182,890	-	182,890
Advance to Fiduciary Funds	31,100	-	31,100
Net Pension Asset	612,228	-	612,228
Capital Assets			
Not Depreciated	49,445,889	6,518,575	55,964,464
Depreciated (Net of Accumulated Depreciation)	99,039,845	97,276,135	196,315,980
<b>Total Assets</b>	<b>205,964,159</b>	<b>109,592,199</b>	<b>315,556,358</b>
<b>LIABILITIES</b>			
Accounts Payable	2,709,765	1,457,972	4,167,737
Accrued Payroll	841,863	84,217	926,080
Accrued Interest Payable	201,531	228,944	430,475
Events Payable	-	48,661	48,661
Claims Payable	635,789	-	635,789
Benefits Payable	294,696	-	294,696
Unearned Revenues	349,844	568,603	918,447
Deposits Payable	3,308,195	55,548	3,363,743
Long-Term Liabilities			
Due Within One Year	2,921,953	1,653,946	4,575,899
Due in More than One Year	169,107,694	50,729,197	219,836,891
<b>Total Liabilities</b>	<b>180,371,330</b>	<b>54,827,088</b>	<b>235,198,418</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	17,997,684	-	17,997,684
<b>Total Deferred Inflows of Resources</b>	<b>17,997,684</b>	<b>-</b>	<b>17,997,684</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	99,864,591	52,052,387	151,916,978
Restricted for			
Employee Loan Program	65,019	-	65,019
Highways and Streets	1,468,693	-	1,468,693
Emergency Equipment	72,006	-	72,006
Public Safety	242,382	-	242,382
Economic Development	4,265,633	-	4,265,633
Bond Projects	3,920	-	3,920
Debt Service	439,080	-	439,080
Unrestricted (Deficit)	(98,826,179)	2,712,724	(96,113,455)
<b>TOTAL NET POSITION</b>	<b>\$ 7,595,145</b>	<b>\$ 54,765,111</b>	<b>\$ 62,360,256</b>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 6,025,628	\$ 3,645,798	\$ -	\$ -
Public Safety	35,325,151	3,931,959	225,214	266,395
Highways and Streets	16,710,043	307,528	3,541,321	-
Sanitation	1,638,771	1,744,029	-	-
Health and Welfare	1,614,867	507,061	-	-
Culture and Recreation	355,894	668,132	-	-
Economic Development	81,666,884	161,943	321,729	-
Interest	6,427,621	-	-	-
Total Governmental Activities	149,764,859	10,966,450	4,088,264	266,395
Business-Type Activities				
Waterworks and Sewerage	16,505,476	13,980,643	-	-
Sears Centre	16,292,697	11,080,824	-	114,980
Total Business-Type Activities	32,798,173	25,061,467	-	114,980
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 182,563,032</b>	<b>\$ 36,027,917</b>	<b>\$ 4,088,264</b>	<b>\$ 381,375</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
	\$ (2,379,830)	\$ -	\$ (2,379,830)
	(30,901,583)	-	(30,901,583)
	(12,861,194)	-	(12,861,194)
	105,258	-	105,258
	(1,107,806)	-	(1,107,806)
	312,238	-	312,238
	(81,183,212)	-	(81,183,212)
	(6,427,621)	-	(6,427,621)
	(134,443,750)	-	(134,443,750)
	-	(2,524,833)	(2,524,833)
	-	(5,096,893)	(5,096,893)
	-	(7,621,726)	(7,621,726)
	(134,443,750)	(7,621,726)	(142,065,476)
General Revenues			
Taxes			
Property	48,756,911	-	48,756,911
Home Rule Sales (Nonsales)	3,835,430	-	3,835,430
Real Estate Transfer	685,054	-	685,054
Hotel/Motel	1,306,995	-	1,306,995
Telecommunications	2,296,238	-	2,296,238
Food and Beverage	-	1,561,260	1,561,260
Entertainment	3,996	366,373	370,369
Replacement	288,186	-	288,186
Other	4,522,637	154,933	4,677,570
Unrestricted Intergovernmental Revenues			
Sales Tax	7,980,411	-	7,980,411
Income and Local Use Tax	5,911,120	-	5,911,120
Investment Income	(234,463)	(28,983)	(263,446)
Miscellaneous	1,917,202	1,182,976	3,100,178
Transfers In (Out)	(746,684)	746,684	-
Total	76,523,033	3,983,243	80,506,276
CHANGE IN NET POSITION	(57,920,717)	(3,638,483)	(61,559,200)
NET POSITION, JANUARY 1	67,464,906	58,403,594	125,868,500
Prior Period Adjustments	(1,949,044)	-	(1,949,044)
NET POSITION, JANUARY 1, RESTATED	65,515,862	58,403,594	123,919,456
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 7,595,145</b>	<b>\$ 54,765,111</b>	<b>\$ 62,360,256</b>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2014

	<b>General</b>	<b>EDA General Account</b>	<b>EDA Series 1991 Project</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Investments	\$ 13,028,953	\$ -	\$ 2,504,382	\$ 10,165,437	\$ 25,698,772
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	16,492,676	-	-	1,555,881	18,048,557
Accounts	169,360	-	-	53,898	223,258
Accrued Interest	8,745	-	-	9,187	17,932
Other	2,473,565	-	-	1,411,146	3,884,711
Prepaid Items	63,473	-	-	21,262	84,735
Inventory	136,188	-	-	-	136,188
Due from Other Governments	4,866,541	-	-	130,684	4,997,225
Due from Other Funds	90,459	-	-	88,013	178,472
Due from Fiduciary Funds	184,209	-	-	-	184,209
Advance to Fiduciary Funds	31,100	-	-	-	31,100
<b>TOTAL ASSETS</b>	<b>\$ 37,545,269</b>	<b>\$ -</b>	<b>\$ 2,504,382</b>	<b>\$ 13,435,508</b>	<b>\$ 53,485,159</b>

	<b>General</b>	<b>EDA General Account</b>	<b>EDA Series 1991 Project</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,587,540	\$ -	\$ -	\$ 1,045,725	\$ 2,633,265
Accrued Payroll	816,559	-	-	11,762	828,321
Unearned Revenues	122,237	-	-	227,607	349,844
Due to Other Funds	86,666	-	-	48,231	134,897
Due to Fiduciary Funds	1,319	-	-	-	1,319
Deposits Payable	802,816	-	-	2,505,379	3,308,195
Total Liabilities	3,417,137	-	-	3,838,704	7,255,841
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	16,447,684	-	-	1,550,000	17,997,684
Unavailable State Taxes	1,261,793	-	-	-	1,261,793
Total Deferred Inflows of Resources	17,709,477	-	-	1,550,000	19,259,477
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid Items	63,473	-	-	21,262	84,735
Inventories	136,188	-	-	-	136,188
Advances	31,100	-	-	-	31,100
Restricted					
Employee Loan Program	65,019	-	-	-	65,019
Highways and Streets	-	-	-	1,468,693	1,468,693
Emergency Equipment	-	-	-	72,006	72,006
Public Safety	116,197	-	-	126,185	242,382
Economic Development - State Statute	-	-	2,504,382	1,761,251	4,265,633
Bond Projects	-	-	-	3,920	3,920
Debt Service	-	-	-	439,080	439,080
Assigned					
Employee Health	1,502,681	-	-	-	1,502,681
Subsequent Budget	1,034,500	-	-	-	1,034,500
Capital Improvements	-	-	-	4,167,991	4,167,991
Unassigned	13,469,497	-	-	(13,584)	13,455,913
Total Fund Balances	16,418,655	-	2,504,382	8,046,804	26,969,841
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
	\$ 37,545,269	\$ -	\$ 2,504,382	\$ 13,435,508	\$ 53,485,159

See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2014

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 26,969,841
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	
Capital assets	148,485,734
Less capital assets of internal service funds included below	(146,709)
Net pension asset is reported as an asset on the statement of net position	
	612,228
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated absences	(2,850,479)
Plus compensated absences of internal service funds included above	15,419
Net other postemployment benefit obligation	(1,652,943)
Plus net other postemployment benefit obligation of internal service funds included above	25,990
Net pension obligation	(424,194)
Net IMRF pension obligation	(115,771)
Unamortized bond premium	(901,449)
Unamortized bond discount	184,056
General obligation bonds payable	(47,903,750)
Tax increment financing notes payable	(118,365,117)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	
	(201,531)
Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position	
	1,261,793
The net position of the internal service funds is included in the governmental activities in the statement of net position	
	2,602,027
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,595,145</b>

See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	<b>General</b>	<b>EDA General Account</b>	<b>EDA Series 1991 Project</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 29,447,436	\$ 25,571,103	\$ -	\$ 6,129,326	\$ 61,147,865
Licenses and Permits	1,291,098	-	-	-	1,291,098
Intergovernmental	15,207,160	-	-	4,712,724	19,919,884
Charges for Services	6,846,808	-	-	632,936	7,479,744
Fines and Forfeits	1,709,421	-	-	162,256	1,871,677
Investment Income	(110,607)	-	(38,586)	(85,270)	(234,463)
Miscellaneous	1,019,777	-	-	220,871	1,240,648
<b>Total Revenues</b>	<b>55,411,093</b>	<b>25,571,103</b>	<b>(38,586)</b>	<b>11,772,843</b>	<b>92,716,453</b>
<b>EXPENDITURES</b>					
Current					
General Government	5,874,247	-	-	-	5,874,247
Public Safety	33,248,630	-	-	568,204	33,816,834
Highways and Streets	7,362,411	-	-	2,281,815	9,644,226
Sanitation	1,332,980	-	-	-	1,332,980
Health and Welfare	1,609,731	-	-	-	1,609,731
Culture and Recreation	336,225	-	-	-	336,225
Economic Development	2,462,040	-	78,765,309	423,652	81,651,001
Capital Outlay	-	-	-	8,396,097	8,396,097
Debt Service					
Principal Retirement	-	26,371,103	-	1,235,000	27,606,103
Interest and Fiscal Charges	-	-	-	2,479,036	2,479,036
<b>Total Expenditures</b>	<b>52,226,264</b>	<b>26,371,103</b>	<b>78,765,309</b>	<b>15,383,804</b>	<b>172,746,480</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,184,829</b>	<b>(800,000)</b>	<b>(78,803,895)</b>	<b>(3,610,961)</b>	<b>(80,030,027)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	173,996	800,000	-	2,614,407	3,588,403
Transfers (Out)	(2,146,782)	-	(806,277)	(1,450,365)	(4,403,424)
Notes Issued, at Par	-	-	78,635,096	-	78,635,096
<b>Total Other Financing Sources (Uses)</b>	<b>(1,972,786)</b>	<b>800,000</b>	<b>77,828,819</b>	<b>1,164,042</b>	<b>77,820,075</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,212,043</b>	<b>-</b>	<b>(975,076)</b>	<b>(2,446,919)</b>	<b>(2,209,952)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>15,206,612</b>	<b>-</b>	<b>3,479,458</b>	<b>10,493,723</b>	<b>29,179,793</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 16,418,655</b>	<b>\$ -</b>	<b>\$ 2,504,382</b>	<b>\$ 8,046,804</b>	<b>\$ 26,969,841</b>

See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ (2,209,952)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	4,520,542
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(7,351)
The repayment of the principal on long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	27,606,103
Certain items are reported as interest expense on the statement of activities:	
Accretion of interest on notes payable	(4,005,902)
Change in accrued interest payable	4,889
Amortization of bond premiums and discounts, net	52,428
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(5,328,527)
Certain revenues recognition is different on the full accrual basis than on the modified accrual basis	(125,627)
The issuance of long-term debt is shown as an other financing source in governmental funds but the principal outstanding is shown as long-term liability on the statement of net position	
Notes payable	(78,635,096)
The termination benefit is shown as an increase in expense on the statement of activities	4,224
The increase in the net other postemployment benefit obligation is shown as an increase in expense on the statement of activities	(67,951)
The increase in the net pension obligation is shown as an increase in expense on the statement of activities	(19,246)
The increase in the IMRF net pension obligation is shown as an increase in expense on the statement of activities	(2,424)
The decrease in the net pension asset is shown as an increase in expense on the statement of activities	2,429
The change in compensated absences payable is shown as an expense on the statement of activities	4,757
The change in net position of certain activities of internal service funds (excluding depreciation included above) is in governmental funds	285,987
<b>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (57,920,717)</b>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2014

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 245,294	\$ 2,731,259	\$ 2,976,553	\$ 3,407,544
Receivables				
Accounts	2,241,939	163,182	2,405,121	3,915
Other	-	271,166	271,166	5,800
Deposits	-	-	-	50,000
Prepaid Expenses	-	35,049	35,049	-
Inventories	203,170	-	203,170	-
Due from Other Funds	-	25,227	25,227	50,433
Total Current Assets	2,690,403	3,225,883	5,916,286	3,517,692
<b>CAPITAL ASSETS</b>				
Not Depreciated	518,575	6,000,000	6,518,575	-
Depreciated	58,637,170	78,592,323	137,229,493	395,220
Accumulated Depreciation	(28,058,812)	(11,894,546)	(39,953,358)	(248,511)
Net Capital Assets	31,096,933	72,697,777	103,794,710	146,709
Total Assets	33,787,336	75,923,660	109,710,996	3,664,401
<b>CURRENT LIABILITIES</b>				
Accounts Payable	773,642	684,330	1,457,972	76,500
Events Payable	-	48,661	48,661	-
Accrued Payroll	84,217	-	84,217	13,542
Accrued Interest Payable	27,755	201,189	228,944	-
Unearned Revenue	-	568,603	568,603	-
Claims Payable	-	-	-	635,789
Benefits Payable	-	-	-	294,696
Due to Other Funds	48,606	70,191	118,797	438
Deposits Payable	55,548	-	55,548	-
General Obligation Bonds Payable	-	1,485,000	1,485,000	-
Capital Leases Payable	-	2,683	2,683	-
Compensated Absences Payable	166,263	-	166,263	15,419
Total Current Liabilities	1,156,031	3,060,657	4,216,688	1,036,384
<b>LONG-TERM LIABILITIES</b>				
General Obligation Bonds Payable	6,599,898	43,654,742	50,254,640	-
Compensated Absences Payable	235,452	-	235,452	-
Other Postemployment Benefit Obligations	239,105	-	239,105	25,990
Total Long-Term Liabilities	7,074,455	43,654,742	50,729,197	25,990
Total Liabilities	8,230,486	46,715,399	54,945,885	1,062,374
<b>NET POSITION</b>				
Net Investment in Capital Assets	24,497,035	27,555,352	52,052,387	146,709
Unrestricted	1,059,815	1,652,909	2,712,724	2,455,318
<b>TOTAL NET POSITION</b>	<b>\$ 25,556,850</b>	<b>\$ 29,208,261</b>	<b>\$ 54,765,111</b>	<b>\$ 2,602,027</b>

See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities		Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating	Internal Service
		Total	
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 13,980,643	\$ 11,051,379	\$ 25,032,022
Total Operating Revenues	13,980,643	11,051,379	25,032,022
<b>OPERATING EXPENSES</b>			
Operations	-	-	1,049,249
Claims and Insurance	-	-	1,395,962
Water Division	12,746,802	-	-
Sewer Division	2,091,154	-	-
Sears Centre	-	11,400,141	-
Depreciation	1,331,894	2,384,023	18,508
Total Operating Expenses	16,169,850	13,784,164	2,463,719
OPERATING INCOME (LOSS)	(2,189,207)	(2,732,785)	186,451
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Entertainment and Food and Beverage Tax	-	2,082,566	-
Charges for Services	-	29,445	-
Investment Income	121	(29,104)	(26,954)
Interest Expense	(333,070)	(2,478,468)	-
Amortization Expense	(2,556)	(30,065)	-
Intergovernmental	-	114,980	-
Miscellaneous Revenue	11,963	1,171,013	39,645
Total Non-Operating Revenues (Expenses)	(323,542)	860,367	12,691
NET INCOME (LOSS) BEFORE TRANSFERS	(2,512,749)	(1,872,418)	199,142
<b>TRANSFERS</b>			
Transfers In	-	886,653	68,337
Transfers (Out)	(139,969)	-	-
Total Transfers	(139,969)	886,653	68,337
CHANGE IN NET POSITION	(2,652,718)	(985,765)	267,479
NET POSITION, JANUARY 1	28,209,568	30,194,026	58,403,594
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 25,556,850</b>	<b>\$ 29,208,261</b>	<b>\$ 54,765,111</b>
			<b>\$ 2,602,027</b>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 14,358,539	\$ 10,829,435	\$ 25,187,974	\$ -
Receipts from Interfund Services Transactions	-	-	-	2,644,370
Payments to Suppliers	(11,017,164)	(11,229,125)	(22,246,289)	(1,945,600)
Payments to Employees	(3,952,342)	-	(3,952,342)	(474,235)
Net Cash from Operating Activities	(610,967)	(399,690)	(1,010,657)	224,535
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In (Out)	(139,969)	886,653	746,684	68,337
Interfund Borrowing (Lending)	48,606	44,802	93,408	(56,316)
Intergovernmental Income	-	114,980	114,980	-
Entertainment and Food and Beverage Tax	-	2,082,566	2,082,566	-
Miscellaneous Income	11,963	1,200,458	1,212,421	-
Reimbursements and Recoveries	-	-	-	39,645
Net Cash from Noncapital Financing Activities	(79,400)	4,329,459	4,250,059	51,666
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Assets Purchased	-	-	-	-
Principal Payment on Bonds and Leases	-	(1,419,600)	(1,419,600)	-
Interest and Fiscal Charges Paid on Bonds	(333,070)	(2,485,222)	(2,818,292)	-
Proceeds from the Sale of Capital Assets	-	-	-	-
Net Cash from Capital and Related Financing Activities	(333,070)	(3,904,822)	(4,237,892)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	121	(29,104)	(28,983)	(29,844)
Net Cash from Investing Activities	121	(29,104)	(28,983)	(29,844)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,023,316)	(4,157)	(1,027,473)	246,357
CASH AND CASH EQUIVALENTS, JANUARY 1	1,268,610	2,735,416	4,004,026	3,161,187
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 245,294</b>	<b>\$ 2,731,259</b>	<b>\$ 2,976,553</b>	<b>\$ 3,407,544</b>

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)

PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (2,189,207)	\$ (2,732,785)	\$ (4,921,992)	\$ 186,451
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation and Amortization	1,331,894	2,384,023	3,715,917	18,508
Changes in Assets and Liabilities				
Receivables	374,912	7,877	382,789	(5,800)
Prepaid Expenses	-	(27,632)	(27,632)	2,694
Inventory	(19,035)	-	(19,035)	-
Unearned Revenue	-	(229,821)	(229,821)	-
Accounts Payable	(195,296)	168,442	(26,854)	(40,529)
Events Payable	-	30,206	30,206	-
Accrued Payroll	16,337	-	16,337	44
Claims Payable	-	-	-	9,842
Benefits Payable	-	-	-	73,143
Deposits Payable	2,984	-	2,984	-
Compensated Absences Payable	24,372	-	24,372	(16,207)
Other Postemployment Benefits Payable	42,072	-	42,072	(3,611)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (610,967)</b>	<b>\$ (399,690)</b>	<b>\$ (1,010,657)</b>	<b>\$ 224,535</b>
<b>NONCASH TRANSACTIONS</b>				
Contribution of Capital Assets	\$ -	\$ 460,560	\$ 460,560	\$ -
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ 460,560</b>	<b>\$ 460,560</b>	<b>\$ -</b>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2014

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	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and Short-Term Investments	\$ 1,059,541	\$ 401,999
Investments, at Fair Value		
U.S. Treasury Securities	12,351,462	-
U.S. Agency Securities	22,550,924	-
Corporate Bonds	16,506,891	-
Municipal Bonds	1,120,474	-
Mutual Funds	71,683,030	-
Money Market Mutual Funds	1,652,148	-
Equity Securities	12,011,576	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	372,272	-
Due from General Fund	1,318	-
Due from Other Entities	-	183,900
Assets Held by Agents	-	75,709
		<hr/>
Total Assets	139,309,636	\$ 661,608
		<hr/>
<b>LIABILITIES</b>		
Accounts Payable	11,207	\$ -
Due to Participants	-	44,609
Advances from Other Funds	-	31,100
Due to General Fund	-	184,208
Due to Other Entities	-	401,691
		<hr/>
Total Liabilities	11,207	\$ 661,608
		<hr/>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 139,298,429</b>	
	<hr/>	

See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**PENSION TRUST FUNDS**

For the Year Ended December 31, 2014

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**ADDITIONS**

Contributions

Employer Contributions	\$ 5,218,806
Employee Contributions	1,688,651
Other Contributions	<u>189,711</u>

Total Contributions	<u>7,097,168</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	481,438
Interest	<u>4,941,068</u>

Total Investment Income	5,422,506
Less Investment Expense	<u>(281,753)</u>

Net Investment Income	<u>5,140,753</u>
-----------------------	------------------

Total Additions	<u>12,237,921</u>
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**DEDUCTIONS**

Benefits and Refunds	7,368,032
Miscellaneous	<u>99,190</u>

Total Deductions	<u>7,467,222</u>
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NET INCREASE	4,770,699
--------------	-----------

**NET POSITION HELD IN TRUST  
FOR PENSION BENEFITS**

January 1	<u>134,527,730</u>
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December 31	<u><u>\$ 139,298,429</u></u>
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See accompanying notes to financial statements.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**INDEX TO NOTES TO FINANCIAL STATEMENTS**

December 31, 2014

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<u>Footnote Number</u>	<u>Description</u>	<u>Page Number(s)</u>
1	Summary of Significant Accounting Policies	19-27
2	Deposits and Investments	28-29
3	Receivables	29-30
4	Capital Assets	31-32
5	Long-Term Debt	33-39
6	Interfund Accounts	39-41
7	Risk Management	41-43
8	Contingent Liabilities	43
9	Contractual Commitments	43-45
10	Joint Ventures	45-47
11	Defined Benefit Pension Plans	47-67
12	Other Postemployment Benefits	68-70
13	Prior Period Adjustments	71

# VILLAGE OF HOFFMAN ESTATES, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hoffman Estates, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter to be referred to as generally accepted accounting principles). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below:

#### A. Reporting Entity

The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the financial accountability of the Village for the potential component unit. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependence on the primary government.

Based on the above criteria, the Village does not have any component units.

#### B. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting (Continued)**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of general capital assets (capital projects funds) and funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the government. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Economic Development Area (EDA) General Account Fund, a special revenue fund, is used to account for revenues and expenditures pertaining to the Village's establishment of an EDA and the Sears Development and the repayment of the EDA Notes, in accordance with state statutes. Property taxes are the main source of revenue in the fund.

The EDA Series 1991 Project Fund, a capital projects fund, is used to account for bond proceeds and revenue notes used to pay qualified project costs related to the Village's EDA.

The Village reports the following major proprietary funds:

The Waterworks and Sewerage Fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The Sears Centre Operating Fund accounts for the provision of charges for services for the Sears Centre Arena. All activities necessary to provide such services are accounted for in this fund, included, but not limited to, administration, operations, maintenance, financing and related debt service.

Additionally, the Village reports the following internal service funds:

Internal service funds account for the Village's self-insured property, casualty and workers' compensation programs and the operations of the information systems division provided to other departments or agencies of the Village on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the Village's governmental funds/activities.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Government-Wide and Fund Financial Statements (Continued)

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the Village reports the following agency funds as fiduciary funds: Barrington/Higgins TIF Fund, EDA Special Tax Allocation Fund and Flexible Spending Account Fund.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds use the accrual basis of accounting but have no measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes and telecommunication taxes which use 90 days. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, food and beverage taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflows of resources for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

E. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition.

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust funds, regardless of length of maturity, are reported at fair value. Fair value is based on published market quotes as of December 31 or contract values for insurance contracts which equates to fair value.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Property Taxes

Property taxes for 2014 attach as an enforceable lien on January 1, 2014 on properties assessed as of the same date. Taxes are levied on a calendar year basis by the last Tuesday of December. Tax bills are prepared and mailed by the Counties on or about February 1, 2015 and August 1, 2015, and are payable in two installments, on or about March 1, 2015 and September 1, 2015. The Counties collect such taxes and remit them periodically. Since the 2014 levy is intended to finance the 2015 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2013 property tax levy.

G. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items/Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses. The Village uses the consumption method - purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Infrastructure	30
Office Equipment	5-15
Department Equipment	5-15
Office Furniture	10-15
Vehicles	5-15
Plant System	40
Software	5-15

J. Compensated Absences

It is the Village's policy for employees to accrue vacation and sick leave. Accrued vacation must be used within 12 months of being earned. Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expense is recorded for that portion of vesting accumulated sick leave benefits that is expected to be taken as "terminal leave" at retirement.

K. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the governmental fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

M. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

N. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Fund Balance

The components of fund balance include the following line items:

- 1) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- 2) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- 3) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision-making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision-making. As of December 31, 2014, the Village does not have any commitments of fund balance.
- 4) Assigned fund balance has limitations resulting from intended use, where the intended use is established by the Board of Trustees. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- 5) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The following deficit fund balance was noted:

Fund	Amount
Higgins/Hassell Road TIF	\$ (13,584)

The deficit fund balance will be eliminated by additional tax revenues, user fees or transfers from other funds.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**2. DEPOSITS AND INVESTMENTS**

The Village’s investment policy authorizes the Village to invest in debt securities guaranteed by the United States Government (explicitly or implicitly), debt securities of the United States Government or its agencies, interest-bearing savings accounts, time deposits and certificates of deposit of a bank that is insured by the FDIC, certain insured short-term obligations of corporations organized in the United States Government, certain money market mutual funds, interest-bearing bonds of other local governments and Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the policy of the Village to invest their funds in a manner which will provide the highest investment return with the maximum security while meeting the operating demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The Village maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the Village’s funds.

**A. Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village’s name. The Village’s deposits were fully collateralized as of December 31, 2014.

**B. Investments**

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable Certificate of Deposits	\$ 6,469,412	\$ 6,469,412	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 6,469,412</b>	<b>\$ 6,469,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

B. Investments (Continued)

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed currently. The investment policy limits the maximum maturity lengths of most investments to two years.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased.

Concentration of Credit Risk - The Village's investment policy has the following diversification guidelines: no more than 50% of the Village's investments can be held at any one financial institution, exclusive of bonds, notes debenture or other obligations of the United States or its agencies.

**3. RECEIVABLES**

The following receivables are included in other receivables on the statement of net position:

GOVERNMENTAL ACTIVITIES

Hotel Tax	\$ 285,231
Electric Utility Tax	173,253
Municipal Gas Use Tax	179,670
Packaged Liquor Tax	38,961
Motor Fuel Tax	34,895
Cable Franchise Fees	277,367
IPBC Terminal Reserve	1,502,681
Grants	1,140,093

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**3. RECEIVABLES (Continued)**

GOVERNMENTAL ACTIVITIES (Continued)

Waste Management Franchise Fees	\$ 19,746
911 Surcharge	3,581
Tipping Fees	47,646
Employee Computer Program	65,019
Red Light Camera Funds	12,800
Other Miscellaneous	109,568

TOTAL GOVERNMENTAL ACTIVITIES \$ 3,890,511

BUSINESS-TYPE ACTIVITIES

Entertainment Tax	\$ 25,818
Food and Beverage Taxes	198,644
Ticketing	45,897
Other Miscellaneous	807

TOTAL BUSINESS-TYPE ACTIVITIES \$ 271,166

The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,060,092
Home Rule Sales Tax	981,696
Income Tax	1,004,054
Local Use Tax	264,664
Motor Fuel Tax	130,684
Simplified Telecommunications Tax	522,038
Court Fines	33,997

TOTAL GOVERNMENTAL ACTIVITIES \$ 4,997,225

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 7,037,285	\$ -	\$ -	\$ 7,037,285
Land Right of Way	42,147,108	-	-	42,147,108
Construction in Progress	5,290,267	189,380	5,218,151	261,496
Total Capital Assets not Being Depreciated	54,474,660	189,380	5,218,151	49,445,889
Capital Assets Being Depreciated				
Buildings and Improvements	50,212,758	292,061	-	50,504,819
Department Equipment	2,396,557	230,477	13,000	2,614,034
Vehicles	9,753,730	861,809	146,774	10,468,765
Software	74,911	-	-	74,911
Infrastructure	105,123,136	8,164,966	1,135,968	112,152,134
Total Capital Assets Being Depreciated	167,561,092	9,549,313	1,295,742	175,814,663
Less Accumulated Depreciation for				
Buildings and Improvements	11,068,993	1,292,850	-	12,361,843
Department Equipment	1,347,927	196,023	13,000	1,530,950
Vehicles	6,577,208	652,887	142,686	7,087,409
Software	74,912	-	-	74,912
Infrastructure	53,665,642	3,186,767	1,132,705	55,719,704
Total Accumulated Depreciation	72,734,682	5,328,527	1,288,391	76,774,818
Total Capital Assets Being Depreciated, Net	94,826,410	4,220,786	7,351	99,039,845
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 149,301,070</b>	<b>\$ 4,410,166</b>	<b>\$ 5,225,502</b>	<b>\$ 148,485,734</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in Progress	19,575	-	-	19,575
Total Capital Assets not Being Depreciated	6,518,575	-	-	6,518,575

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Balances January 1	Increases	Decreases	Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>(Continued)</b>				
Capital Assets Being Depreciated				
Buildings and Improvements	\$ 74,258,503	\$ 27,448	\$ -	\$ 74,285,951
Plant System and Equipment	55,288,621	-	-	55,288,621
Vehicles	1,322,180	-	-	1,322,180
Software	14,077	-	-	14,077
Department Equipment	5,885,551	433,113	-	6,318,664
Total Capital Assets Being Depreciated	<u>136,768,932</u>	<u>460,561</u>	<u>-</u>	<u>137,229,493</u>
Less Accumulated Depreciation for				
Buildings and Improvements	8,207,753	1,863,303	-	10,071,056
Plant System and Equipment	24,540,110	1,181,389	-	25,721,499
Vehicles	968,439	65,389	-	1,033,828
Software	5,865	2,815	-	8,680
Department Equipment	2,515,274	603,021	-	3,118,295
Total Accumulated Depreciation	<u>36,237,441</u>	<u>3,715,917</u>	<u>-</u>	<u>39,953,358</u>
Total Capital Assets Being Depreciated, Net	<u>100,531,491</u>	<u>(3,255,356)</u>	<u>-</u>	<u>97,276,135</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 107,050,066</u>	<u>\$ (3,255,356)</u>	<u>\$ -</u>	<u>\$ 103,794,710</u>

Depreciation expense was charged to functions of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>		
General Government		\$ 364,895
Public Safety		1,369,432
Highways and Streets, including Depreciation of General Infrastructure Assets		3,542,988
Health and Welfare		9,366
Culture and Recreation		21,233
Economic Development		<u>20,613</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<u>\$ 5,328,527</u>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Waterworks and Sewerage		\$ 1,331,894
Sears Centre Operating		<u>2,384,023</u>
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>		<u>\$ 3,715,917</u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT**

**A. General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions	Balances December 31	Current Portion
\$54,935,000 General Obligation Taxable Bonds, Series 2005A, dated August 1, 2005 with interest at 4.40% to 5.40%.	Sears Centre Construction	Sears Centre	\$ 46,675,000	\$ -	\$ 1,415,000	\$ 45,260,000	\$ 1,485,000
\$26,645,000 General Obligation Bonds, Series 2008A, dated March 7, 2008 with interest at 5.00%.	Village Hall, Police and Fire Station and Water Tank Construction	Water Debt Service	6,661,250	-	-	6,661,250	-
			19,983,750	-	-	19,983,750	-
\$30,355,000 General Obligation Bonds, Series 2009A, dated March 17, 2009 with interest at 3.00% to 5.125%	Police Station Construction and Road Improvements	Debt Service	29,155,000	-	1,235,000	27,920,000	1,295,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>			<b>\$ 102,475,000</b>	<b>\$ -</b>	<b>\$ 2,650,000</b>	<b>\$ 99,825,000</b>	<b>\$ 2,780,000</b>

**B. Economic Development Area and Tax Increment Financing Bonds and Notes**

The Village also issues bonds and notes where the Village pledges economic development area (EDA) and incremental tax income derived from a separately created tax increment financing district (TIF). These bonds and notes are not obligations of the Village and are secured only by the incremental revenues generated by the area or district. All EDA and tax increment financing notes are issued for the purpose of EDA or TIF district improvements. Economic development area and tax increment financing bonds and notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Balance January 1, Restated	Issuances or Accretions	Retirements or Accretions	Balances December 31	Current Portion
Economic Development Area Notes due in annual installments only if incremental tax revenues are available	Debt Service	\$ 56,664,436	\$ 82,640,998	\$ 26,371,103	\$ 112,934,331	\$ -

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

**B. Economic Development Area and Tax Increment Financing Bonds and Notes (Continued)**

Issue	Fund Debt Retired by	Balance January 1, Restated	Issuances or Accretions	Retirements or Accretions	Balances December 31	Current Portion
Tax Increment Redevelopment Note due in annual installments only if incremental tax revenues are available	Barrington/Higgins TIF Fund	\$ 3,584,840	\$ -	\$ -	\$ 3,584,840	\$ -
Tax Increment Redevelopment Note due in annual installments only if increment tax revenues are available	Higgins/Hassell TIF Fund	1,845,946	-	-	1,845,946	-
<b>TOTAL TAX INCREMENT FINANCING NOTES</b>		<b>\$ 62,095,222</b>	<b>\$ 82,640,998</b>	<b>\$ 26,371,103</b>	<b>\$ 118,365,117</b>	<b>\$ -</b>

The increase of \$82,640,998 in the Tax Increment Revenue Notes is inclusive of interest due as of December 31, 2014 of \$4,005,902 that accrues to the principal balance if not paid.

**C. Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	General Obligation Bonds Governmental Activities	
	Principal	Interest
2015	\$ 1,295,000	\$ 2,418,382
2016	1,360,000	2,356,869
2017	1,410,000	2,302,469
2018	1,485,000	2,231,969
2019	1,555,000	2,157,719
2020-2024	9,100,000	9,473,470
2025-2029	11,715,000	6,851,938
2030-2034	10,012,500	4,043,250
2035-2038	9,971,250	1,276,688
<b>TOTALS</b>	<b>\$ 47,903,750</b>	<b>\$ 33,112,754</b>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

C. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Tax Increment Revenue Notes*		General Obligation Bonds - Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ -	\$ -	\$ 1,485,000	\$ 2,747,326
2016	-	-	1,555,000	2,673,075
2017	-	-	1,635,000	2,594,548
2018	-	-	1,720,000	2,510,346
2019	-	-	1,810,000	2,420,905
2020-2024	-	-	10,590,000	10,567,144
2025-2029	-	-	13,745,000	7,403,545
2030-2034	-	-	16,057,500	3,017,160
2035-2038	-	-	3,323,750	425,563
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,921,250</b>	<b>\$ 34,359,612</b>

\* The Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes provide that the payment of principal and interest on the notes are due only if tax increment revenues are available for payment of debt service in the Sears EDA General Account Fund before the TIF expires, which was going to be in 2012. However, legislation has been approved to extend the EDA for another 15 years. Any amount of unpaid interest at the interest due dates is added to the principal balance of the note. All interest rates have been fixed at 4%.

The Barrington/Higgins Redevelopment Note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. The note bears interest at 5%. Therefore, no set debt service schedule is available.

The Higgins/Hassell Redevelopment Note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. The note does not bear interest. Therefore, no set debt service schedule is available.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

**D. Changes in Long-Term Liabilities**

During the fiscal year the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1, Restated	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 49,138,750	\$ -	\$ 1,235,000	\$ 47,903,750	\$ 1,295,000
Unamortized Bond Discount	(191,725)	-	(7,669)	(184,056)	-
Unamortized Bond Premium	961,546	-	60,097	901,449	-
Tax Increment Financing Notes Payable	62,095,222	82,640,998	26,371,103	118,365,117	-
Net Pension Obligation*	404,948	19,246	-	424,194	-
Net IMRF Pension Obligation	113,347	2,424	-	115,771	-
Compensated Absences Payable - Governmental Funds*	2,839,817	1,639,204	1,643,961	2,835,060	1,611,534
Compensated Absences Payable - Internal Services Fund	31,626	15,419	31,626	15,419	15,419
Net Other Postemployment Benefit Obligations**	1,559,002	67,951	-	1,626,953	-
Net Other Postemployment Benefit Obligations - Internal Service Fund	29,601	-	3,611	25,990	-
Termination Benefit**	4,224	-	4,224	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 116,986,358</b>	<b>\$ 84,385,242</b>	<b>\$ 29,341,953</b>	<b>\$ 172,029,647</b>	<b>\$ 2,921,953</b>

\* The General Fund, EDA Administration Fund and the Asset Seizure Fund typically have been used in prior years to liquidate the compensated absences payable.

\*\* The General Fund has typically been used in prior years to liquidate the termination benefit payable, the net pension obligation, and the net other postemployment benefit obligations.

The beginning balance was restated to include the Higgins/Hassell TIF note of \$1,845,946.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

**D. Changes in Long-Term Liabilities (Continued)**

During the fiscal year the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 53,336,250	\$ -	\$ 1,415,000	\$ 51,921,250	\$ 1,485,000
Unamortized Bond Discount	(214,231)	-	(32,621)	(181,610)	-
Capital Lease Payable	7,283	-	4,600	2,683	2,683
Compensated Absences Payable	377,343	176,541	152,169	401,715	166,263
Net Other Postemployment Benefit Obligations	192,409	46,696	-	239,105	-
Termination Benefit	4,624	-	4,624	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 53,703,678</b>	<b>\$ 223,237</b>	<b>\$ 1,543,772</b>	<b>\$ 52,383,143</b>	<b>\$ 1,653,946</b>

**E. Legal Debt Margin**

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property ...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: ...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

**5. LONG-TERM DEBT (Continued)**

F. Tax Increment Revenue Note Disclosures

The Village, pursuant to an economic development agreement dated February 25, 1990, has agreed to reimburse Sears, Roebuck and Co. (Sears) for certain project costs Sears has incurred as the Village's agent in furthering the economic development plan and project. The economic development agreement requires that an economic development tax increment revenue note be executed each time Sears makes such an advance. These notes are payable from and secured solely by the pledged incremental revenues deposited from time-to-time in the Sears EDA General Account Fund created by the indenture of the Series 2005 and Series 1991 tax increment revenue bonds.

The interest rates are fixed at 4%. Payments on the notes are due semiannually as and to the extent monies are available in the EDA General Account Fund. Any amount of interest not paid on the due date is to be added to the principal balance of the note then outstanding.

G. Termination Benefits

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the Village is required to calculate and record a termination benefit liability, which is, in general, the future costs to the Village to fund costs associated with termination benefits. During August 2010, the Village entered into an agreement providing for the payment of 36 months of health insurance costs. The employees were required to resign as of a designated date and to maintain the same coverage as they were provided during their employment. Under the agreement, the Village contributed 100% of the employee's health insurance premiums for the period covered. The Village has calculated the premium payments for the remaining period of the benefit based on the 2014 actual rates. The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments. The remaining balance under the agreement was retired during the year ended December 31, 2014.

H. Net Other Postemployment Benefit Obligation

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the Village is required to calculate and record a net other postemployment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions. See Note 12 for further information regarding the NOPEBO liability at December 31, 2014.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT (Continued)**

I. Capital Lease

On July 2010, the Village entered into a capital lease for copier equipment. Lease payments are due monthly in the amount of \$1,085 and the term is 60 months. \$462 of the monthly payment relates to the service portion and the \$623 relates to the leasing of the equipment. The copier equipment was recorded at a cost of \$23,000 and accumulated depreciation as of December 31, 2014 is \$20,317. Payments are made by the Sears Centre Operating Fund. The following are the future minimum rental payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,683	\$ 1,678	\$ 4,361
TOTAL	<u>\$ 2,683</u>	<u>\$ 1,678</u>	<u>\$ 4,361</u>

**6. INTERFUND ACCOUNTS**

Due from/to other funds at December 31, 2014 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 274,668	\$ 87,985
Nonmajor Governmental	88,013	48,231
Waterworks and Sewerage	-	48,606
Sears Centre Operating	25,227	70,191
Internal Service	50,433	438
Fiduciary	1,318	184,208
TOTAL	<u>\$ 439,659</u>	<u>\$ 439,659</u>

- \$184,208 due to the General Fund from Fiduciary Funds relates to balances due to fund debt service in an agency fund. These amounts will be repaid within one year.
- The remainder of the above due from/due to amounts outstanding primarily relate to the allocation of health, dental and workers' compensation insurance expenses, capital projects expenses, property tax allocations and other expenses. These amounts will be repaid within one year.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. INTERFUND ACCOUNTS (Continued)**

Advances from/to other funds at December 31, 2014 consisted of the following:

	Advance From	Advance To
General	\$ 31,100	\$ -
Fiduciary	-	31,100
<b>TOTAL</b>	<b>\$ 31,100</b>	<b>\$ 31,100</b>

The purposes of significant advances from/to other funds are as follows:

- \$31,100 advance to Fiduciary Funds is a long-term loan to cover operations. Repayment is not expected within one year.

Interfund transfers during the year ended December 31, 2014 consisted of the following:

	Transfer In	Transfer Out
General	\$ 173,996	\$ 2,146,782
EDA General Account	800,000	-
EDA Series 1991 Project	-	806,277
Nonmajor Governmental	2,614,407	1,450,365
Waterworks and Sewerage	-	139,969
Sears Centre Operating	886,653	-
Internal Service	68,337	-
<b>TOTAL</b>	<b>\$ 4,543,393</b>	<b>\$ 4,543,393</b>

The purposes of significant interfund transfers are as follows:

- \$173,996 transferred from the Nonmajor Governmental Funds to the General Fund to reimburse operating expenses. This amount will not be repaid.
- \$800,000 transferred from the EDA Series 1991 Project Fund to the EDA General Account Fund to fund principal retirement of Tax Increment Revenue Notes payable from incremental property tax revenues. This amount will not be repaid.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**6. INTERFUND ACCOUNTS (Continued)**

- \$2,614,407 Transferred from the General Fund (\$1,191,790), EDA Series 1991 Project Fund (\$6,277), Sears Centre Operating Fund (\$139,969) and Nonmajor Governmental Funds (\$1,276,371) to Nonmajor Governmental Funds. This relates to routine transfers for the payment of debt service costs. The transfers will not be repaid.
- \$886,653 transferred from the General Fund to the Sears Centre Operating Fund to fund operating expenses. This amount will not be repaid.
- \$68,337 transferred from the General Fund to the Internal Service Funds to fund operating expenses. This amount will not be repaid.

**7. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for general liability and workers' compensation and has established a risk financing Insurance Fund (the Fund) for those risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. Under this program, the Fund provides coverage up to a maximum of \$100,000 for each general liability and property damage claim, \$600,000 for each workers' compensation claim. The Village is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC) for health claims. IPBC currently has \$1,502,681 available on deposit for use by the Village. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims have not exceeded this commercial coverage in fiscal year 2014.

All operating funds of the Village participate and make payments to the Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims. Liabilities of the Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	2014	2013
UNPAID CLAIMS, BEGINNING OF YEAR	\$ 625,947	\$ 702,088
Incurred Claims (including IBNR)	774,783	466,477
Claim Payments	(764,941)	(542,618)
UNPAID CLAIMS, END OF YEAR	<u>\$ 635,789</u>	<u>\$ 625,947</u>

**7. RISK MANAGEMENT (Continued)**

High-Level Excess Liability Pool (HELP)

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities in Illinois to provide excess liability coverage (\$10,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

HELP was organized on April 1, 1987. The purpose of HELP is to act as joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the members and other parties included within the scope of coverage of HELP.

HELP is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by HELP, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the HELP agreement or the by-laws.

The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

The Village of Elk Grove Village, Illinois (the initial host member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for HELP. The bond proceeds were put into escrow. An intergovernmental agreement among HELP, the Village of Elk Grove Village, Illinois and the members provided that HELP and its members were obligated to the Village of Elk Grove Village, Illinois for payment of principal and interest on the bonds until such bonds were retired. Additionally, each member was liable for its proportionate share of any default by other members. The obligations of HELP and its members are unconditional. The bonds were paid in full as of April 30, 1997.

Intergovernmental Personnel Benefit Cooperative (IPBC)

Effective January 1, 2005, the Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. RISK MANAGEMENT (Continued)**

Intergovernmental Personnel Benefit Cooperative (IPBC) (Continued)

The IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

**8. CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

**9. CONTRACTUAL COMMITMENTS**

A. High-Level Excess Liability Pool

The Village has committed to purchase excess liability insurance from HELP through April 30, 2018. The Village expects to make the following payments to HELP:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 89,980
2016	89,980
2017	89,980
2018	89,980

These amounts have been estimated using the Village's current contribution levels.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. CONTRACTUAL COMMITMENTS (Continued)**

B. Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The Village has committed to purchase water from JAWA through the year 2022. The Village expects to pay the following payments to JAWA:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 8,337,800
2016	8,337,800
2017	8,337,800
2018	8,337,800
2019	8,337,800
2020-2022	25,013,400

These amounts have been estimated based upon the Village's current water consumption figures and current water costs. In future years, the annual cost will be subject to change.

C. Solid Waste Agency of Northern Cook County (SWANCC)

The Village has committed to make payments to SWANCC for solid waste refuse disposal and expects to pay the following amounts:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 68,292
2016	65,040

These amounts have been estimated based upon the Village's commitment for 2015. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

D. Economic Incentive Agreements

The Village has entered into economic incentive agreements with commercial entities whereby the Village has agreed to reimburse the commercial entities for certain unique infrastructure costs incurred by the commercial entities through sales tax and property tax rebates. The amount of the rebates is limited to the lower of actual costs or \$20,000,000 (\$6,894,345 paid as of December 31, 2014) and are payable over 4 to 12 years solely from sales taxes or property taxes generated by the commercial entities.

**9. CONTRACTUAL COMMITMENTS (Continued)**

D. Economic Incentive Agreements (Continued)

The rebates are to be paid semiannually by each March 31<sup>st</sup> and September 30<sup>th</sup> for the previous six months ending December 31<sup>st</sup> and June 30<sup>th</sup>, respectively, or annually within 120 days after the end of the Village's fiscal year for amounts collected by the state for the prior fiscal year or quarterly. At December 31, 2014, the Village has accrued an estimated rebate liability of \$692,131 for amounts collected by the state through December 31, 2014. The amounts to be reimbursed annually are limited to various percentages of sales taxes and property taxes generated by the commercial entities.

**10. JOINT VENTURES**

A. Northwest Suburban Municipal Joint Action Water Agency (JAWA)

Description of Joint Venture

The Village is a member of JAWA which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of (1) all receipts derived from the Water Supply Agreements or any other contract for the supply of water; (2) all income derived from the investment of monies; and (3) all income, fees, water service charges and all grants, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its obligations.

**10. JOINT VENTURES (Continued)**

A. Northwest Suburban Municipal Joint Action Water Agency (JAWA) (Continued)

JAWA has entered into water supply agreements with the seven member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2020.

The obligation of the Village to make payments required by this agreement is payable from the Village’s Waterworks and Sewerage Fund.

In accordance with the joint venture agreement, the Village remitted \$7,876,671 to JAWA for 2014. The Village does not have an equity interest in JAWA at December 31, 2014.

B. Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

SWANCC is governed by a Board of Directors which consists of the mayor or president from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements for SWANCC can be obtained from the SWANCC’s administrative office at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

SWANCC’s outstanding bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not the debt of any member. SWANCC has no power to levy taxes.

**10. JOINT VENTURES (Continued)**

**B. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)**

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges and all grants, rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a “take or pay” basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling \$726,275 to SWANCC in 2014. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2014.

**11. DEFINED BENEFIT PENSION PLANS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters’ Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police and Firefighters’ Pension Plans do not issue separate reports. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for 2014 was 14.48% of covered payroll.

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active police employees.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2014, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	68
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Employees	
Vested	78
Nonvested	12
	<hr/>
TOTAL	<u>160</u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided* (Continued)

of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended December 31, 2014, the Village's contribution was 32.21% of covered payroll.

*Investment Policy*

ILCS limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The Police Pension Fund's policy has an investment horizon for its investments of three years. During the year, the Fund did not make any changes to the investment policy other than changing its asset allocation.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	1%	0.50%
Fixed Income		
Short Term Government	5%	1.50%
Intermediate Government	36%	2.00%
Domestic Equities		
Large Cap	5%	4.50%
Large Cap Value	5%	5.00%
Mid Cap Value	6%	5.00%
Small Cap	7%	6.00%
Small Cap Value	7%	7.00%
International Equities		
International Developed	4%	4.50%
International Value	7%	7.00%
International Small	7%	8.00%
Emerging Markets	8%	8.00%
Real Estate	2%	4.00%

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2015 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table above.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

*Investment Concentrations*

The Police Pension Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government.

*Investment Rate of Return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Fund in the Fund's name.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 6,435,978	\$ 510,050	\$ 4,672,556	\$ 1,253,372	\$ -
U.S. Agency Obligations	11,550,702	855,609	5,030,333	3,609,610	2,055,150
Municipal Bonds	1,120,474	52,070	667,597	400,807	-
Corporate Bonds	5,989,164	842,183	2,057,939	2,772,625	316,417
<b>TOTAL</b>	<b>\$ 25,096,318</b>	<b>\$ 2,259,912</b>	<b>\$ 12,428,425</b>	<b>\$ 8,036,414</b>	<b>\$ 2,371,567</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows.

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and in corporate bonds in the top three classes by a national rating agency. Illinois Funds is rated AAA by a national rating agency. Additionally, the U.S. agency obligations that consist of FHLMC securities are rated AAA by a national rating agency. The Fund's U.S. agency obligations consist of FHLMC, FNMA, GNMA and FFCB securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The municipal bonds are rated BBB to AAA. The corporate bonds are rated BBB- to AA+.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Net Pension Liability*

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

Total Pension Liability	\$	111,118,939
Plan Fiduciary Net Position		68,082,883
Village's Net Pension Liability		43,036,056
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		61.27%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*(Continued)

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Assumptions	
Inflation	3.0%
Salary Increases	5.0%
Interest Rate	7.5%
Cost of Living Adjustments	Tier 1: 3%, compounded Tier 2: 2%, simple
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 57,819,471	\$ 43,036,056	\$ 30,753,621

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

*Plan Membership*

At December 31, 2014, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	65
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Employees	
Vested	62
Nonvested	34
	<hr/>
TOTAL	<u>161</u>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Contributions*

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year ended December 31, 2014, the Village's contribution was 27.96% of covered payroll.

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities. During the year, the following changes to the investment policy were approved by the Board of Trustees: allowing investments in real estate investment trusts and the global tactical asset allocation mutual fund.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40%	3.03%
Domestic Equities	35%	2.55%
International Equities	20%	(1.40%)
Domestic REIT	5%	10.57%

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The target column is the current preferred mix of assets.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2014 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table above.

*Concentrations*

The Firefighters' Pension Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Rate of Return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Fund in the Fund's name.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 5,915,484	\$ 332,836	\$ 2,732,172	\$ 1,554,165	\$ 1,296,311
U.S. Agency Obligations	11,000,222	628,645	1,691,504	1,234,178	7,445,895
Corporate Bonds	10,517,727	273,709	4,207,273	4,232,106	1,804,639
<b>TOTAL</b>	<b>\$ 27,433,433</b>	<b>\$ 1,235,190</b>	<b>\$ 8,630,949</b>	<b>\$ 7,020,449</b>	<b>\$ 10,546,845</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and in corporate bonds in the top three classes by a national rating agency. Illinois Funds is rated AAA by a national rating agency. Additionally, the U.S. agency obligations that consist of FHLMC securities are rated AAA by a national rating agency. The Fund's U.S. agency obligations consist of FHLMC, FHLB, FNMA and GNMA securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The corporate bonds are rated BBB+ to AA+.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and mutual funds are not subject to custodial credit risk.

*Net Pension Liability*

The components of the net pension liability of the Village as of December 31, 2014 were as follows:

Total Pension Liability	\$	98,930,113
Plan Fiduciary Net Position		71,215,546
Village's Net Pension Liability		27,714,567
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.99%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	3.0%
Salary Increases	5.0%
Interest Rate	7.5%
Cost of Living Adjustments	Tier 1: 3%, compounded Tier 2: 2%, simple
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.5% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 40,190,239	\$ 27,714,567	\$ 17,258,100

B. Significant Investments

The Police and Firefighters' Pension Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government. Information for IMRF is not available.

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2012	December 31, 2012	December 31, 2012
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

C. Annual Pension Costs (Continued)

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Amortization Period	29 Years, Open	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.5% Compounded Annually	7.5% Compounded Annually	7.5% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.0% Compounded Annually	5.0% Compounded Annually	5.0% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	0.4% to 10.0%	Not Available	Not Available

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) or net pension asset (NPA) are as follows. The NPO/NPA is the cumulative difference between the APC and the contributions actually made.

	Calendar Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 1,485,520	\$ 2,461,084	\$ 2,050,857
	2013	1,644,738	2,380,888	2,310,844
	2014	1,709,301	2,696,015	2,539,608
Actual Contributions	2012	1,485,520	2,450,556	2,080,514
	2013	1,642,364	2,525,766	2,062,868
	2014	1,706,877	2,698,444	2,520,362
Percentage of APC Contributed	2012	100.00%	99.57%	101.40%
	2013	99.86%	106.09%	89.27%
	2014	100.00%	100.09%	99.24%
NPO/NPA	2012	\$ 110,973	\$ (464,921)	\$ 156,972
	2013	113,347	(609,799)	404,948
	2014	115,771	(612,228)	424,194

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

C. Annual Pension Costs (Continued)

The NPO/NPA at December 31, 2014 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 1,706,877	\$ 2,710,874	\$ 2,529,741
Interest on Net Pension Obligation	8,501	(45,735)	30,371
Adjustment to Annual Required Contribution	(6,077)	30,876	(20,504)
Annual Pension Cost	1,709,301	2,696,015	2,539,608
Contributions Made	1,706,877	2,698,444	2,520,362
Increase in Net Pension Obligation	2,424	(2,429)	19,246
Net Pension Obligation (Asset), Beginning of Year	113,347	(609,799)	404,948
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ 115,771	\$ (612,228)	\$ 424,194

The net pension obligation is reported as a liability in the Village's governmental activities column in the government-wide financial statements at December 31, 2014. The net pension asset is reported as an asset in the Village's governmental activities column in the government-wide financial statements at December 31, 2014.

D. Funded Status

The funded status of the plans as of December 31, 2014, based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11C:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 42,272,379	\$ 111,118,939	\$ 98,930,113
Actuarial Value of Plan Assets	30,342,336	68,082,883	71,215,546
Unfunded Actuarial Accrued Liability (UAAL)	11,930,043	43,036,056	27,714,567
Funded Ratio (Actuarial Value of Plan Assets/AAL)	71.78%	61.27%	71.99%
Covered Payroll (Active Plan Members)	\$ 11,787,822	\$ 8,378,076	\$ 9,015,322
UAAL as a Percentage of Covered Payroll	101.21%	513.67%	307.42%

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

D. Funded Status (Continued)

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

E. Pension Segment Information

Fiduciary Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 473,857	\$ 585,684	\$ 1,059,541
Investments, at Fair Value			
U.S. Treasury Securities	6,435,978	5,915,484	12,351,462
U.S. Agency Securities	11,550,702	11,000,222	22,550,924
Corporate Bonds	5,989,164	10,517,727	16,506,891
Municipal Bonds	1,120,474	-	1,120,474
Mutual Funds	42,170,398	29,512,632	71,683,030
Money Market Mutual Funds	170,138	1,482,010	1,652,148
Equities	-	12,011,576	12,011,576
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	172,946	199,326	372,272
Due from General Fund	659	659	1,318
<b>Total Assets</b>	<b>68,084,316</b>	<b>71,225,320</b>	<b>139,309,636</b>
<b>LIABILITIES</b>			
Accounts Payable	1,433	9,774	11,207
<b>Total Liabilities</b>	<b>1,433</b>	<b>9,774</b>	<b>11,207</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 68,082,883</b>	<b>\$ 71,215,546</b>	<b>\$ 139,298,429</b>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

E. Pension Segment Information (Continued)

Fiduciary Net Position (Continued)

Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 2,698,444	\$ 2,520,362	\$ 5,218,806
Employee Contributions	861,085	827,566	1,688,651
Other Contributions	165,420	24,291	189,711
<b>Total Contributions</b>	<b>3,724,949</b>	<b>3,372,219</b>	<b>7,097,168</b>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(495,296)	976,734	481,438
Interest	2,151,731	2,789,337	4,941,068
<b>Total Investment Income</b>	<b>1,656,435</b>	<b>3,766,071</b>	<b>5,422,506</b>
Less Investment Expense	(110,498)	(171,255)	(281,753)
<b>Net Investment Income</b>	<b>1,545,937</b>	<b>3,594,816</b>	<b>5,140,753</b>
<b>Total Additions</b>	<b>5,270,886</b>	<b>6,967,035</b>	<b>12,237,921</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds	3,744,605	3,623,427	7,368,032
Miscellaneous	21,217	77,973	99,190
<b>Total Deductions</b>	<b>3,765,822</b>	<b>3,701,400</b>	<b>7,467,222</b>
<b>NET INCREASE</b>	<b>1,505,064</b>	<b>3,265,635</b>	<b>4,770,699</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	66,577,819	67,949,911	134,527,730
December 31	\$ 68,082,883	\$ 71,215,546	\$ 139,298,429

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. OTHER POSTEMPLOYMENT BENEFITS**

A. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

B. Benefits Provided

The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan.

C. Membership

At December 31, 2014, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	63
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees - Vested	68
Active Employees - Nonvested	233
	<hr/>
TOTAL	364
	<hr/> <hr/>
Participating Employers	1
	<hr/>

D. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of December 31, 2014 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2014. The Village's annual OPEB cost (expense) was \$433,569 for the year ended December 31, 2014. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 was as follows.

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	\$ 579,774	\$ 502,177	86.60%	\$ 1,434,048
December 31, 2013	675,328	328,364	48.62%	1,781,012
December 31, 2014	433,569	322,533	74.39%	1,892,048

The net OPEB obligation as of December 31, 2014 was calculated as follows:

Annual Required Contribution	\$ 421,696
Interest on Net OPEB Obligation	71,240
Adjustment to Annual Required Contribution	<u>(59,367)</u>
Annual OPEB Cost	433,569
Contributions Made	<u>322,533</u>
Increase in Net OPEB Obligation	111,036
Net OPEB Obligation, Beginning of Year	<u>1,781,012</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u><u>\$ 1,892,048</u></u></b>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2014 was as follows:

Actuarial Accrued Liability (AAL)	\$ 8,325,891
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	8,325,891
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 24,711,803
UAAL as a Percentage of Covered Payroll	33.69%

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and an annual initial healthcare cost trend rate of 7.5% decreasing to an ultimate rate of 5.5%. Both rates include a 4.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**13. PRIOR PERIOD ADJUSTMENTS**

The Village recorded the following prior period adjustments during the year ended December 31, 2014:

PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL ACTIVITIES	<u>Increase/ (Decrease)</u>
To record Police Pension net pension asset as of December 31, 2013	\$ 144,878
To record Firefighters' Pension net pension obligation as of December 31, 2013	(247,976)
To record TIF Note issued in prior periods	<u>(1,845,946)</u>
<b>TOTAL PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (1,949,044)</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended December 31, 2014

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Taxes	\$ 29,804,320	\$ 29,804,320	\$ 29,447,436
Licenses and Permits	1,634,140	1,634,140	1,291,098
Intergovernmental	14,329,520	14,635,020	15,207,160
Charges for Services	6,276,100	6,276,100	6,846,808
Fines and Forfeits	1,179,500	1,179,500	1,709,421
Interest Income	14,050	14,050	(110,607)
Miscellaneous	1,032,390	1,059,790	1,019,777
	<hr/>	<hr/>	<hr/>
Total Revenues	54,270,020	54,602,920	55,411,093
<b>EXPENDITURES</b>			
Current			
General Government	6,237,190	6,261,910	5,874,247
Public Safety	33,755,840	33,755,840	33,248,630
Highways and Streets	7,320,660	7,661,160	7,362,411
Sanitation	1,374,500	1,374,500	1,332,980
Health and Welfare	1,751,900	1,751,900	1,609,731
Culture and Recreation	362,400	362,400	336,225
Economic Development	2,442,980	2,507,980	2,462,040
	<hr/>	<hr/>	<hr/>
Total Expenditures	53,245,470	53,675,690	52,226,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	1,024,550	927,230	3,184,829
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	50,000	50,000	173,996
Transfers (Out)	(2,593,940)	(2,593,940)	(2,146,782)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,543,940)	(2,543,940)	(1,972,786)
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	\$ (1,519,390)	\$ (1,616,710)	1,212,043
FUND BALANCE, JANUARY 1			<hr/>
			15,206,612
FUND BALANCE, DECEMBER 31			<hr/>
			\$ 16,418,655

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**EDA GENERAL ACCOUNT FUND**

For the Year Ended December 31, 2014

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 350,000	\$ 25,922,000	\$ 25,571,103
Total Revenues	<u>350,000</u>	<u>25,922,000</u>	<u>25,571,103</u>
<b>EXPENDITURES</b>			
Economic Development			
Other Contractual Services	350,000	350,000	-
Debt Service			
Principal Retirement	-	26,372,000	26,371,103
Total Expenditures	<u>350,000</u>	<u>26,722,000</u>	<u>26,371,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(800,000)</u>	<u>(800,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	800,000	800,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>800,000</u>	<u>800,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, JANUARY 1			<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ -</u></u>

(See independent auditor's report.)

# VILLAGE OF HOFFMAN ESTATES, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

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### **1. BUDGETARY INFORMATION**

All departments submit requests for appropriations to the Village Manager so that a budget may be prepared. The proposed budget is prepared by line item, program, department and fund and includes information on previous years' spending, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the Village Board for review. The Village Board holds public hearings and may add to, subtract or change appropriations. Once the budget is approved, a formal budget ordinance is adopted providing the legal authority to spend public funds.

The annual budget within functions can be changed by the Village Manager. Changes affecting total functions or funds must be approved by the Village Board. Expenditures/expenses may not legally exceed budget at the department/fund level. During the year, three budget amendments were approved by the Village Board. The budget figures included in this report reflect all budget amendments made during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service and all trust funds. All annual budgets lapse at year end.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

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<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age Normal</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded Actuarial Accrued Liability (UAAL) (OAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2009	\$ 22,191,670	\$ 34,308,819	64.68%	\$ 12,117,149	\$ 11,974,189	101.19%
2010	23,351,347	34,328,423	68.02%	10,977,076	10,940,296	100.34%
2011	22,015,558	34,340,246	64.11%	12,324,688	10,557,938	116.73%
2012	24,020,334	36,106,378	66.53%	12,086,044	10,930,980	110.57%
2013	27,296,247	38,546,198	70.81%	11,249,951	11,273,313	99.79%
2014	30,342,336	42,272,379	71.78%	11,930,043	11,787,822	101.21%

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS

POLICE PENSION FUND

December 31, 2014

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<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2009	\$ 46,170,267	\$ 76,001,039	60.75%	\$ 29,830,772	\$ 8,155,245	365.79%
2010	52,092,944	80,683,222	64.56%	28,590,278	8,202,710	348.55%
2011	52,085,622	86,206,210	60.42%	34,120,588	8,358,633	408.21%
2012	58,169,982	93,998,295	61.88%	35,828,313	8,667,490	413.36%
2013	66,577,819	98,078,675	67.88%	31,500,856	8,609,981	365.86%
2014	68,082,883	111,118,939	61.27%	43,036,056	8,378,076	513.67%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

FIREFIGHTERS' PENSION FUND

December 31, 2014

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<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2009	\$ 48,459,349	\$ 70,358,756	68.87%	\$ 21,899,407	\$ 8,186,783	267.50%
2010	54,429,934	74,471,179	73.09%	20,041,245	8,448,299	237.22%
2011	54,918,658	79,584,660	69.01%	24,666,002	8,231,207	299.66%
2012	59,649,650	85,996,699	69.36%	26,347,049	8,272,945	318.47%
2013	67,949,911	89,228,232	76.15%	21,278,321	8,509,061	250.07%
2014	71,215,546	98,930,113	71.99%	27,714,567	9,015,322	307.42%

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2014

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2009	*	*	*	*	*	*
2010	\$ -	\$ 10,111,315	0.00%	\$ 10,111,315	\$ 27,072,995	37.35%
2011	*	*	*	*	*	*
2012	-	11,871,893	0.00%	11,871,893	27,083,197	43.83%
2013	*	*	*	*	*	*
2014	-	8,325,891	0.00%	8,325,891	24,711,803	33.69%

\*The Village had actuarial valuations performed biennially.

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2014

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<b><u>Fiscal Year December 31,</u></b>	<b><u>Employer Contributions</u></b>	<b><u>Annual Required Contribution (ARC)</u></b>	<b><u>Percentage Contributed</u></b>
2009	\$ 1,342,307	\$ 1,342,307	100.00%
2010	1,348,938	1,422,238	94.85%
2011	1,431,656	1,465,442	97.69%
2012	1,485,520	1,485,520	100.00%
2013	1,642,364	1,642,364	100.00%
2014	1,706,877	1,706,877	100.00%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PENSION FUND

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially Determined Contribution	\$ 1,363,653	\$ 1,476,740	\$ 1,663,437	\$ 1,785,384	\$ 1,912,498	\$ 2,524,331	\$ 2,476,784	\$ 2,473,855	\$ 2,392,818	\$ 2,710,874
Contributions in Relation to the Actuarially Determined Contribution	1,355,494	1,471,015	1,638,142	1,800,870	1,979,784	2,541,814	2,497,419	2,450,556	2,387,875	2,698,444
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 8,159</b>	<b>\$ 5,725</b>	<b>\$ 25,295</b>	<b>\$ (15,486)</b>	<b>\$ (67,286)</b>	<b>\$ (17,483)</b>	<b>\$ (20,635)</b>	<b>\$ 23,299</b>	<b>\$ 4,943</b>	<b>\$ 12,430</b>
Covered-Employee Payroll	\$ 6,771,593	\$ 7,373,997	\$ 7,927,658	\$ 8,118,084	\$ 8,155,245	\$ 8,202,710	\$ 8,358,633	\$ 8,667,490	\$ 8,609,981	\$ 8,378,076
Contributions as a Percentage of Covered-Employee Payroll	20.0%	19.9%	20.7%	22.2%	24.3%	31.0%	29.9%	28.3%	27.7%	32.2%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percent Contributed
2009	\$ 1,979,784	\$ 1,912,498	103.52%
2010	2,541,814	2,524,331	100.69%
2011	2,497,419	2,476,784	100.83%
2012	2,450,556	2,473,855	99.06%
2013	2,525,766	2,392,818	105.56%
2014	2,698,444	2,710,874	99.54%

Notes to the Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially Determined Contribution	\$ 1,270,100	\$ 1,334,036	\$ 1,426,524	\$ 1,545,560	\$ 1,755,105	\$ 2,434,992	\$ 2,474,644	\$ 2,045,844	\$ 2,306,816	\$ 2,529,741
Contributions in Relation to the Actuarially Determined Contribution	1,262,516	1,347,220	1,426,737	1,561,796	1,771,131	2,454,155	2,488,676	2,080,514	2,062,868	2,520,362
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 7,584</b>	<b>\$ (13,184)</b>	<b>\$ (213)</b>	<b>\$ (16,236)</b>	<b>\$ (16,026)</b>	<b>\$ (19,163)</b>	<b>\$ (14,032)</b>	<b>\$ (34,670)</b>	<b>\$ 243,948</b>	<b>\$ 9,379</b>
Covered-Employee Payroll	\$ 6,661,577	\$ 6,954,964	\$ 7,533,523	\$ 7,901,342	\$ 8,186,783	\$ 8,448,299	\$ 8,231,207	\$ 8,272,945	\$ 8,509,061	\$ 9,015,322
Contributions as a Percentage of Covered-Employee Payroll	19.0%	19.4%	18.9%	19.8%	21.6%	29.0%	30.2%	25.1%	24.2%	28.0%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percent Contributed
2009	\$ 1,771,131	\$ 1,755,105	100.91%
2010	2,454,155	2,434,992	100.79%
2011	2,488,676	2,474,644	100.57%
2012	2,080,514	2,045,844	101.69%
2013	2,062,868	2,306,816	89.42%
2014	2,520,362	2,529,741	99.63%

Notes to the Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2014

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<b><u>Fiscal Year December 31,</u></b>	<b><u>Employer Contributions</u></b>	<b><u>Annual Required Contribution (ARC)</u></b>	<b><u>Percentage Contributed</u></b>
2009	\$ 201,364	\$ 410,579	49.04%
2010	502,177	410,579	122.31%
2011	502,177	570,731	87.99%
2012	502,177	570,731	87.99%
2013	328,364	665,768	49.32%
2014	322,533	421,696	76.48%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS

POLICE PENSION FUND

December 31, 2014

	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 1,718,313
Interest	7,215,478
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	1,407,476
Changes of Assumptions	6,443,602
Benefit Payments, Including Refunds of Member Contributions	<u>(3,744,605)</u>
Net Change in Total Pension Liability	13,040,264
Total Pension Liability - Beginning	<u>98,078,675</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 111,118,939</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 2,698,444
Contributions - Member	1,026,505
Net Investment Income	1,545,937
Benefit Payments, Including Refunds of Member Contributions	(3,744,605)
Administrative Expense	<u>(21,217)</u>
Net Change in Plan Fiduciary Net Position	1,505,064
Plan Fiduciary Net Position - Beginning	<u>66,577,819</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u><u>\$ 68,082,883</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u><u>\$ 43,036,056</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.3%
Covered-Employee Payroll	\$ 8,378,076
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	513.7%

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS

FIREFIGHTERS' PENSION FUND

December 31, 2014

	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 2,120,597
Interest	6,556,239
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	1,252,030
Changes of Assumptions	3,396,442
Benefit Payments, Including Refunds of Member Contributions	(3,623,427)
Net Change in Total Pension Liability	9,701,881
Total Pension Liability - Beginning	89,228,232
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 98,930,113</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 2,520,362
Contributions - Member	851,857
Net Investment Income	3,594,816
Benefit Payments, Including Refunds of Member Contributions	(3,623,427)
Administrative Expense	(77,973)
Net Change in Plan Fiduciary Net Position	3,265,635
Plan Fiduciary Net Position - Beginning	67,949,911
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 71,215,546</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 27,714,567</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.0%
Covered-Employee Payroll	\$ 9,015,322
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	307.4%

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS**

**POLICE PENSION FUND**

December 31, 2014

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	<u><b>2014</b></u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.15%

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS**

**FIREFIGHTERS' PENSION FUND**

December 31, 2014

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	<u><b>2014</b></u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.34%

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMPARATIVE BALANCE SHEET BY ACCOUNT

GENERAL FUND

December 31, 2014  
(with comparative totals for 2013)

	<u>2014</u>			<u>2013</u>
	<u>General Account</u>	<u>Municipal Waste System Account</u>	<u>Total</u>	
<b>ASSETS</b>				
Cash and Investments	\$ 12,933,948	\$ 95,005	\$ 13,028,953	\$ 15,278,521
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	16,492,676	-	16,492,676	16,481,760
Accounts	153,039	16,321	169,360	168,009
Accrued Interest	8,745	-	8,745	1,769
Other	2,351,908	121,657	2,473,565	2,441,989
Prepaid Items	-	63,473	63,473	122,778
Inventories	136,188	-	136,188	140,181
Due from Other Governments	4,866,541	-	4,866,541	4,926,237
Due from Other Funds	90,459	-	90,459	189,746
Due from Fiduciary Funds	184,209	-	184,209	-
Advance to Fiduciary Funds	31,100	-	31,100	31,100
<b>TOTAL ASSETS</b>	<b>\$ 37,248,813</b>	<b>\$ 296,456</b>	<b>\$ 37,545,269</b>	<b>\$ 39,782,090</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,587,540	\$ -	\$ 1,587,540	\$ 1,641,295
Accrued Payroll	816,559	-	816,559	866,017
Unearned Revenues	122,237	-	122,237	78,641
Due to Other Funds	32,733	53,933	86,666	20,700
Due to Fiduciary Funds	1,319	-	1,319	3,069,764
Deposits Payable	802,816	-	802,816	1,056,312
Total Liabilities	3,363,204	53,933	3,417,137	6,732,729
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	16,447,684	-	16,447,684	16,455,329
Unavailable State Taxes	1,261,793	-	1,261,793	1,387,420
Total Deferred Inflows of Resources	17,709,477	-	17,709,477	17,842,749
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid Items	-	63,473	63,473	122,778
Inventories	136,188	-	136,188	140,181
Noncurrent receivables	31,100	-	31,100	31,100
Restricted				
Public Safety	116,197	-	116,197	98,179
Employee Loan Program	65,019	-	65,019	85,754
Assigned				
Employee Health	1,502,681	-	1,502,681	1,582,687
Subsequent Budget	1,034,500	-	1,034,500	-
Unassigned	13,290,447	179,050	13,469,497	13,145,933
Total Fund Balances	16,176,132	242,523	16,418,655	15,206,612
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 37,248,813</b>	<b>\$ 296,456</b>	<b>\$ 37,545,269</b>	<b>\$ 39,782,090</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BY ACCOUNT

GENERAL FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014				2013		
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Total
<b>REVENUES</b>							
Taxes	\$ 29,447,436	\$ -	\$ -	\$ 29,447,436	\$ 24,417,385	\$ -	\$ 24,417,385
Licenses and Permits	1,291,098	-	-	1,291,098	1,493,182	-	1,493,182
Intergovernmental	15,207,160	-	-	15,207,160	14,386,548	-	14,386,548
Charges for Services	5,604,821	1,241,987	-	6,846,808	5,348,330	934,757	6,283,087
Fines and Forfeits	1,709,421	-	-	1,709,421	1,323,962	-	1,323,962
Interest Income	(109,652)	(955)	-	(110,607)	15,686	34	15,720
Miscellaneous	952,634	67,143	-	1,019,777	1,193,342	266,501	1,459,843
<b>Total Revenues</b>	<b>54,102,918</b>	<b>1,308,175</b>	<b>-</b>	<b>55,411,093</b>	<b>48,178,435</b>	<b>1,201,292</b>	<b>49,379,727</b>
<b>EXPENDITURES</b>							
Current							
General Government	5,874,247	-	-	5,874,247	5,526,598	-	5,526,598
Public Safety	33,248,630	-	-	33,248,630	29,391,729	-	29,391,729
Highways and Streets	7,362,411	-	-	7,362,411	5,349,853	-	5,349,853
Sanitation	-	1,332,980	-	1,332,980	-	1,211,351	1,211,351
Health and Welfare	1,609,731	-	-	1,609,731	1,670,982	-	1,670,982
Culture and Recreation	336,225	-	-	336,225	336,655	-	336,655
Economic Development	2,462,040	-	-	2,462,040	2,167,472	-	2,167,472
<b>Total Expenditures</b>	<b>50,893,284</b>	<b>1,332,980</b>	<b>-</b>	<b>52,226,264</b>	<b>44,443,289</b>	<b>1,211,351</b>	<b>45,654,640</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,209,634</b>	<b>(24,805)</b>	<b>-</b>	<b>3,184,829</b>	<b>3,735,146</b>	<b>(10,059)</b>	<b>3,725,087</b>

	2014				2013		
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Total
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	\$ 173,996	\$ 125,000	\$ (125,000)	\$ 173,996	\$ 192,417	\$ -	\$ 192,417
Transfers (Out)	(2,271,782)	-	125,000	(2,146,782)	(3,401,999)	-	(3,401,999)
Total Other Financing Sources (Uses)	(2,097,786)	125,000	-	(1,972,786)	(3,209,582)	-	(3,209,582)
NET CHANGE IN FUND BALANCE	1,111,848	100,195	-	1,212,043	525,564	(10,059)	515,505
FUND BALANCES, JANUARY 1	15,064,284	142,328	-	15,206,612	14,538,720	152,387	14,691,107
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 16,176,132</b>	<b>\$ 242,523</b>	<b>\$ -</b>	<b>\$ 16,418,655</b>	<b>\$ 15,064,284</b>	<b>\$ 142,328</b>	<b>\$ 15,206,612</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL ACCOUNT

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>GENERAL GOVERNMENT</b>				
Legislative	\$ 443,880	\$ 443,880	\$ 355,721	\$ 391,826
Administration	597,840	597,840	588,937	561,619
Legal	563,690	563,690	525,964	574,576
Finance	957,110	957,110	891,550	859,408
Village Clerk	192,550	192,550	184,047	183,170
Human Resources Management	505,590	505,590	501,413	470,794
Communications	185,610	185,610	195,130	170,130
Buildings and Grounds	1,031,400	1,031,400	1,022,359	851,700
Fleet Services	1,472,270	1,472,270	1,382,739	1,291,528
Police and Fire Commission	117,500	117,500	46,977	25,297
Miscellaneous Boards and Commissions	169,750	194,470	179,410	146,550
<b>Total General Government</b>	<b>6,237,190</b>	<b>6,261,910</b>	<b>5,874,247</b>	<b>5,526,598</b>
<b>PUBLIC SAFETY</b>				
Police Department				
Administration	1,372,710	1,372,710	1,397,547	1,258,745
Juvenile Investigations	511,870	511,870	492,239	481,767
Tactical	802,530	802,530	702,385	752,417
Patrol and Response	9,399,020	9,399,020	9,581,990	9,692,062
Traffic Control	1,823,320	1,823,320	1,573,093	1,305,503
Investigations	1,192,100	1,192,100	1,199,275	1,176,960
Community Relations	13,720	13,720	10,772	8,614
Communications	712,000	712,000	692,980	612,927
Canine	159,620	159,620	175,750	153,378
Special Services	152,180	152,180	178,529	152,385
Records	349,340	349,340	319,519	301,770
Administrative Services	737,900	737,900	723,689	710,126
Emergency Operations	157,170	157,170	52,459	141,945
<b>Total Police Department</b>	<b>17,383,480</b>	<b>17,383,480</b>	<b>17,100,227</b>	<b>16,748,599</b>
Fire Department				
Administration	744,670	744,670	752,892	750,195
Public Education	35,400	35,400	37,661	38,653
Suppression	8,110,390	8,110,390	7,981,295	6,139,936
Emergency Medical Services	6,850,840	6,850,840	6,729,993	5,198,714
Fire Prevention	600,760	600,760	622,591	488,240
Fire Stations	30,300	30,300	23,971	27,392
<b>Total Fire Department</b>	<b>16,372,360</b>	<b>16,372,360</b>	<b>16,148,403</b>	<b>12,643,130</b>
<b>Total Public Safety</b>	<b>33,755,840</b>	<b>33,755,840</b>	<b>33,248,630</b>	<b>29,391,729</b>

(This schedule is continued on the following page.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL ACCOUNT

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>HIGHWAYS AND STREETS</b>				
Administration - Public Works	\$ 265,110	\$ 265,110	\$ 255,803	\$ 260,096
Snow and Ice Control	1,773,150	2,013,650	2,005,320	1,637,589
Pavement Maintenance	383,070	383,070	380,648	363,687
Forestry	2,549,010	2,649,010	2,417,624	871,198
Maintenance	289,330	289,330	275,192	262,154
Storm Sewers	222,220	222,220	201,646	211,673
Utilities	631,650	631,650	637,967	569,080
Engineering	1,207,120	1,207,120	1,188,211	1,174,376
Total Highways and Streets	7,320,660	7,661,160	7,362,411	5,349,853
<b>HEALTH AND WELFARE</b>				
Health and Human Services	712,230	712,230	673,622	658,758
Code Enforcement	1,039,670	1,039,670	936,109	1,012,224
Total Health and Welfare	1,751,900	1,751,900	1,609,731	1,670,982
<b>CULTURE AND RECREATION</b>				
Cable T.V.	142,670	142,670	140,287	133,519
4th of July	219,730	219,730	195,938	203,136
Total Culture and Recreation	362,400	362,400	336,225	336,655
<b>ECONOMIC DEVELOPMENT</b>				
Administration - Community Development	315,360	315,360	311,443	241,010
Planning	610,220	648,220	616,604	510,616
Economic Development	1,517,400	1,544,400	1,533,993	1,415,846
Total Economic Development	2,442,980	2,507,980	2,462,040	2,167,472
<b>TOTAL EXPENDITURES</b>	<b>\$ 51,870,970</b>	<b>\$ 52,301,190</b>	<b>\$ 50,893,284</b>	<b>\$ 44,443,289</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MUNICIPAL WASTE SYSTEM ACCOUNT

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Charges for Services	\$ 1,111,150	\$ 1,111,150	\$ 1,241,987	\$ 934,757
Investment Income	50	50	(955)	34
Miscellaneous	88,920	88,920	67,143	266,501
Total Revenues	1,200,120	1,200,120	1,308,175	1,201,292
<b>EXPENDITURES</b>				
Current				
Sanitation	1,374,500	1,374,500	1,332,980	1,211,351
Total Expenditures	1,374,500	1,374,500	1,332,980	1,211,351
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(174,380)	(174,380)	(24,805)	(10,059)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	125,000	125,000	125,000	-
Total Other Financing Sources (Uses)	125,000	125,000	125,000	-
NET CHANGE IN FUND BALANCE	\$ (49,380)	\$ (49,380)	100,195	(10,059)
FUND BALANCE, JANUARY 1			142,328	152,387
<b>FUND BALANCE, DECEMBER 31</b>			\$ 242,523	\$ 142,328

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EDA GENERAL ACCOUNT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ 350,000	\$ 25,922,000	\$ 25,571,103	\$ 14,174,258
Total Revenues	350,000	25,922,000	25,571,103	14,174,258
<b>EXPENDITURES</b>				
Economic Development				
Other Contractual Services	350,000	350,000	-	-
Debt Service				
Principal Retirement	-	26,372,000	26,371,103	14,174,258
Total Expenditures	350,000	26,722,000	26,371,103	14,174,258
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(800,000)	(800,000)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	800,000	800,000	-
Total Other Financing Sources (Uses)	-	800,000	800,000	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
<b>FUND BALANCE, DECEMBER 31</b>			\$ -	\$ -

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EDA SERIES 1991 PROJECT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013 Actual
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment Income	\$ 1,000	\$ 1,000	\$ (38,586)	\$ 756
Total Revenues	1,000	1,000	(38,586)	756
<b>EXPENDITURES</b>				
Current				
Economic Development	125,000	78,760,100	78,765,309	144,423
Total Expenditures	125,000	78,760,100	78,765,309	144,423
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,000)	(78,759,100)	(78,803,895)	(143,667)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(125,260)	(925,260)	(806,277)	-
Notes Issued, at Par	-	78,635,100	78,635,096	-
Total Other Financing Sources (Uses)	(125,260)	77,709,840	77,828,819	-
NET CHANGE IN FUND BALANCE	\$ (249,260)	\$ (1,049,260)	(975,076)	(143,667)
FUND BALANCE, JANUARY 1			3,479,458	3,623,125
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 2,504,382</u>	<u>\$ 3,479,458</u>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 3,569,749	\$ 388,103	\$ 6,207,585	\$ 10,165,437
Receivables				
Property Taxes	-	1,555,881	-	1,555,881
Accounts	-	-	53,898	53,898
Accrued Interest	1,115	-	8,072	9,187
Other	47,405	-	1,363,741	1,411,146
Prepaid Items	-	-	21,262	21,262
Due from Other Governments	130,684	-	-	130,684
Due from Other Funds	1,565	45,096	41,352	88,013
<b>TOTAL ASSETS</b>	<b>\$ 3,750,518</b>	<b>\$ 1,989,080</b>	<b>\$ 7,695,910</b>	<b>\$ 13,435,508</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 66,049	\$ -	\$ 979,676	\$ 1,045,725
Accrued Payroll	11,762	-	-	11,762
Unearned Revenues	227,607	-	-	227,607
Due to Other Funds	23,619	-	24,612	48,231
Deposits Payable	6,930	-	2,498,449	2,505,379
Total Liabilities	335,967	-	3,502,737	3,838,704
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	1,550,000	-	1,550,000
Total Deferred Inflows of Resources	-	1,550,000	-	1,550,000
Total Liabilities and Deferred Inflows of Resources	335,967	1,550,000	3,502,737	5,388,704
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid Items	-	-	21,262	21,262
Restricted				
Highways and Streets	1,468,693	-	-	1,468,693
Emergency Equipment	72,006	-	-	72,006
Public Safety	126,185	-	-	126,185
Debt Service	-	439,080	-	439,080
Economic Development	1,761,251	-	-	1,761,251
Bond Projects	-	-	3,920	3,920
Assigned				
Capital Improvements	-	-	4,167,991	4,167,991
Unassigned	(13,584)	-	-	(13,584)
Total Fund Balances	3,414,551	439,080	4,193,173	8,046,804
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,750,518</b>	<b>\$ 1,989,080</b>	<b>\$ 7,695,910</b>	<b>\$ 13,435,508</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,063,803	\$ 4,065,523	\$ 6,129,326
Intergovernmental	2,159,525	352,540	2,200,659	4,712,724
Charges for Services	-	-	632,936	632,936
Fines and Forfeits	162,256	-	-	162,256
Investment Income	(25,583)	(30,123)	(29,564)	(85,270)
Miscellaneous	97,238	-	123,633	220,871
<b>Total Revenues</b>	<b>2,393,436</b>	<b>2,386,220</b>	<b>6,993,187</b>	<b>11,772,843</b>
<b>EXPENDITURES</b>				
Current				
Public Safety	568,204	-	-	568,204
Highways and Streets	2,281,815	-	-	2,281,815
Economic Development	423,652	-	-	423,652
Capital Outlay	-	-	8,396,097	8,396,097
Debt Service				
Principal Retirement	-	1,235,000	-	1,235,000
Interest and Fiscal Charges	-	2,479,036	-	2,479,036
<b>Total Expenditures</b>	<b>3,273,671</b>	<b>3,714,036</b>	<b>8,396,097</b>	<b>15,383,804</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(880,235)</b>	<b>(1,327,816)</b>	<b>(1,402,910)</b>	<b>(3,610,961)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	1,133,190	1,481,217	2,614,407
Transfers (Out)	(69,533)	-	(1,380,832)	(1,450,365)
<b>Total Other Financing Sources (Uses)</b>	<b>(69,533)</b>	<b>1,133,190</b>	<b>100,385</b>	<b>1,164,042</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(949,768)</b>	<b>(194,626)</b>	<b>(1,302,525)</b>	<b>(2,446,919)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>4,364,319</b>	<b>633,706</b>	<b>5,495,698</b>	<b>10,493,723</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 3,414,551</b>	<b>\$ 439,080</b>	<b>\$ 4,193,173</b>	<b>\$ 8,046,804</b>

(See independent auditor's report.)

## **NONMAJOR SPECIAL REVENUE FUNDS**

Motor Fuel Tax Fund - to account for the maintenance and various street improvements in the Village. Financing is provided by the Village's share of motor fuel tax allotments. State statutes require those allotments to be used to maintain streets.

Community Development Block Grant Fund - to account for revenues and expenditures related to the Village's Community Development Block Grant.

Asset Seizure Fund - to account for the fines and forfeitures received under the "Zero Tolerance Act" which by law are restricted to use in the fight against drug abuse.

Economic Development Area (EDA) Administration Fund - to account for revenues and expenditures pertaining to the Village's establishment of an EDA and the Sears Development, in accordance with State statutes.

Emergency 911 Fund - to account for revenues and expenditures pertaining to the telephone surcharge authorized by voter referendum and required to be established as a separate fund by state statutes.

Roselle Road TIF Fund - to account for the revenues and expenditures pertaining to the activity in the Roselle Road TIF District.

Higgins/Hassell TIF Fund - to account for the revenues and expenditures pertaining to the activity in the Higgins/Hassell TIF District.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2014

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>
<b>ASSETS</b>			
Cash and Investments	\$ 1,352,751	\$ 2,281	\$ 356,801
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	553	-	-
Other	-	4,238	-
Due from Other Governments	130,684	-	-
Due from Other Funds	1,560	-	5
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 1,485,548</b>	<b>\$ 6,519</b>	<b>\$ 356,806</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 16,855	\$ 4,238	\$ -
Accrued Payroll	-	-	2,848
Unearned Revenues	-	-	227,607
Due to Other Funds	-	-	166
Deposits Payable	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	16,855	4,238	230,621
<b>FUND BALANCES</b>			
Restricted			
Highways and Streets	1,468,693	-	-
Emergency Equipment	-	-	-
Public Safety	-	-	126,185
Economic Development	-	2,281	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	1,468,693	2,281	126,185
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,485,548</b>	<b>\$ 6,519</b>	<b>\$ 356,806</b>

<b>EDA Administration</b>	<b>Emergency 911</b>	<b>Roselle Road TIF</b>	<b>Higgins/Hassell TIF</b>	<b>Total</b>
\$ 848,342	\$ 68,425	\$ 941,149	\$ -	\$ 3,569,749
-	-	562	-	1,115
-	3,581	39,586	-	47,405
-	-	-	-	130,684
-	-	-	-	1,565
<b>\$ 848,342</b>	<b>\$ 72,006</b>	<b>\$ 981,297</b>	<b>\$ -</b>	<b>\$ 3,750,518</b>
\$ -	\$ -	\$ 44,515	\$ 441	\$ 66,049
8,914	-	-	-	11,762
-	-	-	-	227,607
10,310	-	-	13,143	23,619
6,930	-	-	-	6,930
<b>26,154</b>	<b>-</b>	<b>44,515</b>	<b>13,584</b>	<b>335,967</b>
-	-	-	-	1,468,693
-	72,006	-	-	72,006
-	-	-	-	126,185
822,188	-	936,782	-	1,761,251
-	-	-	(13,584)	(13,584)
<b>822,188</b>	<b>72,006</b>	<b>936,782</b>	<b>(13,584)</b>	<b>3,414,551</b>
<b>\$ 848,342</b>	<b>\$ 72,006</b>	<b>\$ 981,297</b>	<b>\$ -</b>	<b>\$ 3,750,518</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2014

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>
<b>REVENUES</b>			
Intergovernmental	\$ 1,762,569	\$ 318,020	\$ -
Fines and Forfeits	-	-	162,256
Investment Income	3,301	-	(3,229)
Miscellaneous	-	49,892	800
<b>Total Revenues</b>	<b>1,765,870</b>	<b>367,912</b>	<b>159,827</b>
<b>EXPENDITURES</b>			
Current			
Public Safety	-	-	162,497
Highways and Streets	2,281,815	-	-
Economic Development	-	365,632	-
<b>Total Expenditures</b>	<b>2,281,815</b>	<b>365,632</b>	<b>162,497</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(515,945)</b>	<b>2,280</b>	<b>(2,670)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(515,945)</b>	<b>2,280</b>	<b>(2,670)</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>1,984,638</b>	<b>1</b>	<b>128,855</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 1,468,693</b>	<b>\$ 2,281</b>	<b>\$ 126,185</b>

<b>EDA Administration</b>	<b>Emergency 911</b>	<b>Roselle Road TIF</b>	<b>Higgins/Hassell TIF</b>	<b>Total</b>
\$ -	\$ 21,908	\$ 57,028	\$ -	\$ 2,159,525
-	-	-	-	162,256
(25,859)	(1,715)	1,919	-	(25,583)
46,546	-	-	-	97,238
20,687	20,193	58,947	-	2,393,436
379,379	26,328	-	-	568,204
-	-	-	-	2,281,815
-	-	54,360	3,660	423,652
379,379	26,328	54,360	3,660	3,273,671
(358,692)	(6,135)	4,587	(3,660)	(880,235)
(19,533)	-	(50,000)	-	(69,533)
(19,533)	-	(50,000)	-	(69,533)
(378,225)	(6,135)	(45,413)	(3,660)	(949,768)
1,200,413	78,141	982,195	(9,924)	4,364,319
\$ 822,188	\$ 72,006	\$ 936,782	\$ (13,584)	\$ 3,414,551

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MOTOR FUEL TAX FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 1,225,000	\$ 1,664,000	\$ 1,762,569	\$ 1,527,135
Investment Income	500	500	3,301	1,368
Total Revenues	1,225,500	1,664,500	1,765,870	1,528,503
<b>EXPENDITURES</b>				
Current				
Highways and Streets	1,753,520	2,305,020	2,281,815	70,821
Total Expenditures	1,753,520	2,305,020	2,281,815	70,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(528,020)	(640,520)	(515,945)	1,457,682
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (Out)	-	-	-	(860,000)
Total Other Financing Sources (Uses)	-	-	-	(860,000)
NET CHANGE IN FUND BALANCE	\$ (528,020)	\$ (640,520)	(515,945)	597,682
FUND BALANCE, JANUARY 1			1,984,638	1,386,956
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,468,693</u>	<u>\$ 1,984,638</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013 Actual
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental	\$ 382,000	\$ 382,000	\$ 318,020	\$ 119,358
Miscellaneous	-	-	49,892	-
Total Revenues	382,000	382,000	367,912	119,358
<b>EXPENDITURES</b>				
Current				
Economic Development	382,000	382,000	365,632	119,358
Total Expenditures	382,000	382,000	365,632	119,358
NET CHANGE IN FUND BALANCE	\$ -	\$ -	2,280	-
FUND BALANCE, JANUARY 1			1	1
<b>FUND BALANCE, DECEMBER 31</b>			\$ 2,281	\$ 1

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**ASSET SEIZURE FUND**

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

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	<b>2014</b>			<b>2013</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Fines and Forfeits	\$ 275,770	\$ 275,770	\$ 162,256	\$ 233,007
Investment Income	100	100	(3,229)	37
Miscellaneous	-	-	800	17,206
Total Revenues	<u>275,870</u>	<u>275,870</u>	<u>159,827</u>	<u>250,250</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	<u>293,820</u>	<u>293,820</u>	<u>162,497</u>	<u>232,252</u>
Total Expenditures	<u>293,820</u>	<u>293,820</u>	<u>162,497</u>	<u>232,252</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,950)</u>	<u>\$ (17,950)</u>	<u>(2,670)</u>	<u>17,998</u>
FUND BALANCE, JANUARY 1			<u>128,855</u>	<u>110,857</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 126,185</u>	<u>\$ 128,855</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT AREA (EDA) GENERAL ADMINISTRATION FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	<b>2014</b>			<b>2013</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 4,454,846
Investment Income	-	-	(25,859)	374
Miscellaneous	-	-	46,546	2,850
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>20,687</b>	<b>4,458,070</b>
<b>EXPENDITURES</b>				
Current				
General Government	-	-	-	320,292
Public Safety	441,440	441,440	379,379	3,837,003
Highways and Streets	-	-	-	151,925
<b>Total Expenditures</b>	<b>441,440</b>	<b>441,440</b>	<b>379,379</b>	<b>4,309,220</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(441,440)</b>	<b>(441,440)</b>	<b>(358,692)</b>	<b>148,850</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	-	-	(19,533)	(84,512)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(19,533)</b>	<b>(84,512)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (441,440)</b>	<b>\$ (441,440)</b>	<b>(378,225)</b>	<b>64,338</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,200,413</b>	<b>1,136,075</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 822,188</b>	<b>\$ 1,200,413</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EMERGENCY 911 FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 23,000	\$ 23,000	\$ 21,908	\$ 22,696
Investment Income	-	-	(1,715)	24
Total Revenues	23,000	23,000	20,193	22,720
<b>EXPENDITURES</b>				
Current				
Public Safety	46,420	46,420	26,328	26,359
Total Expenditures	46,420	46,420	26,328	26,359
NET CHANGE IN FUND BALANCE	\$ (23,420)	\$ (23,420)	(6,135)	(3,639)
FUND BALANCE, JANUARY 1			78,141	81,780
<b>FUND BALANCE, DECEMBER 31</b>			\$ 72,006	\$ 78,141

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**ROSELLE ROAD TIF FUND**

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 157,706
Intergovernmental	200,000	200,000	57,028	-
Investment Income	1,500	1,500	1,919	1,660
Total Revenues	201,500	201,500	58,947	159,366
<b>EXPENDITURES</b>				
Current				
Economic Development	1,161,170	1,161,170	54,360	121,881
Total Expenditures	1,161,170	1,161,170	54,360	121,881
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(959,670)	(959,670)	4,587	37,485
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(60,000)	(60,000)	(50,000)	(50,000)
Total Other Financing Sources (Uses)	(60,000)	(60,000)	(50,000)	(50,000)
NET CHANGE IN FUND BALANCE	<u>\$ (1,019,670)</u>	<u>\$ (1,019,670)</u>	(45,413)	(12,515)
FUND BALANCE, JANUARY 1			982,195	994,710
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 936,782</u>	<u>\$ 982,195</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HIGGINS/HASSELL TIF FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current				
Economic Development	-	3,800	3,660	9,924
Total Expenditures	-	3,800	3,660	9,924
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(3,800)	(3,660)	(9,924)
<b>OTHER FINANCING SOURCES (USES)</b>				
Notes Issued, at Par	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (3,800)	(3,660)	(9,924)
FUND BALANCE (DEFICIT), JANUARY 1			(9,924)	-
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>			\$ (13,584)	\$ (9,924)

(See independent auditor's report.)

## **NONMAJOR DEBT SERVICE FUNDS**

2005 EDA TIF Refunding Bond Fund - to account for the accumulation of resources and the payment of bond principal, interest, and fiscal charges on the Series 2005 Tax Increment Revenue Refunding Bond issue.

2008A General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2008 general obligation bond issue.

2009A General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2009A general obligation bond issue.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

December 31, 2014

	<b>2005 EDA TIF Refunding Bond</b>	<b>2008A General Obligation Debt Service</b>	<b>2009A General Obligation Debt Service</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Investments	\$ 35,344	\$ 68,226	\$ 284,533	\$ 388,103
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	-	-	1,555,881	1,555,881
Due from Other Funds	-	-	45,096	45,096
<b>TOTAL ASSETS</b>	<b>\$ 35,344</b>	<b>\$ 68,226</b>	<b>\$ 1,885,510</b>	<b>\$ 1,989,080</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	1,550,000	1,550,000
Total Deferred Inflows of Resources	-	-	1,550,000	1,550,000
Total Liabilities and Deferred Inflows of Resources	-	-	1,550,000	1,550,000
<b>FUND BALANCES</b>				
Restricted				
Debt Service	35,344	68,226	335,510	439,080
Total Fund Balances	35,344	68,226	335,510	439,080
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 35,344</b>	<b>\$ 68,226</b>	<b>\$ 1,885,510</b>	<b>\$ 1,989,080</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended December 31, 2014

	<b>2005 EDA TIF Refunding Bond</b>	<b>2008A General Obligation Debt Service</b>	<b>2009A General Obligation Debt Service</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 2,063,803	\$ 2,063,803
Charges for Services	-	-	352,540	352,540
Investment Income	(532)	-	(29,591)	(30,123)
<b>Total Revenues</b>	<b>(532)</b>	<b>-</b>	<b>2,386,752</b>	<b>2,386,220</b>
<b>EXPENDITURES</b>				
Debt Service				
Principal Retirement	-	-	1,235,000	1,235,000
Interest and Fiscal Charges	1,000	999,680	1,478,356	2,479,036
<b>Total Expenditures</b>	<b>1,000</b>	<b>999,680</b>	<b>2,713,356</b>	<b>3,714,036</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,532)</b>	<b>(999,680)</b>	<b>(326,604)</b>	<b>(1,327,816)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	999,190	134,000	1,133,190
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>999,190</b>	<b>134,000</b>	<b>1,133,190</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,532)</b>	<b>(490)</b>	<b>(192,604)</b>	<b>(194,626)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>36,876</b>	<b>68,716</b>	<b>528,114</b>	<b>633,706</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 35,344</b>	<b>\$ 68,226</b>	<b>\$ 335,510</b>	<b>\$ 439,080</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2005 EDA TIF REFUNDING BOND FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 5,000
Investment Income	-	-	(532)	15
Total Revenues	-	-	(532)	5,015
<b>EXPENDITURES</b>				
Debt Service				
Interest and Fiscal Charges	-	1,000	1,000	5,000
Total Expenditures	-	1,000	1,000	5,000
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,000)	(1,532)	15
FUND BALANCE, JANUARY 1			36,876	36,861
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 35,344</b>	<b>\$ 36,876</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2008A GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service				
Interest and Fiscal Charges	1,332,750	1,332,750	999,680	1,332,750
Total Expenditures	1,332,750	1,332,750	999,680	1,332,750
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,332,750)	(1,332,750)	(999,680)	(1,332,750)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	1,332,260	1,332,260	999,190	1,332,250
Total Other Financing Sources (Uses)	1,332,260	1,332,260	999,190	1,332,250
NET CHANGE IN FUND BALANCE	\$ (490)	\$ (490)	(490)	(500)
FUND BALANCE, JANUARY 1			68,716	69,216
<b>FUND BALANCE, DECEMBER 31</b>			\$ 68,226	\$ 68,716

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2009A GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ 2,078,860	\$ 2,078,860	\$ 2,063,803	\$ 2,102,777
Charges for Services	350,000	350,000	352,540	389,560
Investment Income	500	500	(29,591)	240
Total Revenues	2,429,360	2,429,360	2,386,752	2,492,577
<b>EXPENDITURES</b>				
Debt Service				
Principal Retirement	1,235,000	1,235,000	1,235,000	1,200,000
Interest and Fiscal Charges	1,478,360	1,478,360	1,478,356	1,514,356
Total Expenditures	2,713,360	2,713,360	2,713,356	2,714,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(284,000)	(284,000)	(326,604)	(221,779)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	134,000	134,000	134,000	134,000
Total Other Financing Sources (Uses)	134,000	134,000	134,000	134,000
NET CHANGE IN FUND BALANCE	\$ (150,000)	\$ (150,000)	(192,604)	(87,779)
FUND BALANCE, JANUARY 1			528,114	615,893
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 335,510</b>	<b>\$ 528,114</b>

(See independent auditor's report.)

## **NONMAJOR CAPITAL PROJECTS FUNDS**

Central Area Road Improvement Impact Fee Fund - to account for developer impact fees assessed under an impact fee ordinance. Resources accumulated are to be used for specific street improvements required due to development along the Barrington Road/Central Road corridors.

Central Road Corridor Improvement Fund - to account for financial resources to be used for the construction of public improvements such as streets, storm sewers, street lighting, located in the Central Road area.

Traffic Improvement Fund - to account for financial resources arising from developer donations, to be used for various infrastructure improvements.

Western Area Traffic Improvement Fund - to account for financial resources arising from donations by developers building within the Village's western area. Such donations are to be used for needed infrastructure improvements.

Capital Improvements Fund - to account for financial resources set aside for large capital improvements for the Village.

Western Area Road Improvement Impact Fee Fund - to account for developer impact fees assessed under an impact fee ordinance. Resources are to be used for specific street improvements within the Village's western area.

Capital Vehicle and Equipment Fund - to account for financial resources set aside for large vehicle and equipment purchases for the Village.

Hoffman Boulevard Bridge Fund - to account for the maintenance of the Hoffman Boulevard Bridge in accordance with a development agreement.

Capital Replacement Fund - to account for financial resources set aside for the replacement of large capital assets.

Western Corridor Fund - to account for financial resources to be used for the reconstruction of the new alignment section of Shoe Factory Road.

2008 Capital Projects Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2008A General Obligation bonds.

2009 Capital Projects Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2009A General Obligation bonds.

Stormwater Management Fund - to account for revenues from stormwater utility fees and to support the costs of improving and maintaining stormwater drainage facilities.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2014

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Western Area Traffic Improvement	Capital Improvements
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 246,946	\$ 297,939	\$ 140,966	\$ 810,473
Receivables					
Accounts	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other	-	-	1,397	-	1,354,650
Prepaid Items	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 246,946</b>	<b>\$ 299,336</b>	<b>\$ 140,966</b>	<b>\$ 2,165,123</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 31,983	\$ -	\$ 875,804
Deposits Payable	-	-	-	-	356,188
Due to Other Funds	-	-	-	-	198
Total Liabilities	-	-	31,983	-	1,232,190
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid Items	-	-	-	-	-
Restricted					
Bond Projects	-	-	-	-	-
Assigned					
Capital Projects	-	246,946	267,353	140,966	932,933
Total Fund Balances	-	246,946	267,353	140,966	932,933
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 246,946</b>	<b>\$ 299,336</b>	<b>\$ 140,966</b>	<b>\$ 2,165,123</b>

Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	2009 Capital Projects	Stormwater Management	Total
\$ 161,508	\$ 6,905	\$ 336,678	\$ 1,477,355	\$ 2,558,946	\$ -	\$ 3,920	\$ 165,949	\$ 6,207,585
7,811	-	-	-	-	-	-	46,087	53,898
-	-	532	2,828	4,712	-	-	-	8,072
-	7,694	-	-	-	-	-	-	1,363,741
-	21,262	-	-	-	-	-	-	21,262
-	41,352	-	-	-	-	-	-	41,352
<u>\$ 169,319</u>	<u>\$ 77,213</u>	<u>\$ 337,210</u>	<u>\$ 1,480,183</u>	<u>\$ 2,563,658</u>	<u>\$ -</u>	<u>\$ 3,920</u>	<u>\$ 212,036</u>	<u>\$ 7,695,910</u>
\$ -	\$ 14,580	\$ 3,980	\$ -	\$ 1,289	\$ -	\$ -	\$ 52,040	\$ 979,676
4,311	-	-	-	2,137,950	-	-	-	2,498,449
-	24,414	-	-	-	-	-	-	24,612
4,311	38,994	3,980	-	2,139,239	-	-	52,040	3,502,737
-	21,262	-	-	-	-	-	-	21,262
-	-	-	-	-	-	3,920	-	3,920
165,008	16,957	333,230	1,480,183	424,419	-	-	159,996	4,167,991
165,008	38,219	333,230	1,480,183	424,419	-	3,920	159,996	4,193,173
<u>\$ 169,319</u>	<u>\$ 77,213</u>	<u>\$ 337,210</u>	<u>\$ 1,480,183</u>	<u>\$ 2,563,658</u>	<u>\$ -</u>	<u>\$ 3,920</u>	<u>\$ 212,036</u>	<u>\$ 7,695,910</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2014

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Western Area Traffic Improvement	Capital Improvements
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,065,523
Intergovernmental	-	-	94,280	-	1,937,710
Charges for Services	156,982	-	-	-	-
Investment Income	623	(7,087)	(5,855)	162	(5,998)
Miscellaneous	-	-	-	-	111,649
Total Revenues	157,605	(7,087)	88,425	162	6,108,884
<b>EXPENDITURES</b>					
Capital Outlay	-	-	-	-	6,919,672
Total Expenditures	-	-	-	-	6,919,672
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	157,605	(7,087)	88,425	162	(810,788)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	1,215,193
Transfers (Out)	(311,705)	-	-	-	(123,996)
Total Other Financing Sources (Uses)	(311,705)	-	-	-	1,091,197
NET CHANGE IN FUND BALANCES	(154,100)	(7,087)	88,425	162	280,409
FUND BALANCES, JANUARY 1	154,100	254,033	178,928	140,804	652,524
<b>FUND BALANCES, DECEMBER 31</b>	\$ -	\$ 246,946	\$ 267,353	\$ 140,966	\$ 932,933

Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	2009 Capital Projects	Stormwater Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,065,523
-	164,960	-	-	3,709	-	-	-	2,200,659
4,000	-	-	-	-	-	-	471,954	632,936
2,117	16	(2,964)	4,944	(15,525)	3	-	-	(29,564)
-	5,402	-	-	6,582	-	-	-	123,633
6,117	170,378	(2,964)	4,944	(5,234)	3	-	471,954	6,993,187
189	494,365	8,241	651,382	10,290	-	-	311,958	8,396,097
189	494,365	8,241	651,382	10,290	-	-	311,958	8,396,097
5,928	(323,987)	(11,205)	(646,438)	(15,524)	3	-	159,996	(1,402,910)
-	266,024	-	-	-	-	-	-	1,481,217
(743,940)	-	-	(171,090)	-	(30,101)	-	-	(1,380,832)
(743,940)	266,024	-	(171,090)	-	(30,101)	-	-	100,385
(738,012)	(57,963)	(11,205)	(817,528)	(15,524)	(30,098)	-	159,996	(1,302,525)
903,020	96,182	344,435	2,297,711	439,943	30,098	3,920	-	5,495,698
\$ 165,008	\$ 38,219	\$ 333,230	\$ 1,480,183	\$ 424,419	\$ -	\$ 3,920	\$ 159,996	\$ 4,193,173

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CENTRAL AREA ROAD IMPROVEMENT IMPACT FEE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Charges for Services	\$ 375,000	\$ 375,000	\$ 156,982	\$ 477,573
Investment Income	100	100	623	589
Total Revenues	375,100	375,100	157,605	478,162
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	206
Total Expenditures	-	-	-	206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	375,100	375,100	157,605	477,956
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(375,000)	(375,000)	(311,705)	(365,058)
Total Other Financing Sources (Uses)	(375,000)	(375,000)	(311,705)	(365,058)
NET CHANGE IN FUND BALANCE	\$ 100	\$ 100	(154,100)	112,898
FUND BALANCE, JANUARY 1			154,100	41,202
<b>FUND BALANCE, DECEMBER 31</b>			\$ -	\$ 154,100

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CENTRAL ROAD CORRIDOR IMPROVEMENT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ 200	\$ 200	\$ (7,087)	\$ 77
Total Revenues	200	200	(7,087)	77
<b>EXPENDITURES</b>				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 200	\$ 200	(7,087)	77
FUND BALANCE, JANUARY 1			254,033	253,956
<b>FUND BALANCE, DECEMBER 31</b>			\$ 246,946	\$ 254,033

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 94,280	\$ 9,222
Investment Income	150	150	(5,855)	103
Miscellaneous	-	-	-	55,814
<b>Total Revenues</b>	<b>150</b>	<b>150</b>	<b>88,425</b>	<b>65,139</b>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	245,342
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,342</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150	150	88,425	(180,203)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(10,000)	(10,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (9,850)</b>	<b>\$ (9,850)</b>	<b>88,425</b>	<b>(180,203)</b>
FUND BALANCE, JANUARY 1			178,928	359,131
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 267,353</b>	<b>\$ 178,928</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

WESTERN AREA TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ 500	\$ 500	\$ 162	\$ 378
Total Revenues	500	500	162	378
<b>EXPENDITURES</b>				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	162	378
FUND BALANCE, JANUARY 1			140,804	140,426
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 140,966</u>	<u>\$ 140,804</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Taxes	\$ 3,625,000	\$ 3,625,000	\$ 4,065,523	\$ 471,313
Intergovernmental	785,500	1,838,350	1,937,710	51,868
Investment Income	900	900	(5,998)	748
Miscellaneous	120,000	120,000	111,649	2,019,242
Total Revenues	4,531,400	5,584,250	6,108,884	2,543,171
<b>EXPENDITURES</b>				
Capital Outlay	6,069,930	7,588,130	6,919,672	5,214,607
Total Expenditures	6,069,930	7,588,130	6,919,672	5,214,607
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,538,530)	(2,003,880)	(810,788)	(2,671,436)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	981,850	1,447,200	1,215,193	2,812,753
Transfers (Out)	-	-	(123,996)	-
Total Other Financing Sources (Uses)	981,850	1,447,200	1,091,197	2,812,753
NET CHANGE IN FUND BALANCE	\$ (556,680)	\$ (556,680)	280,409	141,317
FUND BALANCE, JANUARY 1			652,524	511,207
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 932,933</u>	<u>\$ 652,524</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

WESTERN AREA ROAD IMPROVEMENT IMPACT FEE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Charges for Services	\$ 375,170	\$ 375,170	\$ 4,000	\$ 1,153,000
Investment Income	1,500	1,500	2,117	3,405
Total Revenues	376,670	376,670	6,117	1,156,405
<b>EXPENDITURES</b>				
Capital Outlay	170	170	189	206
Total Expenditures	170	170	189	206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	376,500	376,500	5,928	1,156,199
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(375,000)	(744,000)	(743,940)	(1,120,763)
Total Other Financing Sources (Uses)	(375,000)	(744,000)	(743,940)	(1,120,763)
NET CHANGE IN FUND BALANCE	\$ 1,500	\$ (367,500)	(738,012)	35,436
FUND BALANCE, JANUARY 1			903,020	867,584
<b>FUND BALANCE, DECEMBER 31</b>			\$ 165,008	\$ 903,020

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL VEHICLE AND EQUIPMENT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 72,000	\$ 192,000	\$ 164,960	\$ -
Investment Income	100	100	16	33
Miscellaneous	-	-	5,402	-
Total Revenues	72,100	192,100	170,378	33
<b>EXPENDITURES</b>				
Capital Outlay	405,690	525,690	494,365	374,472
Total Expenditures	405,690	525,690	494,365	374,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(333,590)	(333,590)	(323,987)	(374,439)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	187,890	187,890	266,024	235,845
Transfers (Out)	-	-	-	(11,239)
Total Other Financing Sources (Uses)	187,890	187,890	266,024	224,606
NET CHANGE IN FUND BALANCE	\$ (145,700)	\$ (145,700)	(57,963)	(149,833)
FUND BALANCE, JANUARY 1			96,182	246,015
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 38,219</b>	<b>\$ 96,182</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOFFMAN BOULEVARD BRIDGE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ 400	\$ 400	\$ (2,964)	\$ 371
Total Revenues	400	400	(2,964)	371
<b>EXPENDITURES</b>				
Capital Outlay	4,000	8,250	8,241	-
Total Expenditures	4,000	8,250	8,241	-
NET CHANGE IN FUND BALANCE	<u>\$ (3,600)</u>	<u>\$ (7,850)</u>	(11,205)	371
FUND BALANCE, JANUARY 1			344,435	344,064
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 333,230</u>	<u>\$ 344,435</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL REPLACEMENT FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ 3,000	\$ 3,000	\$ 4,944	\$ 3,582
Total Revenues	3,000	3,000	4,944	3,582
<b>EXPENDITURES</b>				
Capital Outlay	150,000	651,450	651,382	799,906
Total Expenditures	150,000	651,450	651,382	799,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,000)	(648,450)	(646,438)	(796,324)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	54,057
Transfers (Out)	(171,090)	(171,090)	(171,090)	(1,171,090)
Total Other Financing Sources (Uses)	(171,090)	(171,090)	(171,090)	(1,117,033)
NET CHANGE IN FUND BALANCE	<u>\$ (318,090)</u>	<u>\$ (819,540)</u>	(817,528)	(1,913,357)
FUND BALANCE, JANUARY 1			2,297,711	4,211,068
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,480,183</u>	<u>\$ 2,297,711</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

WESTERN CORRIDOR FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,709	\$ -
Investment Income	600	600	(15,525)	546
Miscellaneous	-	-	6,582	68,990
Total Revenues	600	600	(5,234)	69,536
<b>EXPENDITURES</b>				
Capital Outlay	-	10,300	10,290	149,662
Total Expenditures	-	10,300	10,290	149,662
NET CHANGE IN FUND BALANCE	<u>\$ 600</u>	<u>\$ (9,700)</u>	(15,524)	(80,126)
FUND BALANCE, JANUARY 1			439,943	520,069
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 424,419</u>	<u>\$ 439,943</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2008 CAPITAL PROJECTS

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 3	\$ 23
Total Revenues	-	-	3	23
<b>EXPENDITURES</b>				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3	23
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	-	(30,150)	(30,101)	-
Total Other Financing Sources (Uses)	-	(30,150)	(30,101)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (30,150)	(30,098)	23
FUND BALANCE, JANUARY 1			30,098	30,075
<b>FUND BALANCE, DECEMBER 31</b>			\$ -	\$ 30,098

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2009 CAPITAL PROJECTS FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ -	\$ 11
Total Revenues	-	-	-	11
<b>EXPENDITURES</b>				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	11
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	-	-	-	(28,661)
Total Other Financing Sources (Uses)	-	-	-	(28,661)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	(28,650)
FUND BALANCE, JANUARY 1			3,920	32,570
<b>FUND BALANCE, DECEMBER 31</b>			\$ 3,920	\$ 3,920

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**STORMWATER MANAGEMENT FUND**

For the Year Ended December 31, 2014

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Charges for Services	\$ 400,000	\$ 400,000	\$ 471,954
Investment Income	100	100	-
Total Revenues	<u>400,100</u>	<u>400,100</u>	<u>471,954</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>400,000</u>	<u>400,000</u>	<u>311,958</u>
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>311,958</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ 100</u>	159,996
FUND BALANCE, JANUARY 1			<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 159,996</u>

(See independent auditor's report.)

**MAJOR ENTERPRISE FUNDS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND

December 31, 2014  
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 245,294	\$ 1,268,610
Receivables		
Accounts - Billed	1,023,520	1,286,198
Accounts - Unbilled	1,206,158	1,319,473
Accounts - Other Invoices	12,261	11,180
Inventories	203,170	184,135
	<u>2,690,403</u>	<u>4,069,596</u>
Total Current Assets		
<b>CAPITAL ASSETS</b>		
Not Depreciated	518,575	518,575
Depreciated	58,637,170	58,637,169
Accumulated Depreciation	(28,058,812)	(26,726,917)
	<u>31,096,933</u>	<u>32,428,827</u>
Net Capital Assets		
	<u>33,787,336</u>	<u>36,498,423</u>
Total Assets		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	773,642	968,938
Accrued Payroll	84,217	67,880
Accrued Interest Payable	27,755	27,755
Due to Other Funds	48,606	-
Deposits Payable	55,548	52,564
Compensated Absences Payable	166,263	152,169
	<u>1,156,031</u>	<u>1,269,306</u>
Total Current Liabilities		
<b>LONG-TERM LIABILITIES</b>		
General Obligation Bonds Payable	6,599,898	6,597,342
Compensated Absences Payable	235,452	225,174
Other Postemployment Benefit Obligations	239,105	197,033
	<u>7,074,455</u>	<u>7,019,549</u>
Total Long-Term Liabilities		
	<u>8,230,486</u>	<u>8,288,855</u>
Total Liabilities		
<b>NET POSITION</b>		
Net Investment in Capital Assets	24,497,035	26,020,782
Unrestricted	1,059,815	2,188,786
	<u>\$ 25,556,850</u>	<u>\$ 28,209,568</u>
<b>TOTAL NET POSITION</b>		

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014		2013	
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 15,681,150	\$ 15,681,150	\$ 13,980,643	\$ 13,792,658
Total Operating Revenues	15,681,150	15,681,150	13,980,643	13,792,658
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Water Division	13,960,700	13,960,700	12,746,802	11,657,115
Sewer Division	2,711,470	2,711,470	2,091,154	2,101,768
Total Operating Expenses Excluding Depreciation	16,672,170	16,672,170	14,837,956	13,758,883
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(991,020)	(991,020)	(857,313)	33,775
Depreciation	-	-	1,331,894	1,334,578
OPERATING INCOME (LOSS)	(991,020)	(991,020)	(2,189,207)	(1,300,803)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment Income	500	500	121	436
Interest Expense	-	-	(333,070)	-
Amortization Expense	(4,630)	(4,630)	(2,556)	(2,556)
Miscellaneous Revenue	20,000	20,000	11,963	13,583
Total Non-Operating Revenues (Expenses)	15,870	15,870	(323,542)	11,463
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(975,150)	(975,150)	(2,512,749)	(1,289,340)
<b>TRANSFERS</b>				
Transfers In	133,760	133,760	-	-
Transfers (Out)	(570,220)	(636,420)	(139,969)	(414,138)
Total Transfers	(436,460)	(502,660)	(139,969)	(414,138)
CONTRIBUTIONS	-	-	-	84,406
CHANGE IN NET POSITION	\$ (1,411,610)	\$ (1,477,810)	(2,652,718)	(1,619,072)
NET POSITION, JANUARY 1			28,209,568	29,828,640
NET POSITION, DECEMBER 31			\$ 25,556,850	\$ 28,209,568

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

STATEMENT OF NET POSITION

SEARS CENTRE OPERATING FUND

December 31, 2014  
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 2,731,259	\$ 2,735,416
Receivables, Net, Where Applicable, of Allowances		
Accounts	163,182	164,585
Other	271,166	277,640
Prepaid Items	35,049	7,417
Due From Other Funds	25,227	-
	<hr/>	<hr/>
Total Current Assets	3,225,883	3,185,058
<b>CAPITAL ASSETS</b>		
Not Depreciated	6,000,000	6,000,000
Depreciated	78,592,323	78,131,763
Accumulated Depreciation	(11,894,546)	(9,510,523)
	<hr/>	<hr/>
Net Capital Assets	72,697,777	74,621,240
	<hr/>	<hr/>
Total Assets	75,923,660	77,806,298
<b>CURRENT LIABILITIES</b>		
Accounts Payable	684,330	515,888
Events Payable	48,661	18,455
Accrued Interest Payable	201,189	207,025
Due to Other Funds	70,191	162
Unearned Revenue	568,603	338,782
General Obligation Bonds Payable	1,485,000	1,415,000
Capital Leases Payable	2,683	4,600
	<hr/>	<hr/>
Total Current Liabilities	3,060,657	2,499,912
<b>LONG-TERM LIABILITIES</b>		
General Obligation Bonds Payable, Net of Premium	43,654,742	45,109,677
Capital Leases Payable	-	2,683
	<hr/>	<hr/>
Total Long-Term Liabilities	43,654,742	45,112,360
	<hr/>	<hr/>
Total Liabilities	46,715,399	47,612,272
<b>NET POSITION</b>		
Net Investment in Capital Assets	27,555,352	28,096,563
Unrestricted	1,652,909	2,097,463
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 29,208,261</b>	<b>\$ 30,194,026</b>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

SEARS CENTRE OPERATING FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014		2013	
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,874,680	\$ 10,770,180	\$ 11,051,379	\$ 1,970,482
Total Operating Revenues	1,874,680	10,770,180	11,051,379	1,970,482
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Sears Centre	2,448,290	11,343,790	11,400,141	2,257,779
Total Operating Expenses Excluding Depreciation	2,448,290	11,343,790	11,400,141	2,257,779
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(573,610)	(573,610)	(348,762)	(287,297)
Depreciation	-	2,358,800	2,384,023	2,356,408
OPERATING INCOME (LOSS)	(573,610)	(2,932,410)	(2,732,785)	(2,643,705)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Entertainment and Food and Beverage Tax	1,968,140	1,968,140	2,082,566	1,826,801
Charges for Services	28,320	28,320	29,445	33,090
Investment Income	700	700	(29,104)	476
Principal Retirement	(1,415,000)	(1,415,000)	(1,415,000)	(1,345,000)
Amount to Reduce Principal on Bonds	-	-	1,415,000	1,345,000
Interest Expense	(2,489,310)	(2,489,310)	(2,478,468)	(2,544,718)
Amortization Expense	-	-	(30,065)	(30,065)
Intergovernmental	60,000	60,000	114,980	-
Miscellaneous Revenue	1,050,000	1,050,000	1,171,013	1,044,097
Total Non-Operating Revenues (Expenses)	(797,150)	(797,150)	860,367	329,681
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,370,760)	(3,729,560)	(1,872,418)	(2,314,024)
<b>TRANSFERS</b>				
Transfers In	1,386,660	1,386,660	886,653	2,804,127
Total Transfers	1,386,660	1,386,660	886,653	2,804,127
<b>CONTRIBUTIONS</b>	-	-	-	20,490
CHANGE IN NET POSITION	\$ 15,900	\$ (2,342,900)	(985,765)	510,593
NET POSITION, JANUARY 1			30,194,026	29,683,433
<b>NET POSITION, DECEMBER 31</b>			\$ 29,208,261	\$ 30,194,026

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

Information Systems Fund - to account for the operations of the information systems division of the Village. Financing is provided through billings to various village departments.

Insurance Fund - to account for the servicing and payment of claims for all village insurance programs including Health, Workers' Compensation and Liability. Financing is provided through billings to the various village departments.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2014

	Information Systems	Insurance	Total
<b>CURRENT ASSETS</b>			
Cash and Investments	\$ 732,623	\$ 2,674,921	\$ 3,407,544
Receivables			
Accrued Interest	-	3,915	3,915
Other	5,800	-	5,800
Deposits	-	50,000	50,000
Due from Other Funds	50,433	-	50,433
Total Current Assets	788,856	2,728,836	3,517,692
<b>CAPITAL ASSETS</b>			
Depreciated	395,220	-	395,220
Accumulated Depreciation	(248,511)	-	(248,511)
Net Capital Assets	146,709	-	146,709
Total Assets	935,565	2,728,836	3,664,401
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	21,446	55,054	76,500
Accrued Payroll	13,542	-	13,542
Claims Payable	-	635,789	635,789
Benefits Payable	-	294,696	294,696
Due to Other Funds	438	-	438
Compensated Absences Payable	15,419	-	15,419
Total Current Liabilities	50,845	985,539	1,036,384
Long-Term Liabilities			
Other Postemployment Benefit Obligation	25,990	-	25,990
Total Liabilities	76,835	985,539	1,062,374
<b>NET POSITION</b>			
Net Investment in Capital Assets	146,709	-	146,709
Unrestricted	712,021	1,743,297	2,455,318
<b>TOTAL NET POSITION</b>	<b>\$ 858,730</b>	<b>\$ 1,743,297</b>	<b>\$ 2,602,027</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2014

	<b>Information Systems</b>	<b>Insurance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,223,640	\$ 1,426,530	\$ 2,650,170
Total Operating Revenues	1,223,640	1,426,530	2,650,170
<b>OPERATING EXPENSES</b>			
Operations	1,049,249	-	1,049,249
Claims and Insurance	-	1,395,962	1,395,962
Depreciation	18,508	-	18,508
Total Operating Expenses	1,067,757	1,395,962	2,463,719
OPERATING INCOME	155,883	30,568	186,451
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Miscellaneous	11,555	28,090	39,645
Investment Income	(16,923)	(10,031)	(26,954)
Total Non-Operating Revenues (Expenses)	(5,368)	18,059	12,691
INCOME BEFORE TRANSFERS	150,515	48,627	199,142
<b>TRANSFERS</b>			
Transfers In	68,337	-	68,337
Total Transfers	68,337	-	68,337
CHANGES IN NET POSITION	218,852	48,627	267,479
NET POSITION, JANUARY 1	639,878	1,694,670	2,334,548
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 858,730</b>	<b>\$ 1,743,297</b>	<b>\$ 2,602,027</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS**

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2014

	<b>Information Systems</b>	<b>Insurance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Interfund Services Transactions	\$ 1,217,840	\$ 1,426,530	\$ 2,644,370
Payments to Suppliers	(684,178)	(1,261,422)	(1,945,600)
Payments to Employees	(474,235)	-	(474,235)
Net Cash from Operating Activities	59,427	165,108	224,535
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	68,337	-	68,337
Interfund Borrowing (Lending)	(54,598)	(1,718)	(56,316)
Reimbursements and Recoveries	11,555	28,090	39,645
Net Cash from Noncapital Financing Activities	25,294	26,372	51,666
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net Cash from Capital and Related Financing Activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	(16,923)	(12,921)	(29,844)
Net Cash from Investing Activities	(16,923)	(12,921)	(29,844)
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,798	178,559	246,357
CASH AND CASH EQUIVALENTS, JANUARY 1	664,825	2,496,362	3,161,187
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 732,623</b>	<b>\$ 2,674,921</b>	<b>\$ 3,407,544</b>

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

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	<b>Information Systems</b>	<b>Insurance</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income	\$ 155,883	\$ 30,568	\$ 186,451
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation and Amortization	18,508	-	18,508
Changes in Assets and Liabilities			
Prepaid Expenses	2,694	-	2,694
Other Receivables	(5,800)	-	(5,800)
Accounts Payable	(92,084)	51,555	(40,529)
Accrued Payroll	44	-	44
Claims Payable	-	9,842	9,842
Benefits Payable	-	73,143	73,143
Compensated Absences Payable	(16,207)	-	(16,207)
Other Postemployment Benefits Payable	(3,611)	-	(3,611)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 59,427</b>	<b>\$ 165,108</b>	<b>\$ 224,535</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

INFORMATION SYSTEMS FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,223,640	\$ 1,223,640	\$ 1,223,640	\$ 1,080,110
Total Operating Revenues	1,223,640	1,223,640	1,223,640	1,080,110
<b>OPERATING EXPENSES</b>				
Operations	1,462,950	1,462,950	1,049,249	1,201,674
Depreciation	-	-	18,508	21,628
Total Operating Expenses	1,462,950	1,462,950	1,067,757	1,223,302
OPERATING INCOME (LOSS)	(239,310)	(239,310)	155,883	(143,192)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Miscellaneous	-	-	11,555	11,670
Investment Income	200	200	(16,923)	174
Total Non-Operating Revenues (Expenses)	200	200	(5,368)	11,844
INCOME (LOSS) BEFORE TRANSFERS	(239,110)	(239,110)	150,515	(131,348)
<b>TRANSFERS</b>				
Transfers In	74,090	74,090	68,337	73,189
Total Transfers	74,090	74,090	68,337	73,189
CHANGES IN NET POSITION	\$ (165,020)	\$ (165,020)	218,852	(58,159)
NET POSITION, JANUARY 1			639,878	698,037
<b>NET POSITION, DECEMBER 31</b>			\$ 858,730	\$ 639,878

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF NET POSITION - BY PROGRAM

INSURANCE FUND

December 31, 2014  
(with comparative totals for 2013)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2014	2013
<b>ASSETS</b>						
Cash and Investments	\$ 746	\$ 298,192	\$ 1,030,470	\$ 1,345,513	\$ 2,674,921	\$ 2,496,362
Receivables						
Accrued Interest	4	346	1,523	2,042	3,915	1,025
Deposits	-	-	45,000	5,000	50,000	50,000
Total Assets	750	298,538	1,076,993	1,352,555	2,728,836	2,547,387
<b>LIABILITIES</b>						
Accounts Payable	9	3,842	-	51,203	55,054	3,499
Claims Payable	-	-	514,309	121,480	635,789	625,947
Benefits Payable	-	294,696	-	-	294,696	221,553
Due to General Fund	-	-	-	-	-	1,718
Total Liabilities	9	298,538	514,309	172,683	985,539	852,717
<b>NET POSITION</b>						
Unrestricted	741	-	562,684	1,179,872	1,743,297	1,694,670
<b>TOTAL NET POSITION</b>	<b>\$ 741</b>	<b>\$ -</b>	<b>\$ 562,684</b>	<b>\$ 1,179,872</b>	<b>\$ 1,743,297</b>	<b>\$ 1,694,670</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**

**INSURANCE FUND**

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

---

	<b>2014</b>			<b>2013</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,426,530	\$ 1,426,530	\$ 1,426,530	\$ 1,420,860
Total Operating Revenues	1,426,530	1,426,530	1,426,530	1,420,860
<b>OPERATING EXPENSES</b>				
Claims and Insurance	1,426,530	1,426,530	1,395,962	1,032,569
Total Operating Expenses	1,426,530	1,426,530	1,395,962	1,032,569
OPERATING INCOME	-	-	30,568	388,291
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Miscellaneous	-	-	28,090	-
Investment Income	1,500	1,500	(10,031)	2,503
Total Non-Operating Revenues (Expenses)	1,500	1,500	18,059	2,503
CHANGES IN NET POSITION	\$ 1,500	\$ 1,500	48,627	390,794
NET POSITION, JANUARY 1			1,694,670	1,303,876
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 1,743,297</b>	<b>\$ 1,694,670</b>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BY PROGRAM

INSURANCE FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Eliminations	Totals	
						2014	2013
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 18,447	\$ -	\$ 727,570	\$ 680,513	\$ -	\$ 1,426,530	\$ 1,420,860
Total Operating Revenues	18,447	-	727,570	680,513	-	1,426,530	1,420,860
<b>OPERATING EXPENSES</b>							
Claims and Insurance	18,441	4,719	615,497	757,305	-	1,395,962	1,032,569
Total Operating Expenses	18,441	4,719	615,497	757,305	-	1,395,962	1,032,569
OPERATING INCOME (LOSS)	6	(4,719)	112,073	(76,792)	-	30,568	388,291
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Miscellaneous	-	-	-	28,090	-	28,090	-
Investment Income	(6)	(890)	(3,902)	(5,233)	-	(10,031)	2,503
Total Non-Operating Revenues (Expenses)	(6)	(890)	(3,902)	22,857	-	18,059	2,503
INCOME (LOSS) BEFORE TRANSFERS	-	(5,609)	108,171	(53,935)	-	48,627	390,794
<b>TRANSFERS</b>							
Transfers In	-	5,609	-	-	(5,609)	-	-
Transfers (Out)	-	-	(5,609)	-	5,609	-	-
Total Transfers	-	5,609	(5,609)	-	-	-	-
CHANGES IN NET POSITION	-	-	102,562	(53,935)	-	48,627	390,794
NET POSITION, JANUARY 1	741	-	460,122	1,233,807	-	1,694,670	1,303,876
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 741</b>	<b>\$ -</b>	<b>\$ 562,684</b>	<b>\$ 1,179,872</b>	<b>\$ -</b>	<b>\$ 1,743,297</b>	<b>\$ 1,694,670</b>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **PENSION TRUST FUND**

Police Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy.

Firefighters' Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by fire personnel members at rates fixed by state statutes and by the government through an annual property tax levy.

### **AGENCY FUNDS**

Barrington/Higgins TIF Fund - to account for the collection of incremental taxes and other financial resources received to retire any tax increment revenue notes and pay certain qualified project costs.

EDA Special Tax Allocation Fund - to account for the collection of incremental taxes and other financial resources received to retire certain tax increment revenue bonds and notes and to pay certain qualified project costs, all pertaining to the Village's EDA.

Flexible Spending Account Fund - to account for salary deductions held by the Village and payments to certain employees for eligible medical and dependent care expenses. The fund is operated pursuant to Section 125 of the Internal Revenue Code.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**PENSION TRUST FUNDS**

December 31, 2014

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	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 473,857	\$ 585,684	\$ 1,059,541
Investments, at Fair Value			
U.S. Treasury Securities	6,435,978	5,915,484	12,351,462
U.S. Agency Securities	11,550,702	11,000,222	22,550,924
Corporate Bonds	5,989,164	10,517,727	16,506,891
Municipal Bonds	1,120,474	-	1,120,474
Mutual Funds	42,170,398	29,512,632	71,683,030
Money Market Mutual Funds	170,138	1,482,010	1,652,148
Equities	-	12,011,576	12,011,576
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	172,946	199,326	372,272
Due from General Fund	659	659	1,318
Total Assets	<u>68,084,316</u>	<u>71,225,320</u>	<u>139,309,636</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>1,433</u>	<u>9,774</u>	<u>11,207</u>
Total Liabilities	<u>1,433</u>	<u>9,774</u>	<u>11,207</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 68,082,883</u>	<u>\$ 71,215,546</u>	<u>\$ 139,298,429</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

For the Year Ended December 31, 2014

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 2,698,444	\$ 2,520,362	\$ 5,218,806
Employee Contributions	861,085	827,566	1,688,651
Other Contributions	165,420	24,291	189,711
<b>Total Contributions</b>	<b>3,724,949</b>	<b>3,372,219</b>	<b>7,097,168</b>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(495,296)	976,734	481,438
Interest	2,151,731	2,789,337	4,941,068
<b>Total Investment Income</b>	<b>1,656,435</b>	<b>3,766,071</b>	<b>5,422,506</b>
Less Investment Expense	(110,498)	(171,255)	(281,753)
<b>Net Investment Income</b>	<b>1,545,937</b>	<b>3,594,816</b>	<b>5,140,753</b>
<b>Total Additions</b>	<b>5,270,886</b>	<b>6,967,035</b>	<b>12,237,921</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds	3,744,605	3,623,427	7,368,032
Miscellaneous	21,217	77,973	99,190
<b>Total Deductions</b>	<b>3,765,822</b>	<b>3,701,400</b>	<b>7,467,222</b>
<b>NET INCREASE</b>	<b>1,505,064</b>	<b>3,265,635</b>	<b>4,770,699</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	66,577,819	67,949,911	134,527,730
December 31	\$ 68,082,883	\$ 71,215,546	\$ 139,298,429

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

POLICE PENSION FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	2014			2013
	Original Budget	Final Budget	Actual	Actual
<b>ADDITIONS</b>				
Contributions				
Employer Contributions				
Taxes	\$ 2,709,480	\$ 2,709,480	\$ 2,680,626	\$ 2,376,050
Intergovernmental	13,400	13,400	17,818	149,716
Employee Contributions	871,790	871,790	861,085	855,767
Other Contributions	-	-	165,420	154,357
<b>Total Contributions</b>	<b>3,594,670</b>	<b>3,594,670</b>	<b>3,724,949</b>	<b>3,535,890</b>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(495,296)	7,025,311
Interest	1,030,000	1,083,700	2,151,731	1,336,761
<b>Total Investment Income</b>	<b>1,030,000</b>	<b>1,083,700</b>	<b>1,656,435</b>	<b>8,362,072</b>
Less Investment Expense	(105,000)	(105,000)	(110,498)	(101,434)
<b>Net Investment Income</b>	<b>925,000</b>	<b>978,700</b>	<b>1,545,937</b>	<b>8,260,638</b>
<b>Total Additions</b>	<b>4,519,670</b>	<b>4,573,370</b>	<b>5,270,886</b>	<b>11,796,528</b>
<b>DEDUCTIONS</b>				
Benefits and Refunds	3,717,700	3,771,400	3,744,605	3,355,817
Miscellaneous	33,980	33,980	21,217	30,600
<b>Total Deductions</b>	<b>3,751,680</b>	<b>3,805,380</b>	<b>3,765,822</b>	<b>3,386,417</b>
<b>NET INCREASE</b>	<b>\$ 767,990</b>	<b>\$ 767,990</b>	<b>1,505,064</b>	<b>8,410,111</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>				
January 1			66,577,819	58,167,708
December 31			\$ 68,082,883	\$ 66,577,819

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2014  
(with comparative actual for 2013)

	<b>2014</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>2013 Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer Contributions				
Taxes	\$ 2,526,350	\$ 2,526,350	\$ 2,502,545	\$ 1,648,722
Intergovernmental	13,400	13,400	17,817	414,146
Employee Contributions	879,380	879,380	827,566	833,245
Other Contributions	-	-	24,291	766
<b>Total Contributions</b>	<b>3,419,130</b>	<b>3,419,130</b>	<b>3,372,219</b>	<b>2,896,879</b>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	976,734	7,271,115
Interest	980,000	1,118,600	2,789,337	1,601,142
<b>Total Investment Income</b>	<b>980,000</b>	<b>1,118,600</b>	<b>3,766,071</b>	<b>8,872,257</b>
Less Investment Expense	(225,000)	(225,000)	(171,255)	(151,879)
<b>Net Investment Income</b>	<b>755,000</b>	<b>893,600</b>	<b>3,594,816</b>	<b>8,720,378</b>
<b>Total Additions</b>	<b>4,174,130</b>	<b>4,312,730</b>	<b>6,967,035</b>	<b>11,617,257</b>
<b>DEDUCTIONS</b>				
Benefits and Refunds	3,489,210	3,627,810	3,623,427	3,273,423
Miscellaneous	50,210	50,210	77,973	43,574
<b>Total Deductions</b>	<b>3,539,420</b>	<b>3,678,020</b>	<b>3,701,400</b>	<b>3,316,997</b>
<b>NET INCREASE</b>	<b>\$ 634,710</b>	<b>\$ 634,710</b>	<b>3,265,635</b>	<b>8,300,260</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>				
January 1			67,949,911	59,649,651
December 31			<b>\$ 71,215,546</b>	<b>\$ 67,949,911</b>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended December 31, 2014

	<b>Balances January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balances December 31</b>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 12,306,468	\$ 26,308,030	\$ 38,212,499	\$ 401,999
Assets Held by Agents	58,754	16,955	-	75,709
Due from Other Entities	3,069,764	8,384,906	11,270,770	183,900
<b>TOTAL ASSETS</b>	<b>\$ 15,434,986</b>	<b>\$ 34,709,891</b>	<b>\$ 49,483,269</b>	<b>\$ 661,608</b>
<b>LIABILITIES</b>				
Due to Participants	\$ 27,654	\$ 16,955	\$ -	\$ 44,609
Advances from Other Funds	31,100	-	-	31,100
Due to Other Governments	356,104	-	356,104	-
Due to General Fund	-	184,208	-	184,208
Due to Other Entities	15,020,128	26,308,030	40,926,467	401,691
<b>TOTAL LIABILITIES</b>	<b>\$ 15,434,986</b>	<b>\$ 26,509,193</b>	<b>\$ 41,282,571</b>	<b>\$ 661,608</b>
<b>Barrington/Higgins TIF Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 422,440	\$ 646,349	\$ 667,098	\$ 401,691
<b>TOTAL ASSETS</b>	<b>\$ 422,440</b>	<b>\$ 646,349</b>	<b>\$ 667,098</b>	<b>\$ 401,691</b>
<b>LIABILITIES</b>				
Due to Other Entities	\$ 422,440	\$ 646,349	\$ 667,098	\$ 401,691
<b>TOTAL LIABILITIES</b>	<b>\$ 422,440</b>	<b>\$ 646,349</b>	<b>\$ 667,098</b>	<b>\$ 401,691</b>

(This statement is continued on the following page.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)

AGENCY FUNDS

For the Year Ended December 31, 2014

	<b>Balances</b>			<b>Balances</b>
	<b>January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 31</b>
<b>EDA Special Tax Allocation Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 11,884,028	\$ 25,661,681	\$ 37,545,401	\$ 308
Due from Other Entities	3,069,764	8,384,906	11,270,770	183,900
<b>TOTAL ASSETS</b>	<b>\$ 14,953,792</b>	<b>\$ 34,046,587</b>	<b>\$ 48,816,171</b>	<b>\$ 184,208</b>
<b>LIABILITIES</b>				
Due to General Fund	\$ -	\$ 184,208	\$ -	\$ 184,208
Due to Other Entities	14,597,688	25,661,681	40,259,369	-
Due to Other Governments	356,104	-	356,104	-
<b>TOTAL LIABILITIES</b>	<b>\$ 14,953,792</b>	<b>\$ 25,845,889</b>	<b>\$ 40,615,473</b>	<b>\$ 184,208</b>
<b>Flexible Spending Account Fund</b>				
<b>ASSETS</b>				
Assets Held by Agents	\$ 58,754	\$ 16,955	\$ -	\$ 75,709
<b>TOTAL ASSETS</b>	<b>\$ 58,754</b>	<b>\$ 16,955</b>	<b>\$ -</b>	<b>\$ 75,709</b>
<b>LIABILITIES</b>				
Due to Participants	\$ 27,654	\$ 16,955	\$ -	\$ 44,609
Advances from Other Funds	31,100	-	-	31,100
<b>TOTAL LIABILITIES</b>	<b>\$ 58,754</b>	<b>\$ 16,955</b>	<b>\$ -</b>	<b>\$ 75,709</b>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2014

Type of Coverage	SIR or Deductibles	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
All Village Property Including Sears Centre					
Building and Personal Property	\$ 100,000	\$ 193,000,000	N/A	Affiliated FM Insurance Co.	1/1/2016
Mobile Equipment	100,000	1,418,226	N/A		
Earthquake	100,000	25,000,000	N/A		
Flood	100,000	25,000,000	N/A		
Business Income	100,000	7,500,000	N/A		
General Liability					
Premises Liability	100,000	2,000,000	\$ 4,000,000	Alteris Public Risk	1/1/2016
Employee Liability, Nurse Professional	100,000	2,000,000	4,000,000		
Damages to Premises Rented	- *	100,000	100,000		
Failure to Supply	100,000 *	2,000,000	4,000,000		
Sexual Abuse	100,000 *	2,000,000	2,000,000		
Law Enforcement	100,000 *	2,000,000	3,000,000	Alteris Public Risk	1/1/2016
Auto Liability	100,000 *	2,000,000	N/A	Alteris Public Risk	1/1/2016
Auto Physical Damage	100,000	ACV + RCV	N/A		
Auto - Hired and Non-Owned Liability	100,000 *	2,000,000	N/A		
Employee Dishonesty, Crime	5,000 *	500,000	N/A	Hanover Insurance Co.	1/1/2016
General Liability, Auto Liability, Law Enforcement Liability, Ambulance Attendants' Liability, Public Officials' Liability	2,000,000	10,000,000	10,000,000	High-Level Excess Liability Pool (HELP)	7/1/2015
Boiler and Machinery	100,000	193,000,000	N/A	Affiliated FM Insurance Co.	1/1/2016
Employment Related Practices	50,000	2,000,000	3,000,000	Alteris Public Risk	1/1/2016
Public Officials' Liability	50,000	2,000,000	3,000,000	Alteris Public Risk	1/1/2016
Healthcare/EMT	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2016
Liquor Liability (Primary)	N/A	N/A	100,000,000	Lloyds	1/1/2016
Liquor Liability (Excess)					
Pollution Legal Liability					
Underground Storage Tanks	25,000	1,000,000	2,000,000	Ace Insurance Company	1/1/2016
Terrorism Property Plus Liability					
Property - TIV	100,000	181,214,559	N/A	Hiscox Ins Co.	1/1/2016
General Liability	100,000	1,000,000	5,000,000		1/1/2016
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2016
Karen Mills, Deputy President	N/A	3,000	3,000		
Bev Romanoff, Village Clerk	N/A	3,000	3,000		
James Norris, Village Manager	N/A	5,000	5,000		
Stan Helgerson, Treasurer	N/A	150,000	150,000		
Police and Fire Commission Members	N/A	500	2,500		
Excess Workers' Compensation	600,000/600,000	Statutory	2,000,000	Safety National	12/31/2015
	Police and Fire				

\* Alteris Public Risk - All casualty lines retentions subject to a maximum \$400,000 aggregate loss fund.

N/A - Not Applicable

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION TAXABLE BOND SERIES OF 2005A**

December 31, 2014

Date of Issue August 1, 2005  
 Date of Maturity December 1, 2033  
 Authorized Issue \$ 54,935,000  
 Denomination of Bonds \$ 5,000  
 Interest Rates  
     2014 4.95%  
     2015 5.00%  
     2016 5.05%  
     2017 5.15%  
     2018 5.25%  
     2022 5.375%  
     2026 5.40%

Interest Dates June 1 and December 1  
 Principal Maturity Date December 1  
 Payable at Wells Fargo Bank NA, Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2014	\$ 1,485,000	\$ 2,414,263	\$ 3,899,263	2015	\$ 1,207,132	2015	\$ 1,207,131
2015	1,555,000	2,340,012	3,895,012	2016	1,170,006	2016	1,170,006
2016	1,635,000	2,261,485	3,896,485	2017	1,130,743	2017	1,130,742
2017	1,720,000	2,177,283	3,897,283	2018	1,088,642	2018	1,088,641
2018	1,810,000	2,087,842	3,897,842	2019	1,043,921	2019	1,043,921
2019	1,905,000	1,992,818	3,897,818	2020	996,409	2020	996,409
2020	2,005,000	1,892,805	3,897,805	2021	946,403	2021	946,402
2021	2,110,000	1,787,542	3,897,542	2022	893,771	2022	893,771
2022	2,225,000	1,674,130	3,899,130	2023	837,065	2023	837,065
2023	2,345,000	1,554,536	3,899,536	2024	777,268	2024	777,268
2024	2,470,000	1,428,492	3,898,492	2025	714,246	2025	714,246
2025	2,600,000	1,295,730	3,895,730	2026	647,865	2026	647,865
2026	2,740,000	1,155,330	3,895,330	2027	577,665	2027	577,665
2027	2,890,000	1,007,370	3,897,370	2028	503,685	2028	503,685
2028	3,045,000	851,310	3,896,310	2029	425,655	2029	425,655
2029	3,210,000	686,880	3,896,880	2030	343,440	2030	343,440
2030	3,385,000	513,540	3,898,540	2031	256,770	2031	256,770
2031	3,565,000	330,750	3,895,750	2032	165,375	2032	165,375
2032	2,560,000	138,240	2,698,240	2033	69,120	2033	69,120
	<u>\$ 45,260,000</u>	<u>\$ 27,590,358</u>	<u>\$ 72,850,358</u>		<u>\$ 13,795,181</u>		<u>\$ 13,795,177</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION BOND SERIES OF 2008A**

December 31, 2014

Date of Issue	March 7, 2008
Date of Maturity	December 1, 2038
Authorized Issue	\$ 26,645,000
Denomination of Bonds	\$ 5,000
Interest Rates	2030-2038 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank NA, Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2014	\$ -	\$ 1,332,250	\$ 1,332,250	2015	\$ 666,125	2015	\$ 666,125
2015	-	1,332,250	1,332,250	2016	666,125	2016	666,125
2016	-	1,332,250	1,332,250	2017	666,125	2017	666,125
2017	-	1,332,250	1,332,250	2018	666,125	2018	666,125
2018	-	1,332,250	1,332,250	2019	666,125	2019	666,125
2019	-	1,332,250	1,332,250	2020	666,125	2020	666,125
2020	-	1,332,250	1,332,250	2021	666,125	2021	666,125
2021	-	1,332,250	1,332,250	2022	666,125	2022	666,125
2022	-	1,332,250	1,332,250	2023	666,125	2023	666,125
2023	-	1,332,250	1,332,250	2024	666,125	2024	666,125
2024	-	1,332,250	1,332,250	2025	666,125	2025	666,125
2025	-	1,332,250	1,332,250	2026	666,125	2026	666,125
2026	-	1,332,250	1,332,250	2027	666,125	2027	666,125
2027	-	1,332,250	1,332,250	2028	666,125	2028	666,125
2028	-	1,332,250	1,332,250	2029	666,125	2029	666,125
2029	2,415,000	1,332,250	3,747,250	2030	666,125	2030	666,125
2030	2,540,000	1,211,500	3,751,500	2031	605,750	2031	605,750
2031	2,665,000	1,084,500	3,749,500	2032	542,250	2032	542,250
2032	2,795,000	951,250	3,746,250	2033	475,625	2033	475,625
2033	2,935,000	811,500	3,746,500	2034	405,750	2034	405,750
2034	3,085,000	664,750	3,749,750	2035	332,375	2035	332,375
2035	3,240,000	510,500	3,750,500	2036	255,250	2036	255,250
2036	3,400,000	348,500	3,748,500	2037	174,250	2037	174,250
2037	3,570,000	178,500	3,748,500	2038	89,250	2038	89,250
	<u>\$ 26,645,000</u>	<u>\$ 27,077,000</u>	<u>\$ 53,722,000</u>		<u>\$ 13,538,500</u>		<u>\$ 13,538,500</u>

(See independent auditor's report.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2009A

December 31, 2014

Date of Issue	March 17, 2009
Date of Maturity	December 1, 2029
Authorized Issue	\$ 30,355,000
Denomination of Bonds	\$ 5,000
Interest Rates	2013 3.00%
	2014 4.75%
	2016 4.00%
	2017 5.00%
	2019 5.25%
	2026 4.95%
	2027 5.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank NA, Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2014	\$ 1,295,000	\$ 1,419,194	\$ 2,714,194	2015	\$ 709,597	2015	\$ 709,597
2015	1,360,000	1,357,681	2,717,681	2016	678,841	2016	678,841
2016	1,410,000	1,303,281	2,713,281	2017	651,641	2017	651,641
2017	1,485,000	1,232,781	2,717,781	2018	616,391	2018	616,391
2018	1,555,000	1,158,531	2,713,531	2019	579,266	2019	579,266
2019	1,640,000	1,076,894	2,716,894	2020	538,447	2020	538,447
2020	1,725,000	990,794	2,715,794	2021	495,397	2021	495,397
2021	1,815,000	900,231	2,715,231	2022	450,116	2022	450,116
2022	1,910,000	804,944	2,714,944	2023	402,472	2023	402,472
2023	2,010,000	704,669	2,714,669	2024	352,335	2024	352,335
2024	2,115,000	599,144	2,714,144	2025	299,572	2025	299,572
2025	2,225,000	488,106	2,713,106	2026	244,053	2026	244,053
2026	2,335,000	377,969	2,712,969	2027	188,985	2027	188,985
2027	2,455,000	258,300	2,713,300	2028	129,150	2028	129,150
2028	2,585,000	132,481	2,717,481	2029	66,241	2029	66,241
	<u>\$ 27,920,000</u>	<u>\$ 12,805,000</u>	<u>\$ 40,725,000</u>		<u>\$ 6,402,504</u>		<u>\$ 6,402,504</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA  
TAX INCREMENT REVENUE NOTES

December 31, 2014

	<b>Private Interest Financing Note #2</b>	<b>Private Interest Financing Note #3</b>	<b>Private Interest Financing Note #4</b>	<b>Private Interest Financing Note #5</b>
Date of Issue	Feb. 1, 2000	Mar. 1, 2001	April 1, 2002	Feb. 1, 2003
Date of Maturity	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027
Original Amount of Note	\$ 5,009,329	\$ 5,228,265	\$ 4,800,779	\$ 4,293,238
Interest Rate	None	None	None	None
Interest Dates	None	None	None	None
Principal Maturity Dates	March 1 and September 1			
Payable at	Sears Roebuck and Co. Hoffman Estates, IL			
Original Principal Balance	\$ 5,009,329	\$ 5,228,265	\$ 4,800,779	\$ 4,293,238
Accrued Interest	-	-	-	-
Subtotal	5,009,329	5,228,265	4,800,779	4,293,238
Previous Payments	5,009,329	5,228,265	4,800,779	-
<b>ADJUSTED PRINCIPAL BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,293,238</b>

<b>Private Interest Financing Note #6</b>	<b>Developer Project Cost Note #31</b>	<b>Developer Project Cost Note #32</b>	<b>Developer Project Cost Note #33</b>	<b>Developer Project Cost Note #34</b>	<b>Developer Project Cost Note #35</b>	<b>Developer Project Cost Note #36</b>
Feb 1, 2007 Sept. 10, 2027	March 1, 2000 Sept. 10, 2027	March 1, 2001 Sept. 10, 2027	Sept. 1, 2001 Sept. 10, 2027	Sept. 1, 2002 Sept. 10, 2027	Sept. 1, 2002 Sept. 10, 2027	March 1, 2003 Sept. 10, 2027
\$ 13,147,485	\$ 814,106	\$ 1,435,686	\$ 708,661	\$ 10,776,023	\$ 222,767	\$ 303,071
None	Adjustable	Adjustable	Adjustable	Adjustable	Adjustable	Adjustable
None	March 1 and September 1					
March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL						
\$ 13,147,485	\$ 814,106	\$ 1,435,686	\$ 708,661	\$ 10,776,023	\$ 222,767	\$ 303,071
-	724,558	1,135,448	528,785	8,261,423	161,153	207,092
13,147,485	1,538,664	2,571,134	1,237,446	19,037,446	383,920	510,163
-	1,538,664	2,571,134	1,237,446	2,082,319	-	-
\$ 13,147,485	\$ -	\$ -	\$ -	\$ 16,955,127	\$ 383,920	\$ 510,163

(This schedule is continued on the following page.)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS

HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA  
TAX INCREMENT REVENUE NOTES (Continued)

December 31, 2014

	<b>Developer Project Cost Note #38</b>	<b>Developer Project Cost Note #39</b>	<b>Developer Project Cost Note #40</b>	<b>VOHE Obligation #1</b>
Date of Issue	Sep 1, 2006	Mar 1, 2007	Sep 1, 2007	Apr 30, 2002
Date of Maturity	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027	Sept 10, 2027
Original Amount of Note	\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 5,635,732
Interest Rate	Adjustable	Adjustable	Adjustable	None
Interest Dates	March 1 and September 1	March 1 and September 1	March 1 and September 1	None
Principal Maturity Dates	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 2
Payable at	Sears Roebuck and Co. Hoffman Estates, IL			
Original Principal Balance	\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 5,635,732
Accrued Interest	587,052	48,787	26,061	693,680
Subtotal	1,938,459	169,446	95,427	6,329,412
Previous Payments	-	-	-	6,329,412
<b>ADJUSTED PRINCIPAL BALANCE</b>	<b>\$ 1,938,459</b>	<b>\$ 169,446</b>	<b>\$ 95,427</b>	<b>\$ -</b>

<b>VOHE Obligation #2</b>	<b>VOHE Obligation #3</b>	<b>VOHE Obligation #4</b>	<b>VOHE Obligation #5</b>	<b>VOHE Obligation #6</b>	<b>Total</b>
May 31, 2003 Sep 10, 2027	May 31, 2004 Sep 10, 2027	May 31, 2005 Sep 10, 2027	May 31, 2006 Sep 10, 2027	May 31, 2007 Sep 10, 2027	
\$ 9,702,632	\$ 10,439,098	\$ 12,051,446	\$ 18,173,967	\$ 16,699,691	
None	None	None	None	None	
None	None	None	None	None	
March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL					
\$ 9,702,632	\$ 10,439,098	\$ 12,051,446	\$ 18,173,967	\$ 16,699,691	\$ 120,983,408
1,211,509	1,303,468	1,504,792	2,269,274	2,085,189	20,748,271
10,914,141	11,742,566	13,556,238	20,443,241	18,784,880	141,731,679
-	-	-	-	-	28,797,348
\$ 10,914,141	\$ 11,742,566	\$ 13,556,238	\$ 20,443,241	\$ 18,784,880	\$ 112,934,331

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village of Hoffman Estates, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	157-172
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	173-179
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	180-184
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	185-187
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	188-189

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513
Restricted	25,510,851	34,581,385	34,874,359	37,276,155
Unrestricted	(179,534,956)	(202,902,550)	(187,818,909)	(182,324,268)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ (72,049,633)</b>	<b>\$ (82,380,022)</b>	<b>\$ (60,366,222)</b>	<b>\$ (44,758,600)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955
Restricted	-	-	-	-
Unrestricted	9,612,150	9,228,469	9,457,205	8,404,821
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 33,181,114</b>	<b>\$ 33,600,225</b>	<b>\$ 34,477,794</b>	<b>\$ 34,672,776</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468
Restricted	25,510,851	34,581,385	34,874,359	37,276,155
Unrestricted	(169,922,806)	(193,674,081)	(178,361,704)	(173,919,447)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ (38,868,519)</b>	<b>\$ (48,779,797)</b>	<b>\$ (25,888,428)</b>	<b>\$ (10,085,824)</b>

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 104,590,958	\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591
25,487,777	11,808,484	12,287,308	8,430,181	8,705,357	6,556,733
(118,128,995)	(84,178,176)	(68,641,607)	(52,629,530)	(40,661,610)	(98,826,179)
<u>\$ 11,949,740</u>	<u>\$ 25,065,045</u>	<u>\$ 40,636,947</u>	<u>\$ 53,101,252</u>	<u>\$ 67,464,906</u>	<u>\$ 7,595,145</u>
\$ 57,239,680	\$ 57,818,793	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387
-	-	-	-	-	-
7,775,663	4,738,255	4,448,586	3,224,063	4,286,249	2,712,724
<u>\$ 65,015,343</u>	<u>\$ 62,557,048</u>	<u>\$ 61,737,184</u>	<u>\$ 59,512,073</u>	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>
\$ 161,830,638	\$ 155,253,530	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978
25,487,777	11,808,484	12,287,308	8,430,181	8,705,357	6,556,733
(110,353,332)	(79,439,921)	(64,193,021)	(49,405,467)	(36,375,361)	(96,113,455)
<u>\$ 76,965,083</u>	<u>\$ 87,622,093</u>	<u>\$ 102,374,131</u>	<u>\$ 112,613,325</u>	<u>\$ 125,868,500</u>	<u>\$ 62,360,256</u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

NET POSITION BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513
Restricted	7,306,379	6,839,425	6,013,855	8,028,531
Unrestricted	17,632,151	(34,503,578)	(33,037,782)	(38,677,026)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 106,913,002</b>	<b>\$ 58,276,990</b>	<b>\$ 65,554,401</b>	<b>\$ 69,641,018</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955
Restricted	-	-	-	-
Unrestricted	9,612,150	9,228,469	9,457,205	8,404,821
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 33,181,114</b>	<b>\$ 33,600,225</b>	<b>\$ 34,477,794</b>	<b>\$ 34,672,776</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468
Restricted	7,306,379	6,839,425	6,013,855	8,028,531
Unrestricted	27,244,301	(25,275,109)	(23,580,577)	(30,272,205)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 140,094,116</b>	<b>\$ 91,877,215</b>	<b>\$ 100,032,195</b>	<b>\$ 104,313,794</b>

Data Source

Audited Financial Statements

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 104,590,958	\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591
6,734,090	5,201,282	5,412,848	3,634,187	8,705,357	3,194,819
7,684,075	11,536,691	14,898,200	17,139,574	16,002,826	14,108,152
<u>\$ 119,009,123</u>	<u>\$ 114,172,710</u>	<u>\$ 117,302,294</u>	<u>\$ 118,074,362</u>	<u>\$ 124,129,342</u>	<u>\$ 117,167,562</u>
\$ 57,239,680	\$ 57,838,788	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387
-	-	-	-	-	-
7,775,663	4,718,260	4,448,586	3,224,063	4,286,249	2,712,724
<u>\$ 65,015,343</u>	<u>\$ 62,557,048</u>	<u>\$ 61,737,184</u>	<u>\$ 59,512,073</u>	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>
\$ 161,830,638	\$ 155,273,525	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978
6,734,090	5,201,282	5,412,848	3,634,187	8,705,357	3,194,819
15,459,738	16,254,951	19,346,786	20,363,637	20,289,075	16,820,876
<u>\$ 184,024,466</u>	<u>\$ 176,729,758</u>	<u>\$ 179,039,478</u>	<u>\$ 177,586,435</u>	<u>\$ 182,532,936</u>	<u>\$ 171,932,673</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,649,033
Public Safety	25,173,738	27,142,353	29,298,255	32,630,767
Higways and Streets	11,532,401	6,140,084	10,578,402	12,635,002
Sanitation	930,335	864,300	1,126,761	1,190,250
Health and Welfare	1,662,082	1,774,857	1,741,403	1,959,118
Culture and Recreation	226,608	239,480	251,527	277,806
Economic Development	1,303,688	52,011,995	16,627,938	2,156,338
Interest	11,447,448	11,696,149	9,576,815	9,560,104
Total Governmental Activities Expenses	<u>57,253,618</u>	<u>110,352,064</u>	<u>76,101,328</u>	<u>68,058,418</u>
Business-Type Activities				
Water/Sewer	10,584,059	11,054,468	11,453,322	12,364,630
Sears Centre	-	-	-	-
Total Business-Type Activities Expenses	<u>10,584,059</u>	<u>11,054,468</u>	<u>11,453,322</u>	<u>12,364,630</u>
<b>TOTAL GOVERNMENT EXPENSES</b>	<u>\$ 67,837,677</u>	<u>\$ 121,406,532</u>	<u>\$ 87,554,650</u>	<u>\$ 80,423,048</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,075,793	\$ 1,133,556	\$ 1,333,707	\$ 1,361,435
Public Safety	1,811,621	2,183,630	2,959,938	3,154,367
Higways and Streets	1,415,253	882,063	1,212,692	586,879
Sanitation	880,637	896,554	878,948	1,009,579
Health and Welfare	1,698,013	1,616,373	2,250,535	860,461
Culture and Recreation	513,635	571,287	593,476	579,111
Economic Development	12,585,713	20,107,123	19,807,712	4,036,017
Operating Grants and Contributions	1,918,772	1,822,158	2,129,235	1,959,997
Capital Grants and Contributions	687,300	-	3,928,216	7,097,285
Total Governmental Activities Program Revenues	<u>22,586,737</u>	<u>29,212,744</u>	<u>35,094,459</u>	<u>20,645,131</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	10,240,821	9,386,132	10,378,340	9,989,993
Sears Centre	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	-	1,448,966	2,146,311
Sears Centre	-	-	-	-
Total Business-Type Activities Program Revenues	<u>10,240,821</u>	<u>9,386,132</u>	<u>11,827,306</u>	<u>12,136,304</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 32,827,558</u>	<u>\$ 38,598,876</u>	<u>\$ 46,921,765</u>	<u>\$ 32,781,435</u>
<b>NET REVENUE (EXPENSES)</b>				
Governmental Activities	\$ (34,666,881)	\$ (81,139,320)	\$ (41,006,869)	\$ (47,413,287)
Business-Type Activities	(343,238)	(1,668,336)	373,984	(228,326)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)</b>	<u>\$ (35,010,119)</u>	<u>\$ (82,807,656)</u>	<u>\$ (40,632,885)</u>	<u>\$ (47,641,613)</u>

	2009	2010	2011	2012	2013	2014
\$	2,140,888	\$ 6,793,067	\$ 7,040,328	\$ 6,784,096	\$ 10,593,969	\$ 6,025,628
	36,731,733	36,228,810	33,040,212	33,240,928	34,713,320	35,325,151
	11,426,047	9,238,037	9,460,214	9,997,154	9,043,957	16,710,043
	1,190,740	1,114,830	1,115,901	1,213,277	1,211,351	1,638,771
	1,820,973	1,712,597	1,655,456	1,744,262	1,643,956	1,614,867
	234,883	237,733	241,334	339,529	360,479	355,894
	4,948,669	1,989,694	2,009,349	3,086,713	2,435,172	81,666,884
	6,776,076	6,721,799	5,503,426	4,974,048	3,866,269	6,427,621
	65,270,009	64,036,567	60,066,220	61,380,007	63,868,473	149,764,859
	12,965,546	11,981,864	13,204,142	14,419,572	15,096,017	16,505,476
	4,800,908	8,623,330	7,666,340	7,262,839	7,188,970	16,292,697
	17,766,454	20,605,194	20,870,482	21,682,411	22,284,987	32,798,173
\$	83,036,463	\$ 84,641,761	\$ 80,936,702	\$ 83,062,418	\$ 86,153,460	\$ 182,563,032
\$	2,867,632	\$ 2,960,974	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798
	2,811,303	2,869,878	2,946,067	3,041,099	3,494,101	3,931,959
	152,321	153,363	220,572	113,699	1,801,285	307,528
	1,096,277	1,072,654	1,124,851	1,129,240	1,167,784	1,744,029
	537,732	590,515	1,343,752	953,523	738,546	507,061
	530,737	521,449	548,461	623,134	709,863	668,132
	165,424	173,414	231,994	147,275	149,861	161,943
	2,436,373	2,566,593	3,581,885	2,696,996	2,562,477	4,088,264
	4,040,726	899,366	4,322,051	3,219,627	3,525,568	266,395
	14,638,525	11,808,206	17,492,351	15,087,162	17,599,980	15,321,109
	9,843,473	10,367,612	10,604,162	13,480,853	13,792,658	13,980,643
	-	2,090,426	2,450,294	1,943,834	2,003,572	11,080,824
	-	-	-	-	-	-
	1,397,019	145,117	1,529,016	1,350,599	84,406	-
	83,960,100	-	4,950	-	20,490	114,980
	95,200,592	12,603,155	14,588,422	16,775,286	15,901,126	25,176,447
\$	109,839,117	\$ 24,411,361	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106	\$ 40,497,556
\$	(50,631,484)	\$ (52,228,361)	\$ (42,573,869)	\$ (46,292,845)	\$ (46,268,493)	\$ (134,443,750)
	77,434,138	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)	(7,621,726)
\$	26,802,654	\$ (60,230,400)	\$ (48,855,929)	\$ (51,199,970)	\$ (52,652,354)	\$ (142,065,476)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 17,575,496	\$ 42,130,319	\$ 35,690,272	\$ 36,232,247
Sales	5,059,287	6,332,164	6,619,848	6,990,526
Income and Local Use	4,356,243	4,809,651	5,147,174	5,529,993
Telecommunications	4,097,034	3,753,103	3,378,962	3,404,303
Real Estate Transfer	3,040,388	1,111,758	1,323,132	755,637
Home Rule Sales	2,659,124	3,268,927	3,476,984	3,938,726
Other	1,807,840	3,141,679	3,901,359	3,840,774
Investment Earnings	2,526,601	4,312,040	2,450,774	1,768,185
Miscellaneous	236,165	788,180	723,047	576,648
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Contributions	5,671,102	1,158,480	-	-
Transfers In (Out)	(50,500)	2,630	9,850	(16,130)
Total Governmental Activities	46,978,780	70,808,931	62,721,402	63,020,909
Business-Type Activities				
Taxes				
Other	-	-	-	-
Investment Earnings	251,322	395,450	419,999	325,328
Miscellaneous	27,455	39,832	75,251	74,250
Gain on Sale of Capital Assets	-	-	18,185	7,600
Contributions	2,026,130	1,654,795	-	-
Transfers In (Out)	50,500	(2,630)	(9,850)	16,130
Total Business-Type Activities	2,355,407	2,087,447	503,585	423,308
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 49,334,187</b>	<b>\$ 72,896,378</b>	<b>\$ 63,224,987</b>	<b>\$ 63,444,217</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 12,311,899	\$ (10,330,389)	\$ 21,714,533	\$ 15,607,622
Business-Type Activities	2,012,169	419,111	877,569	194,982
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 14,324,068</b>	<b>\$ (9,911,278)</b>	<b>\$ 22,592,102</b>	<b>\$ 15,802,604</b>

Data Source

Audited Financial Statements

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$	33,379,672	\$ 44,460,848	\$ 38,455,279	\$ 37,109,465	\$ 36,803,822	\$ 48,756,911
	5,993,252	6,023,007	5,951,289	6,432,977	7,306,806	7,980,411
	5,314,607	4,305,515	4,913,556	5,416,250	5,931,409	5,911,120
	3,360,522	2,928,445	2,741,011	2,896,031	2,441,097	2,296,238
	510,990	406,333	366,253	419,814	917,245	685,054
	3,472,774	3,397,574	3,312,721	3,547,063	3,777,094	3,835,430
	3,407,216	2,197,886	1,375,898	1,615,860	2,544,559	6,121,814
	1,147,987	211,216	72,689	44,671	32,737	(234,463)
	648,653	1,119,747	3,250,112	1,520,890	3,267,367	1,917,202
	167,872	-	-	-	-	-
	-	-	-	-	-	-
	49,936,278	293,095	(2,293,237)	162,839	(2,389,989)	(746,684)
	107,339,823	65,343,666	58,145,571	59,165,860	60,632,147	76,523,033
	42,580	1,154,561	2,100,316	2,121,999	1,826,801	2,082,566
	164,920	18,470	5,426	3,866	912	(28,983)
	2,619,463	4,663,808	1,063,217	1,306,800	1,057,680	1,182,976
	17,744	-	-	-	-	-
	-	-	-	-	-	-
	(49,936,278)	(293,095)	2,293,237	(162,839)	2,389,989	746,684
	(47,091,571)	5,543,744	5,462,196	3,269,826	5,275,382	3,983,243
\$	60,248,252	\$ 70,887,410	\$ 63,607,767	\$ 62,435,686	\$ 65,907,529	\$ 80,506,276
\$	56,708,339	\$ 13,115,305	\$ 15,571,702	\$ 12,873,015	\$ 14,363,654	\$ (57,920,717)
	30,342,567	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)
\$	87,050,906	\$ 10,657,010	\$ 14,751,838	\$ 11,235,716	\$ 13,255,175	\$ (61,559,200)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,429,416
Public Safety	25,173,738	27,142,353	29,298,255	29,333,107
Higways and Streets	9,994,204	4,555,019	10,113,187	12,059,057
Sanitation	930,335	864,300	1,126,761	1,190,250
Health and Welfare	1,662,082	1,774,857	1,741,403	1,959,118
Culture and Recreation	226,608	239,480	251,527	277,806
Economic Development	1,303,688	52,011,995	2,008,387	1,991,344
Interest	2,073,221	3,895,783	3,695,876	4,322,420
Total Governmental Activities Expenses	<u>46,341,194</u>	<u>100,966,633</u>	<u>55,135,623</u>	<u>58,562,518</u>
Business-Type Activities				
Water/Sewer	10,584,059	11,054,468	11,453,322	12,364,630
Sears Centre	-	-	-	-
Total Business-Type Activities Expenses	<u>10,584,059</u>	<u>11,054,468</u>	<u>11,453,322</u>	<u>12,364,630</u>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<u>\$ 56,925,253</u>	<u>\$ 112,021,101</u>	<u>\$ 66,588,945</u>	<u>\$ 70,927,148</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,075,793	\$ 1,133,556	\$ 1,333,707	\$ 1,361,435
Public Safety	1,811,621	2,183,630	2,959,938	3,154,367
Higways and Streets	838,681	728,344	1,035,978	537,754
Sanitation	880,637	896,554	878,948	1,009,579
Health and Welfare	1,698,013	1,616,373	2,250,535	860,461
Culture and Recreation	513,635	571,287	593,476	579,111
Economic Development	123,997	1,514,531	3,108,021	4,036,017
Operating Grants and Contributions	1,918,772	1,822,158	2,129,235	1,959,997
Capital Grants and Contributions	687,300	-	3,928,216	7,097,285
Total Governmental Activities Program Revenues	<u>9,548,449</u>	<u>10,466,433</u>	<u>18,218,054</u>	<u>20,596,006</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	10,240,821	9,386,132	10,378,340	9,989,993
Sears Centre	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	-	1,448,966	2,146,311
Sears Centre	-	-	-	-
Total Business-Type Activities Program Revenues	<u>10,240,821</u>	<u>9,386,132</u>	<u>11,827,306</u>	<u>12,136,304</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 19,789,270</u>	<u>\$ 19,852,565</u>	<u>\$ 30,045,360</u>	<u>\$ 32,732,310</u>
<b>NET REVENUE (EXPENSES)</b>				
Governmental Activities	\$ (36,792,745)	\$ (90,500,200)	\$ (36,917,569)	\$ (37,966,512)
Business-type Activities	(343,238)	(1,668,336)	373,984	(228,326)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<u>\$ (37,135,983)</u>	<u>\$ (92,168,536)</u>	<u>\$ (36,543,585)</u>	<u>\$ (38,194,838)</u>

	2009	2010	2011	2012	2013	2014
\$	1,599,021	\$ 6,448,895	\$ 6,697,689	\$ 6,434,941	\$ 10,273,677	\$ 6,025,628
	33,108,122	32,607,837	29,181,960	29,418,704	30,876,317	34,945,772
	11,187,206	9,026,571	9,303,991	9,799,549	8,892,032	16,710,043
	1,190,740	1,114,830	1,115,901	1,213,277	1,211,351	1,638,771
	1,820,973	1,712,597	1,655,456	1,744,262	1,643,956	1,614,867
	234,883	237,733	241,334	339,529	360,479	355,894
	4,334,569	1,989,694	1,918,198	2,633,690	2,290,749	2,901,575
	2,318,891	2,807,720	2,994,525	2,847,779	2,791,679	2,420,719
	55,794,405	55,945,877	53,109,054	54,431,731	58,340,240	66,613,269
	12,965,546	11,981,864	13,204,142	14,419,572	15,096,017	16,505,476
	4,800,908	8,623,330	7,666,340	7,262,839	7,188,970	16,292,697
	17,766,454	20,605,194	20,870,482	21,682,411	22,284,987	32,798,173
\$	73,560,859	\$ 76,551,071	\$ 73,979,536	\$ 76,114,142	\$ 80,625,227	\$ 99,411,442
\$	2,867,632	\$ 2,960,974	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798
	2,811,303	2,869,878	2,946,067	3,041,099	3,494,101	3,931,959
	152,321	153,363	220,572	113,699	1,801,285	307,528
	1,096,277	1,072,654	1,124,851	1,129,240	1,167,784	1,744,029
	537,732	590,515	1,343,752	953,523	738,546	507,061
	530,737	521,449	548,461	623,134	709,863	668,132
	156,391	167,380	231,994	147,275	149,861	161,943
	2,436,373	2,566,593	3,581,885	2,696,996	2,562,477	4,088,264
	4,040,726	899,366	4,322,051	3,219,627	3,525,568	266,395.00
	14,629,492	11,802,172	17,492,351	15,087,162	17,599,980	15,321,109
	9,843,473	10,367,612	10,604,162	13,480,853	13,792,658	\$ 13,980,643
	-	2,090,426	2,450,294	1,943,834	2,003,572	11,080,824
	-	-	-	-	-	-
	1,397,019	145,117	1,529,016	1,350,599	84,406	-
	83,960,100	-	4,950	-	20,490	114,980
	95,200,592	12,603,155	14,588,422	16,775,286	15,901,126	25,176,447
\$	109,830,084	\$ 24,405,327	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106	\$ 40,497,556
\$	(41,164,913)	\$ (44,143,705)	\$ (35,616,703)	\$ (39,344,569)	\$ (40,740,260)	\$ (51,292,160)
	77,434,138	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)	(7,621,726)
\$	36,269,225	\$ (52,145,744)	\$ (41,898,763)	\$ (44,251,694)	\$ (47,124,121)	\$ (58,913,886)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 16,449,238	\$ 17,842,815	\$ 17,979,463	\$ 15,911,586
Sales	5,059,287	6,332,164	6,619,848	6,990,526
Income and Local Use	4,356,243	4,809,651	5,147,174	5,529,993
Telecommunications	4,097,034	3,753,103	3,378,962	3,404,303
Real Estate Transfer	3,040,388	1,111,758	1,323,132	755,637
Home Rule Sales	2,659,124	3,268,927	3,476,984	3,938,726
Other	1,807,840	3,141,679	3,901,359	3,840,774
Investment Earnings	1,690,290	3,271,265	1,663,534	1,141,282
Miscellaneous	236,165	788,180	723,047	556,431
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Contributions	5,671,102	1,158,480	-	-
Transfers In (Out)	(50,500)	2,630	9,850	(16,130)
Total Governmental Activities	45,016,211	45,480,652	44,223,353	42,053,128
Business-Type Activities				
Taxes				
Other	-	-	-	-
Investment Earnings	251,322	395,450	419,999	325,328
Miscellaneous	27,455	39,832	75,251	74,250
Gain on Sale of Capital Assets	-	-	18,185	7,600
Contributions	2,026,130	1,654,795	-	-
Transfers In	50,500	(2,630)	(9,850)	16,130
Total Business-Type Activities	2,355,407	2,087,447	503,585	423,308
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 47,371,618</b>	<b>\$ 47,568,099</b>	<b>\$ 44,726,938</b>	<b>\$ 42,476,436</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 8,223,466	\$ (45,019,548)	\$ 7,305,784	\$ 4,086,616
Business-Type Activities	2,012,169	419,111	877,569	194,982
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 10,235,635</b>	<b>\$ (44,600,437)</b>	<b>\$ 8,183,353</b>	<b>\$ 4,281,598</b>

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	17,192,444	\$ 18,489,403	\$ 18,423,634	\$ 18,274,812	\$ 18,169,718	\$ 23,237,428
	5,993,252	6,023,007	5,951,289	6,432,977	7,306,806	7,980,411
	5,314,607	4,305,515	4,913,556	5,416,250	5,931,409	5,911,120
	3,360,522	2,928,445	2,741,011	2,896,031	2,441,097	2,296,238
	510,990	406,333	366,253	419,814	917,245	685,054
	3,472,774	3,397,574	3,312,721	3,547,063	3,777,094	3,835,430
	3,407,216	2,197,886	1,375,898	1,615,860	2,544,559	6,121,814
	539,884	154,620	67,938	39,357	31,592	(169,486)
	637,178	1,079,364	3,229,174	1,520,751	3,264,517	1,870,656
	167,872	-	-	-	-	-
	-	-	-	-	-	-
	49,936,278	325,145	(1,870,187)	597,165	(2,305,477)	(772,494)
	90,533,017	39,307,292	38,511,287	40,760,080	42,078,560	50,996,171
	42,580	1,154,561	2,100,316	2,121,999	1,826,801	2,082,566
	164,920	18,470	5,426	3,866	912	(28,983)
	2,619,463	4,663,808	1,063,217	1,306,800	1,057,680	1,182,976
	17,744	-	-	-	-	-
	-	-	-	-	-	-
	(49,936,278)	(293,095)	2,293,237	(162,839)	2,389,989	746,684
	(47,091,571)	5,543,744	5,462,196	3,269,826	5,275,382	3,983,243
\$	43,441,446	\$ 44,851,036	\$ 43,973,483	\$ 44,029,906	\$ 47,353,942	\$ 54,979,414
\$	49,368,104	\$ (4,836,413)	\$ 2,894,584	\$ 1,415,511	\$ 1,338,300	\$ (295,989)
	30,342,567	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)
\$	79,710,671	\$ (7,294,708)	\$ 2,074,720	\$ (221,788)	\$ 229,821	\$ (3,934,472)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL FUND</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	1,663,522	709,834 <sup>b</sup>	405,464	469,637
Assigned	-	-	-	-
Unrestricted	14,363,833	14,302,062	13,608,472	12,370,115
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 16,027,355</b>	<b>\$ 15,011,896</b>	<b>\$ 14,013,936</b>	<b>\$ 12,839,752</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	74,687,887 <sup>a</sup>	35,135,031 <sup>c</sup>	34,890,240	39,988,262
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unrestricted, Reported in				
Special Revenue Funds	198,221	558,736	325,332	74,992
Debt Service Funds	-	-	-	-
Capital Project Funds	6,568,668	7,371,999	8,808,993	8,044,568
Permanent Funds	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 81,454,776</b>	<b>\$ 43,065,766</b>	<b>\$ 44,024,565</b>	<b>\$ 48,107,822</b>

Notes:

<sup>a</sup> The substantial decrease in restricted fund balance in the General Fund for 2006 is due to the repayment of a significant portion of the interfund loan to the EDA Administration Fund.

<sup>b</sup> The substantial decrease in restricted fund balance in the Other Governmental Funds for 2006 is due to the payout of bond proceeds to the developer of the Sears Centre and is talked about further within the Management's Discussion & Analysis.

<sup>c</sup> The substantial increase in restricted fund balance in the General Fund for 2009 is due to the creation of an interfund loan from the General Fund to the Sears Centre Operating Fund.

<sup>d</sup> The substantial decrease in restricted fund balance in the Other Governmental Funds for 2010 is due to the spending of bond proceeds on capital projects as well as the final EDA debt service payment.

<sup>e</sup> The increase in unassigned fund balance in the General Fund is due to revenues exceeding expenditures in 2014.

<sup>f</sup> The decrease in restricted fund balance in the Other Governmental Funds for 2014 is due to the spending of MFT funds on road revitalization as well as an EDA note payment.

<sup>g</sup> The decrease in assigned fund balance in the Other Governmental Funds for 2014 is due to capital projects spending.

\* The Village implemented GASB Statement No. 54 in 2011.

Data Source

Audited Financial Statements

2009	2010	2011*	2012	2013	2014
\$ -	\$ -	\$ 1,148,877	\$ 1,360,549	\$ 294,059	\$ 230,761
1,182,766	934,184	177,139	186,289	183,933	181,216
-	-	876,935	1,083,418	3,165,374	2,537,181 <sup>e</sup>
9,886,577	10,455,842	-	-	-	-
-	-	10,739,736	12,060,851	11,563,246	13,469,497
<u>\$ 11,069,343</u>	<u>\$ 11,390,026</u>	<u>\$ 12,942,687</u>	<u>\$ 14,691,107</u>	<u>\$ 15,206,612</u>	<u>\$ 16,418,655</u>
\$ -	\$ -	\$ 66,688	\$ 57,648	\$ 184,664	\$ 21,262
39,570,177	16,639,130 <sup>d</sup>	12,110,169	8,243,892	8,521,424	6,375,517 <sup>f</sup>
-	-	7,487,942	7,446,603	5,365,498	4,167,991 <sup>g</sup>
-	-	-	(4,124)	(98,405)	(13,584)
23,761	(2,976)	-	-	-	-
(195,401)	(33,545)	-	-	-	-
6,094,625	6,278,772	-	-	-	-
-	-	-	-	-	-
<u>\$ 45,493,162</u>	<u>\$ 22,881,381</u>	<u>\$ 19,664,799</u>	<u>\$ 15,744,019</u>	<u>\$ 13,973,181</u>	<u>\$ 10,551,186</u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>REVENUES</b>				
Taxes	\$ 28,591,932	\$ 52,805,630	\$ 47,135,668	\$ 47,532,198
Licenses and Permits	2,032,103	1,974,164	2,637,624	1,313,427
Intergovernmental	11,912,242	13,484,480	14,496,249	15,090,587
Charges for Services	18,388,493	23,798,042	23,441,228	5,641,614
Fines and Forfeitures	763,189	973,637	1,347,750	1,682,621
Investment Income	2,526,601	4,312,040	2,450,774	1,768,185
Miscellaneous	444,639	1,812,212	3,630,999	4,647,638
<b>Total Revenues</b>	<b>64,659,199</b>	<b>99,160,205</b>	<b>95,140,292</b>	<b>77,676,270</b>
<b>EXPENDITURES</b>				
General Government	4,756,695	5,323,531	6,069,730	6,037,060
Public Safety	24,928,583	26,703,338	29,753,748	30,904,952
Highways and Streets	5,681,472	5,869,622	6,731,571	7,657,433
Sanitation	930,335	864,300	1,126,761	1,190,250
Health and Welfare	1,671,142	1,800,992	1,898,681	1,945,636
Culture and Recreation	223,112	241,172	289,403	276,335
Economic Development	1,295,346	1,611,713	1,596,225	2,116,346
Capital Outlay	3,827,231	56,236,459	20,642,131	19,130,399
Debt Service				
Principal	21,249,471	33,760,000	36,565,000	19,445,496
Interest and Other Charges	7,235,018	6,115,032	5,512,536	5,884,186
<b>Total Expenditures</b>	<b>71,798,405</b>	<b>138,526,159</b>	<b>110,185,786</b>	<b>94,588,093</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,139,206)</b>	<b>(39,365,954)</b>	<b>(15,045,494)</b>	<b>(16,911,823)</b>
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Transfers In	3,643,861	5,518,910	5,073,630	5,557,908
Transfers (Out)	(3,741,248)	(5,564,264)	(5,109,848)	(5,637,447)
Sale of Capital Assets	62,084	6,839	123,733	85,058
Bonds Issued, at Par	120,335,000	-	-	19,983,750
Notes Issued, At Par	-	-	14,619,551	69,366
Payment to Escrow Agent	(66,518,105)	-	-	-
Premium (Discount) on Issuance of Bonds	(420,904)	-	-	(237,739)
<b>Total Other Financing Sources (Uses)</b>	<b>53,360,688</b>	<b>(38,515)</b>	<b>14,707,066</b>	<b>19,820,896</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 46,221,482</b>	<b>\$ (39,404,469)</b>	<b>\$ (338,428)</b>	<b>\$ 2,909,073</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>42.23%</b>	<b>48.85%</b>	<b>47.74%</b>	<b>31.92%</b>

Data Source

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 43,308,604	\$ 52,737,336	\$ 45,643,831	\$ 44,912,765	\$ 45,783,285	\$ 61,147,865
1,103,880	1,276,000	2,049,297	1,682,898	1,493,182	1,291,098
13,697,905	15,057,588	14,606,305	15,123,272	16,116,827	19,919,884
5,906,749	6,125,486	6,703,490	6,538,068	8,481,038	7,479,744
1,140,814	1,029,384	1,965,165	1,148,229	1,556,969	1,871,677
1,124,845	208,281	71,019	42,287	30,060	(234,463)
539,553	1,263,575	3,494,374	1,526,653	3,446,127	1,240,648
66,822,350	77,697,650	74,533,481	70,974,172	76,907,488	92,716,453
6,165,984	5,603,242	5,638,169	5,615,811	5,846,890	5,874,247
30,847,281	32,010,274	32,067,394	32,290,740	33,487,343	33,816,834
6,806,901	5,125,998	5,200,961	5,164,896	5,572,599	9,644,226
1,190,740	1,114,830	1,115,901	1,213,277	1,211,351	1,332,980
1,783,070	1,680,372	1,661,144	1,687,017	1,670,982	1,609,731
367,578	248,571	216,819	319,509	336,655	336,225
5,037,128	1,979,069	1,999,468	3,071,913	2,418,635	81,651,001
20,339,153	12,266,812	4,313,811	4,865,388	6,928,824	8,396,097
25,081,363	37,301,764	18,598,968	16,053,442	15,374,258	27,606,103
3,238,030	2,892,464	3,015,117	2,911,079	2,852,106	2,479,036
100,857,228	100,223,396	73,827,752	73,193,072	75,699,643	172,746,480
(34,034,878)	(22,525,746)	705,729	(2,218,900)	1,207,845	(80,030,027)
8,562,880	4,536,704	5,786,586	5,607,877	4,761,322	3,588,403
(10,697,971)	(4,302,056)	(8,156,236)	(5,561,337)	(7,224,500)	(4,403,424)
167,872	-	-	-	-	-
30,355,000	-	-	-	-	-
-	-	-	-	-	78,635,096
-	-	-	-	-	-
1,262,028	-	-	-	-	-
29,649,809	234,648	(2,369,650)	46,540	(2,463,178)	77,820,075
\$ (4,385,069)	\$ (22,291,098)	\$ (1,663,921)	\$ (2,172,360)	\$ (1,255,333)	\$ (2,209,952)
46.95%	22.42%	31.92%	28.08%	24.95%	17.88%

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Farm Property</b>	<b>TIF Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (A)</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2005	\$ 885,637,285	\$ 403,147,597	\$ 163,668,867	\$ 187,940	\$ 378,056,826	\$ 1,830,698,515	0.901	\$ 5,492,095,545	33.333%
2006	924,697,143	396,636,596	187,592,635	199,404	397,888,085	1,907,013,863	0.910	5,721,041,589	33.333%
2007	1,067,070,192	477,934,832	228,403,631	149,321	466,474,206	2,240,032,182	0.820	6,720,096,546	33.333%
2008	1,167,575,979	483,852,567	233,449,742	159,181	516,387,551	2,401,425,020	0.820	7,204,275,060	33.333%
2009	1,284,024,644	440,752,860	187,250,761	94,827	425,119,346	2,337,242,438	0.888	7,011,727,314	33.333%
2010	1,148,816,831	395,150,291	195,331,416	94,827	402,454,268	2,141,847,633	0.986	6,425,542,899	33.333%
2011	1,063,328,132	337,154,068	153,170,261	94,827	324,518,768	1,878,266,056	1.116	5,634,798,168	33.333%
2012	973,021,897	307,388,195	144,884,600	94,827	313,919,377	1,739,308,896	1.224	5,217,926,688	33.333%
2013	829,259,653	292,452,959	134,275,173	94,429	280,801,136	1,536,883,350	1.456	4,610,650,050	33.333%
2014	(B)								

(A) Property tax rates are per \$100 of assessed valuation.

(B) 2014 detail valuations and tax rates were not available at the time of issuance of this report.

Data Source

Office of the Cook and Kane County Clerks

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
SCHAUMBURG TOWNSHIP

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VILLAGE DIRECT RATES (A)</b>										
General	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	
Police Pension	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	
Firefighters' Pension	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	
<b>Total Direct Rate</b>	<b>0.901</b>	<b>0.909</b>	<b>0.820</b>	<b>0.820</b>	<b>0.889</b>	<b>0.987</b>	<b>1.116</b>	<b>1.224</b>	<b>1.456</b>	
<b>OVERLAPPING RATES</b>										
School District #54	3.003	3.104	2.582	2.559	2.592	2.996	3.196	3.578	4.148	
Palatine Twp. H.S. #211	2.191	2.261	1.972	1.928	1.916	2.204	2.482	2.772	3.197	
Junior College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	
Forest Preserve District of Cook County	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	
Sub. T.B. Sanitarium	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Schaumburg Township Library District	0.277	0.287	0.256	0.254	0.258	0.295	0.321	0.331	0.384	
Township of Schaumburg (All Funds)	0.100	0.104	0.089	0.089	0.092	0.110	0.125	0.137	0.161	
Metropolitan Sanitary District of Greater Chicago	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	
Hoffman Estates Park District	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	
Consolidated Elections	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>TOTAL TAX RATE PER \$100 of ASSESSED VALUATION</b>	<b>8.167</b>	<b>8.285</b>	<b>7.181</b>	<b>7.046</b>	<b>7.151</b>	<b>8.109</b>	<b>8.970</b>	<b>9.975</b>	<b>11.549</b>	
<b>SHARE of TOTAL TAX RATE LEVIED by the VILLAGE</b>	<b>11.0%</b>	<b>11.0%</b>	<b>11.4%</b>	<b>11.6%</b>	<b>12.4%</b>	<b>12.2%</b>	<b>12.4%</b>	<b>12.3%</b>	<b>12.6%</b>	

(A) Property tax rates are per \$100 of assessed valuation.

(B) 2014 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
BARRINGTON TOWNSHIP

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VILLAGE DIRECT RATES (A)</b>										
General	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	
Police Pension	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	
Firefighters' Pension	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	
<b>Total Direct Rate</b>	<b>0.901</b>	<b>0.909</b>	<b>0.820</b>	<b>0.820</b>	<b>0.888</b>	<b>0.987</b>	<b>1.116</b>	<b>1.224</b>	<b>1.456</b>	
<b>OVERLAPPING RATES</b>										
Unit School District #220	3.348	3.460	3.148	2.982	3.036	3.343	3.788	4.292	4.807	
Junior College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	
Forest Preserve District of Cook County	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	
Sub. T.B. Sanitarium	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.166	0.180	0.166	0.157	0.157	0.172	0.195	0.223	0.248	
Township of Barrington (All Funds)	0.028	0.027	0.023	0.022	0.022	0.023	0.026	0.029	0.033	
Metropolitan Sanitary District of Greater Chicago	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	
Hoffman Estates Park District	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	
Consolidated Elections	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Lake County Tax Obj Ct Ord-220	0.000	0.065	0.053	0.052	0.078	0.080	0.088	0.136	0.092	
<b>TOTAL TAX RATE PER \$100 of ASSESSED VALUATION</b>	<b>6.138</b>	<b>6.261</b>	<b>5.672</b>	<b>5.429</b>	<b>5.585</b>	<b>6.122</b>	<b>6.943</b>	<b>7.837</b>	<b>8.839</b>	
<b>SHARE of TOTAL TAX RATE LEVIED by the VILLAGE</b>	<b>14.7%</b>	<b>14.5%</b>	<b>14.5%</b>	<b>15.1%</b>	<b>15.9%</b>	<b>16.1%</b>	<b>16.1%</b>	<b>15.6%</b>	<b>16.5%</b>	

(A) Property tax rates are per \$100 of assessed valuation.

(B) 2014 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
PALATINE TOWNSHIP

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>VILLAGE DIRECT RATES (A)</b>										
General	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	
Police Pension	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	
Firefighters' Pension	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	
<b>Total Direct Rate</b>	<b>0.901</b>	<b>0.909</b>	<b>0.820</b>	<b>0.820</b>	<b>0.888</b>	<b>0.987</b>	<b>1.116</b>	<b>1.224</b>	<b>1.456</b>	
<b>OVERLAPPING RATES</b>										
School District #15	2.840	2.763	2.435	2.385	2.307	2.603	2.943	3.269	3.849	
Palatine Twp. H.S. #211	2.191	2.261	1.972	1.928	1.916	2.204	2.482	2.772	3.197	
Junior College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	
Forest Preserve District of Cook County	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	
Sub. T.B. Sanitarium	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Palatine Public Library	0.271	0.280	0.246	0.240	0.229	0.198	0.222	0.248	0.293	
Township of Palatine (All Funds)	0.114	0.120	0.107	0.106	0.103	0.119	0.135	0.145	0.167	
Metropolitan Sanitary District of Greater Chicago	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	
Hoffman Estates Park District	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	
Consolidated Elections	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>TOTAL TAX RATE PER \$100 of ASSESSED VALUATION</b>	<b>8.012</b>	<b>7.953</b>	<b>7.042</b>	<b>6.875</b>	<b>6.847</b>	<b>7.628</b>	<b>8.628</b>	<b>9.591</b>	<b>11.165</b>	
<b>SHARE of TOTAL TAX RATE LEVIED by the VILLAGE</b>	<b>11.2%</b>	<b>11.4%</b>	<b>11.6%</b>	<b>11.9%</b>	<b>13.0%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>12.8%</b>	<b>13.0%</b>	

(A) Property tax rates are per \$100 of assessed valuation.

(B) 2014 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
HANOVER TOWNSHIP

Last Ten Levy Years

Tax Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>VILLAGE DIRECT RATES (A)</b>										
General	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	
Police Pension	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	
Firefighters' Pension	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	
Total Direct Rate	0.901	0.909	0.820	0.820	0.888	0.987	1.116	1.224	1.456	
<b>OVERLAPPING RATES</b>										
Unit School District #220	3.348	3.460	3.148	2.982	3.036	3.343	3.788	4.292	4.807	
Junior College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	
Forest Preserve District of Cook County	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	
Sub. T.B. Sanitarium	0.005	0.005	0.000		0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library District	0.304	0.310	0.367	0.357	0.350	0.394	0.449	0.515	0.631	
Township of Hanover (All Funds)	0.237	0.250	0.224	0.223	0.218	0.248	0.286	0.324	0.391	
Metropolitan Sanitary District of Greater Chicago	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	
Hoffman Estates Park District	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	
Consolidated Elections	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Comm. Mental Health Facility and Service District	0.035	0.037	0.033	0.033	0.033	0.038	0.044	0.050	0.061	
Lake County Tax Obj Ct Ord-220	0.000	0.065	0.053	0.052	0.078	0.080	0.088	0.136	0.092	
<b>TOTAL TAX RATE PER \$100 of ASSESSED VALUATION</b>	6.520	6.651	6.107	5.863	6.007	6.607	7.501	8.474	9.641	
<b>SHARE of TOTAL TAX RATE LEVIED by the VILLAGE</b>	13.8%	13.7%	13.4%	14.0%	14.8%	14.9%	14.9%	14.4%	15.1%	

(A) Property tax rates are per \$100 of assessed valuation.

(B) 2014 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

<b>Taxpayer</b>	<b>2013 Tax Levy</b>			<b>2004 Tax Levy</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Village Taxable Assessed Valuation</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Village Taxable Assessed Valuation</b>
Sears Roebuck & Co.	\$ 152,588,046	1	9.93%	\$ 258,451,558	1	15.38%
AT&T Lease and SBC Ameritech	101,400,542	2	6.60%	145,430,653	2	8.66%
W 2001 VHE LLC	17,777,147	3	1.16%			
Property Tax Advisors				41,758,657	3	2.49%
Lincoln Property	15,836,167	4	1.03%			
Stonegate Properties	14,689,875	5	0.96%	20,068,986	5	1.19%
Alexian Brothers Health System	12,608,506	6	0.82%			
TransAmerica	12,053,856	7	0.78%	14,715,942	6	0.88%
The John Buck Company				14,208,056	7	0.85%
American Heritage	11,593,797	8	0.75%	21,149,220	4	1.26%
Park Place Apartments				14,160,705	8	0.84%
Autumn Chase Apartments				11,249,286	9	0.67%
Siemens Medical System	10,198,172	9	0.66%	10,793,737	10	0.64%
BVF II Park Place LLC	9,978,997	10	0.65%			
	<u>\$ 358,725,105</u>		<u>23.34%</u>	<u>\$ 551,986,800</u>		<u>32.86%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 13,080,114	\$ 12,666,607	96.84%	\$ 124,837	\$ 12,791,444	97.79%
2006	13,727,555	13,060,920	95.14%	284,007	13,344,927	97.21%
2007	14,540,987	13,815,590	95.01%	290,163	14,105,753	97.01%
2008	15,441,283	14,652,075	94.89%	496,532	15,148,607	98.10%
2009	16,969,508	16,425,598	96.79%	205,663	16,631,261	98.01%
2010	17,136,948	16,498,732	96.28%	91,902	16,590,634	96.81%
2011	17,340,949	17,020,527	98.15%	60,723	17,081,250	98.50%
2012	17,442,448	16,907,162	96.93%	82,009	16,989,171	97.40%
2013	18,286,478	17,680,341	96.69%	-	17,680,341	96.69%
2014	18,286,479	(A)				

(A) Collections for the 2014 tax levy year will not be received until fiscal year 2015.

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	TIF Bonds Payable	TIF Notes Payable	Installment Contracts Payable	General Obligation Bonds	Installment Notes Payable	Capital Leases			
2005	\$ 76,170,000	\$ 105,856,847	\$ 92,730,674	\$ -	\$ -	\$ -	\$ -	\$ 274,757,521	20.4%	\$ 5,433
2006	73,020,000	77,247,623	95,914,221	-	-	-	-	246,181,844	18.3%	4,868
2007	68,670,000	45,600,000	113,624,749	-	-	-	-	227,894,749	13.2%	4,506
2008	84,043,750	34,900,000	112,976,570	-	6,661,250	-	-	238,581,570	13.8%	4,718
2009	57,768,750	23,800,000	105,882,371	-	58,371,250	-	-	245,822,371	14.3%	4,861
2010	54,413,750	-	99,304,684	-	57,196,250	-	-	210,914,684	12.5%	4,064
2011	51,803,750	-	85,819,617	-	55,966,250	-	-	193,589,617	11.7%	3,730
2012	50,338,750	-	73,353,944	-	54,681,250	-	-	178,373,944	10.2%	3,437
2013	49,138,750	-	60,249,276	-	53,336,250	-	7,283	162,731,559	9.4%	3,136
2014	47,903,750	-	117,652,586	-	51,921,250	-	2,683	217,480,269	12.5%	4,191

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

\* See the schedule of Demographic and Economic Statistics on page 185 for personal income and population data.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2005 (A)	\$ 76,170,000	\$ 5,152,212	\$ 71,017,788	1.29%	\$ 1,404.26
2006	73,020,000	3,809,110	69,210,890	1.21%	1,368.53
2007	68,670,000	2,886,519	65,783,481	0.98%	1,300.76
2008	84,043,750	4,206,373	79,837,377	1.11%	1,578.66
2009	57,768,750	4,354,605	53,414,145	0.76%	1,056.18
2010	54,413,750	2,581,577	51,832,173	0.81%	998.79
2011	51,803,750	1,542,308	50,261,442	0.89%	968.52
2012	50,338,750	853,148	49,485,602	0.95%	953.57
2013	49,138,750	633,706	48,505,044	0.83%	934.68
2014	47,903,750	468,670	47,435,080	0.92%	914.06

(A) The fiscal year 2005 General Obligation Bonds listed here include \$54,935,000 related to the G.O. Taxable Bond Series 2005A. In fiscal year 2009, these bonds were transferred to Business-type activities.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 185 for property value data.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2014

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the Village of Hoffman Estates (A)</b>	<b>Village of Hoffman Estates Share of Debt</b>
Village of Hoffman Estates	\$ 47,903,750	100.000%	\$ 47,903,750
Dundee Township	5,230,000	0.104%	5,439
Dundee Township Park District	1,845,000	0.104%	1,919
Hoffman Estates Park District	10,130,000	93.862%	9,508,221
Palatine Park District	9,895,000	2.864%	283,393
South Barrington Park District	170,000	0.036%	61
Schools			
District No. 211	11,380,000	12.927%	1,471,093
District No. 15	20,633,433	8.587%	1,771,793
District No. 220	55,950,000	9.168%	5,129,496
District No. 300	302,632,410	1.324%	4,006,853
District No. 46	259,950,778	3.115%	8,097,467
Junior College District No. 512	166,045,000	6.331%	10,512,309
Junior College District No. 509	187,887,831	1.996%	3,750,241
Metropolitan Water Reclamation District	2,422,619,005	1.070%	25,922,023
Cook County Including Forest Preserve District	3,585,586,750	1.048%	37,576,949
Kane County Including Forest Preserve District	162,650,866	0.013%	21,145
Gail Borden Library District	16,570,000	5.482%	908,367
Poplar Creek Library District	19,390,000	5.211%	1,010,413
	<u>7,238,566,073</u>		<u>109,977,182</u>
	<u>\$ 7,286,469,823</u>		<u>\$ 157,880,932</u>

(A) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2014

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Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds							Tax Increment Financing Notes				
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Debt Service		Coverage <sup>a</sup>	Incremental Property Taxes	Debt Service		Coverage	
					Principal	Interest			Principal	Interest		
2005	\$ 21,521,947	\$ (5,722,070)	\$ (278,175)	\$ 15,521,702	\$ 18,210,000	\$ 2,510,398	\$ 0.75	\$ -	\$ -	\$ -	N/A	
2006	23,200,881	(6,125,072)	(490,250)	16,585,559	30,610,000	1,811,299	0.51	-	-	-	N/A	
2007	23,313,072	(6,478,656)	(407,425)	16,426,991	32,215,000	1,484,344	0.49	-	-	-	N/A	
2008	25,642,341	(7,441,624)	(349,379)	17,851,338	10,700,000	1,143,544	1.51	4,135,496	4,135,496	-	1.00	
2009	18,518,043	(4,960,636)	(215,309)	13,342,098	11,100,000	789,964	1.12	10,181,363	10,181,363	-	1.00	
2010	14,685,323	(11,312,353)	(22,052)	3,350,918	23,800,000	63,368	0.14	10,146,764	10,146,764	-	1.00	
2011	10,634,233	(14,500,872)	(5,000)	(3,871,639)	-	-	N/A	15,988,968	15,988,968	-	1.00	
2012	8,421,354	(9,558,246)	(3,500)	(1,140,392)	-	-	N/A	14,588,442	14,588,442	-	1.00	
2013	9,802,210	(9,385,159)	(1,500)	415,551	-	-	N/A	14,174,258	14,174,258	-	1.00	
2014	14,465,972	(14,328,247)	(1,000)	136,725	-	-	N/A	10,973,414	10,973,414	-	1.00	

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

<sup>a</sup> In the years where debt service coverage fell below 1.0, Sears paid the shortfall.

<sup>b</sup> In 2010, a large portion of the final debt service payment came from a debt service reserve investment contract.

# VILLAGE OF HOFFMAN ESTATES, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b>	<b>(1) Per Capita Personal Income</b>	<b>(2) Unemployment Rate</b>
2005	50,573	\$ 1,348,731,337	\$ 26,669	4.5
2006	50,573	1,348,731,337	26,669	3.4
2007	50,573	1,722,718,672	34,064	3.5
2008	50,573	1,722,718,672	34,064	5.5
2009	50,573	1,722,718,672	34,064	8.8
2010	51,895	1,690,894,785	32,583	8.2
2011	51,895	1,655,761,870	31,906	7.9
2012	51,895	1,746,941,385	33,663	6.8
2013	51,895	1,736,199,120	33,456	6.1
2014	51,895	1,742,322,730	33,574	4.1

### Data Sources

(1) U.S. Department of Commerce, Bureau of the Census. In 2003, a Partial Special Census certified by the State of Illinois established the updated figure shown here.

(2) Illinois Bureau of Employment Security

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings	5,600	1	10.8%	5,700	1	11.3%
St. Alexius Medical Center	1,900	2	3.7%	1,650	3	3.3%
AT&T (Ameritech)	1,200	3	2.3%	4,000	2	7.9%
GE Capital Services	800	4	1.5%	800	4	1.6%
Alexian Brothers Behavioral Health Hosp	650	5	1.3%			
CDK Global	600	6	1.2%			
Automated Data Processing				700	5	1.4%
Siemens Medical Systems	500	7	1.0%	556	6	1.1%
Liberty Mutual	400	8	0.8%			
FANUC America	370	9	0.7%			
Village of Hoffman Estates	358	10	0.7%	380	7	0.8%
Leopard Companies, Inc.				365	8	0.7%
Siemens Health Services				250	9	0.5%
Bosch Rexroth Corporation				220	10	0.4%
<b>TOTAL</b>	<b>12,378</b>			<b>14,621</b>		

Data Source

Village records

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL GOVERNMENT</b>										
Administration										
Management Services	25	26	29	29	27	25	24	25	24	25
Finance	15	15	16	16	15	14	14	14	14	15
Public Safety										
Police										
Officers	94	97	99	101	96	92	92	91	92	89
Civilians	24	24	25	25	23	23	20	20	20	20
Fire										
Firefighters and officers	98	100	103	113	102	101	94	94	99	96
Civilians	5	5	4	3	3	3	3	3	3	3
Highways and Streets										
Administration	3	3	4	3	3	3	3	3	3	2
Engineering	11	11	12	11	9	8	9	9	9	10
Street Maintenance	70	72	73	75	71	71	66	66	66	71
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	23	24	24	25	19	19	18	18	18	18
Culture and Recreation	2	2	1	2	2	2	2	2	2	1
Economic Development	10	9	10	9	8	7	7	7	8	8
<b>TOTAL FULL-TIME EVUIVALENT EMPLOYEES</b>	<b>380</b>	<b>388</b>	<b>399</b>	<b>413</b>	<b>377</b>	<b>368</b>	<b>350</b>	<b>350</b>	<b>357</b>	<b>358</b>

Data Source

Village budget documents

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>PUBLIC SAFETY</b>										
Police										
Physical Arrests	1,956	2,838	2,418	2,360	2,259	1,985	1,661	1,407	1,713	1,666
Parking Violations	6,321	8,750	8,503	9,608	8,336	3,138	2,262	2,613	4,147	4,023
Traffic Violations	17,765	18,834	12,641	18,700	18,111	20,638	17,614	15,175	19,186	19,673
Fire										
Emergency Responses	2,994	4,984	5,276	5,414	5,272	5,653	5,419	5,415	4,012	4,161
Fire/Miscellaneous Responses	1,758	1,751	1,721	1,956	1,670	1,678	1,802	1,645	1,372	1,588
Inspections	2,923	3,415	3,136	3,282	2,006	1,835	2,130	2,844	2,283	1,879
<b>PUBLIC WORKS</b>										
Vehicles Maintained by Dept	182	191	201	230	223	227	225	225	225	225
Street Reconstruction (Miles)	1.4	1.8	2.0	0.5	0.3	0.3	1.0	1.4	1.4	2.8
Street Resurfacing (Miles)	2.5	5.2	3.4	4.3	4.8	1.3	1.6	2.4	-	4.3
<b>WATER</b>										
New Connections	237	200	227	54	16	12	12	10	16	5
Water Main Breaks	45	41	66	53	42	63	65	112	65	61
Average Daily Consumption	5,829,000	5,318,000	5,349,000	5,082,000	5,258,000	4,984,000	4,907,000	5,143,000	4,778,000	4,653,000
Peak Daily Consumption	11,478,000	8,653,000	9,885,000	8,417,000	10,388,000	7,481,000	8,554,000	8,377,000	7,458,000	6,523,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	10	10	10	10	10	10	10	10	10	10
Patrol Units	42	47	47	51	51	53	54	53	56	54
Fire										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire Engines	9	9	10	12	11	11	11	11	11	12
<b>PUBLIC WORKS</b>										
Miles of Streets	145	145	157	158	158	158	158	158	158	160
Streetlights	2,246	2,261	2,261	2,261	2,388	2,388	2,464	2,512	2,512	2,529
Traffic Signals	2	3	3	3	3	3	3	3	3	3
<b>WATER</b>										
Water Mains (Miles)	224	226	228	232	232	233	235	247	257	243
Fire Hydrants	2,775	2,815	2,854	2,926	2,827	2,827	3,076	3,084	3,092	3,091
Storage Capacity (Gallons)	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	11,720,000	11,820,000	11,820,000	11,820,000	11,820,000
<b>WATERWASTE</b>										
Sanitary Sewers (Miles)	173	175	176	179	176	179	201	201	201	205
Storm Sewers (Miles)	N/A	N/A	N/A	10	11	11	145	145	156	161

N/A - Data was not available.

Data Source

Various Village Departments

**Village of Hoffman Estates, Illinois**  
**Continuing Disclosure Undertaking for the Fiscal Year Ended**  
**December 31, 2014**

**"Annual Report"**

**Prepared by:**  
**Finance Department**  
**Rachel Musiala, Director of Finance**  
**847-882-9100**

**Village of Hoffman Estates**  
**Comparative General Fund Balance Sheet**  
Fiscal Years Ended December 31

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Assets</b>						
Cash and Investments	\$7,596,239	\$6,014,780	\$7,892,228	\$11,370,920	\$15,278,521	\$13,028,953
Receivables:						
Property Taxes	16,194,251	18,284,432	15,734,333	15,625,569	16,481,760	16,492,676
Accounts	170,362	214,524	164,719	157,192	168,009	169,360
Accrued Interest	322	-	187	5,431	1,769	8,745
Other	789,802	1,054,720	1,752,822	1,904,501	2,441,989	2,473,565
Prepaid Items	1,386	52,253	115,656	129,796	122,778	63,473
Inventory	194,019	161,322	156,286	147,335	140,181	136,188
Due from Other Governments	4,748,143	4,993,233	4,848,393	4,939,041	4,926,237	4,866,541
Due from Other Funds	931,939	317,618	428,480	365,152	189,746	90,459
Due from Fiduciary Funds	252,745	882,861	721,814	630,223	-	184,209
Advance to Other Funds	796,291	550,180	600,000	-	-	-
Advance to Fiduciary Funds	-	-	31,100	31,100	31,100	31,100
<b>Total Assets</b>	<u>\$31,675,499</u>	<u>\$32,525,923</u>	<u>\$32,446,018</u>	<u>\$35,306,260</u>	<u>\$39,782,090</u>	<u>\$37,545,269</u>
<b>Liabilities</b>						
Accounts Payable	\$1,486,298	\$1,230,311	\$1,246,047	\$1,597,577	\$1,641,295	\$1,587,540
Accrued Payroll	642,542	467,968	459,475	537,830	866,017	816,559
Current Compensated Absences	-	216,739	-	-	-	-
Deferred Revenues	17,124,924	16,500,482	16,668,859	16,838,892	17,921,390	17,831,714
Due to Other Funds	-	163,869	83,009	444,434	20,700	86,666
Due to Fiduciary Funds	-	934,134	62,748	130,597	3,069,764	1,319
Deposits Payable	1,352,392	1,622,394	983,193	1,065,823	1,056,312	802,816
<b>Total Liabilities</b>	<u>\$20,606,156</u>	<u>\$21,135,897</u>	<u>\$19,503,331</u>	<u>\$20,615,153</u>	<u>\$24,575,478</u>	<u>\$21,126,614</u>
<b>Fund Balances</b>						
Nonspendable for Prepaid Items	\$1,386	\$52,253	\$115,656	\$129,796	\$122,778	\$63,473
Nonspendable for Inventory	194,019	161,322	156,286	147,335	140,181	136,188
Nonspendable for Insurance Deposits	-	-	876,935	1,083,418	1,582,687	-
Nonspendable for Noncurrent Receivables	-	-	0	0	0	31,100
Reserved for Advances to Other Funds	796,291	550,180	600,000	-	-	-
Restricted for Public Safety	126,964	98,502	91,786	99,590	98,179	116,197
Restricted for Employee Loan Program	64,106	71,927	85,353	86,699	85,754	65,019
Reserved for Compensated Absences	-	216,739	-	-	-	-
Assigned for Employee Health	-	-	-	-	-	1,502,681
Assigned for Subsequent Budget	-	-	-	-	-	1,034,500
Unassigned	9,886,577	10,239,103	11,893,606	13,144,269	13,177,033	13,469,497
<b>Total Equity and Credits</b>	<u>\$11,069,343</u>	<u>\$11,390,026</u>	<u>\$13,819,622</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>	<u>\$16,418,655</u>
Total Liabilities, Equity and Other Credits	<u>\$31,675,499</u>	<u>\$32,525,923</u>	<u>\$33,322,953</u>	<u>\$35,306,260</u>	<u>\$39,782,090</u>	<u>\$37,545,269</u>

Sources Comprehensive Annual Financial Reports, FY 2009 - 2014

**Village of Hoffman Estates**  
**General Fund Revenues & Expenditures**  
Fiscal Years Ended December 31

	2009	2010	2011	2012	2013	2014	Budget 2015
<b>Revenues:</b>							
Taxes	\$22,629,437	\$23,526,451	\$23,543,577	\$24,231,961	\$24,417,385	\$29,447,436	\$28,983,160
Licenses and Permits	1,103,880	1,276,000	2,049,297	1,682,898	1,493,182	1,291,098	1,059,000
Intergovernmental	11,670,548	12,101,914	12,019,865	12,856,322	14,386,548	15,207,160	15,106,000
Charges for Services	4,483,868	4,830,580	6,269,750	6,329,978	6,460,905	6,846,808	8,412,100
Fines and Forfeits	966,369	884,908	806,084	905,297	1,323,962	1,709,421	1,508,000
Investment Income	56,881	37,508	23,016	16,089	15,720	-110,607	30,300
Miscellaneous	246,975	501,131	3,334,574	788,354	1,282,025	1,019,777	1,064,090
<b>Total Revenues</b>	<u>\$41,157,958</u>	<u>\$43,158,492</u>	<u>\$48,046,163</u>	<u>\$46,810,899</u>	<u>\$49,379,727</u>	<u>\$55,411,093</u>	<u>\$56,162,650</u>
<b>Expenditures:</b>							
General Government	\$5,352,058	\$5,259,070	\$5,295,530	\$5,432,808	\$5,526,598	\$5,874,247	\$6,353,130
Public Safety	26,913,669	28,239,314	28,034,071	27,926,905	29,391,729	33,248,630	33,791,980
Highways and Streets	5,471,434	4,896,159	4,961,989	4,903,380	5,349,853	7,362,411	7,558,340
Sanitation	-	-	1,115,901	1,213,277	1,211,351	1,332,980	2,947,690
Health and Welfare	1,783,070	1,680,372	1,661,144	1,687,017	1,670,982	1,609,731	1,900,670
Culture and Recreation	367,578	248,571	216,819	319,509	336,655	336,225	330,880
Economic Development	1,808,471	1,783,336	1,792,813	1,850,716	2,167,472	2,462,040	2,216,580
Miscellaneous	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>\$41,696,280</u>	<u>\$42,106,822</u>	<u>\$43,078,267</u>	<u>\$43,333,612</u>	<u>\$45,654,640</u>	<u>\$52,226,264</u>	<u>\$55,099,270</u>
Excess (Deficiency) of Revenues Over Exp	(\$538,322)	\$1,051,670	\$4,967,896	\$3,477,287	\$3,725,087	\$3,184,829	\$1,063,380
Other Financing Sources (Uses)	<u>(\$1,232,087)</u>	<u>(\$730,987)</u>	<u>(\$3,475,963)</u>	<u>(\$1,728,867)</u>	<u>(\$3,209,582)</u>	<u>(\$1,972,786)</u>	<u>(\$2,077,990)</u>
Net Change in Fund Balance	(1,770,409)	320,683	1,491,933	1,748,420	515,505	1,212,043	(1,014,610)
Fund Balance, January 1	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,450,754</u>	<u>\$12,942,687</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>	<u>\$16,418,655</u>
Ending Fund Balance	<u><u>\$11,069,343</u></u>	<u><u>\$11,390,026</u></u>	<u><u>\$12,942,687</u></u>	<u><u>\$14,691,107</u></u>	<u><u>\$15,206,612</u></u>	<u><u>\$16,418,655</u></u>	<u><u>\$15,404,045</u></u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2009 - 2014; Budget, Fiscal Year 2015

Note: Beginning Fund Balance for FY2011 has been restated to include the Municipal Waste System Fund.

**Village of Hoffman Estates**  
**Combined Statement - Fund Balances - All Funds**  
Fiscal Years Ended December 31

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental Fund Types:</b>						
General Fund	\$11,069,343	\$11,390,026	\$12,942,687	\$14,691,107	\$15,206,612	\$16,418,655
Special Revenue Funds:						
Motor Fuel Tax Fund	91,469	198,055	1,423,852	1,386,956	1,984,638	1,468,693
Com. Development Block Grant Fund	1	1	1	1	1	2,281
Asset Seizure Fund	152,689	158,675	154,917	110,857	128,855	126,185
Econ. Dev. Area Admin.	714,816	2,297,881	1,578,070	1,136,075	1,200,413	822,188
E911	888,747	370,297	84,434	81,780	78,141	72,006
Roselle Rd TIF	538,050	1,414,888	1,876,819	994,710	982,195	936,782
Municipal Waste	69,366	60,728	-	-	-	-
Higgins/Hassell Road TIF	-	-	-	-	(9,924)	(13,584)
Total Special Revenue	<u>\$2,455,138</u>	<u>\$4,500,525</u>	<u>\$5,118,093</u>	<u>\$3,710,379</u>	<u>\$4,364,319</u>	<u>\$3,414,551</u>
Debt Service Funds	\$18,143,679	\$2,621,337	\$1,542,308	\$853,148	\$633,706	\$439,080
Capital Project Funds	24,894,345	15,759,519	13,004,398	11,180,492	8,975,156	6,697,555
Total Governmental	<u>\$56,562,505</u>	<u>\$34,271,407</u>	<u>\$32,607,486</u>	<u>\$30,435,126</u>	<u>\$29,179,793</u>	<u>\$26,969,841</u>
<b>Proprietary Fund Types:</b>						
Waterworks and Sewerage	\$32,162,906	\$30,849,097	\$29,769,678	\$29,828,640	\$28,209,568	\$25,556,850
Sears Centre	32,852,437	31,707,951	31,967,506	29,683,433	30,194,026	29,208,261
Insurance	429,802	326,833	1,028,441	1,303,876	1,694,670	1,743,297
Information Systems	373,820	514,530	642,127	698,037	639,878	858,730
Total Proprietary	<u>\$65,818,965</u>	<u>\$63,398,411</u>	<u>\$63,407,752</u>	<u>\$61,513,986</u>	<u>\$60,738,142</u>	<u>\$57,367,138</u>
<b>Fiduciary Fund Types:</b>						
Expendable Trust Funds	-	-	-	-	-	-
Pension Trust:						
Police Pension	\$46,170,267	\$52,092,944	\$52,085,622	\$58,167,708	\$66,577,819	\$68,082,883
Firefighters' Pension	48,459,349	54,429,934	54,918,658	59,649,651	67,949,911	71,215,546
Total Fiduciary	<u>\$94,629,616</u>	<u>\$106,522,878</u>	<u>\$107,004,280</u>	<u>\$117,817,359</u>	<u>\$134,527,730</u>	<u>\$139,298,429</u>
<i>Total All Funds (Memo Only)</i>	<u>\$217,011,086</u>	<u>\$204,192,696</u>	<u>\$203,019,518</u>	<u>\$209,766,471</u>	<u>\$224,445,665</u>	<u>\$223,635,408</u>

Sources Comprehensive Annual Financial Reports, FY 2009 - 2014

**Village of Hoffman Estates**  
**Combined Statement - Cash and Investments - All Funds**

As of December 31

	2009	2010	2011	2012	2013	2014
General Fund	\$7,596,239	\$6,014,780	\$7,892,228	\$11,370,920	\$15,278,521	\$13,028,953
Special Revenue Funds	3,038,268	5,788,453	5,481,475	4,251,158	4,503,811	3,569,749
Debt Service - GO Bonds	4,616,286	2,650,611	1,376,749	816,498	548,560	352,759
Debt Service - EDA Related	13,833,257	39,760	38,317	36,861	36,876	35,344
Total Debt Service Funds	\$18,449,543	\$2,690,371	\$1,415,066	\$853,359	\$585,436	\$388,103
Capital Project Funds	\$24,472,630	\$11,691,292	\$9,875,080	\$9,163,928	\$10,105,115	\$6,207,585
Capital Projects - EDA, Series 1991	4,287,319	4,238,130	4,189,109	3,451,564	3,480,334	2,504,382
Total Capital Project Funds	\$28,759,949	\$15,929,422	\$14,064,189	\$12,615,492	\$13,585,449	\$8,711,967
Waterworks and Sewerage	\$8,679,680	\$5,119,462	\$2,427,840	\$1,315,923	\$1,268,610	\$245,294
Sears Centre	770,078	2,772,582	4,319,654	2,281,964	2,735,416	2,731,259
Total Enterprise Funds	\$9,449,758	\$7,892,044	\$6,747,494	\$3,597,887	\$4,004,026	\$2,976,553
Insurance	\$1,840,307	\$1,834,891	\$1,874,941	\$2,131,445	\$2,496,362	\$2,674,921
Information Systems	121,176	302,410	484,889	589,363	664,825	732,623
Total Internal Service Funds	\$1,961,483	\$2,137,301	\$2,359,830	\$2,720,808	\$3,161,187	\$3,407,544
Pension Funds	\$2,905,028	\$3,893,073	\$1,887,547	\$1,588,874	\$1,691,146	\$1,059,541
All Other Funds	25,620,650	18,960,647	15,559,991	15,213,746	12,306,468	401,999
Total	\$97,780,918	\$63,306,091	\$55,407,820	\$52,212,244	\$55,116,044	\$33,544,409

Sources Comprehensive Annual Financial Reports, FY 2009 - 2014

**Village of Hoffman Estates**  
**General Fund - Major Sources of Revenue**  
Fiscal Years Ended December 31

<b>Revenues</b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Property Taxes	\$10,276,657	\$10,636,766	\$11,002,303	\$11,645,093	\$11,518,518	\$16,062,567
Sales Tax	6,069,966	6,026,619	5,957,084	6,396,370	7,131,620	7,980,411
Home Rule Sales tax	3,508,616	3,406,116	3,319,905	3,529,589	3,694,907	3,835,430
Local Use Tax	614,640	665,122	751,257	810,403	877,758	996,557
State Income Tax	3,991,678	4,350,948	4,154,694	4,600,918	5,004,310	4,914,563
Licenses and Permits	1,103,879	1,276,000	1,781,831	1,605,297	1,416,469	1,209,617
Charges for Services	4,483,869	4,830,580	6,345,366	6,213,449	6,515,916	6,906,562
Fines and Forfeits	941,060	884,908	776,084	877,407	1,297,773	1,679,421
Investment Income	56,866	37,508	23,010	16,089	15,722	-110,607
Hotel Tax	923,549	1,005,562	1,064,607	1,209,627	1,161,494	1,306,995
Real Estate Transfer Tax	510,990	406,333	366,253	419,814	917,245	685,054
Telecommunications Tax	3,119,398	2,919,649	2,760,859	2,885,633	2,495,732	2,296,238
All Other	5,565,084	7,308,502	10,122,910	6,688,350	7,524,680	7,822,281
Total Revenue.....	<u>\$41,166,252</u>	<u>\$43,754,612</u>	<u>\$48,426,163</u>	<u>\$46,898,039</u>	<u>\$49,572,144</u>	<u>\$55,585,089</u>

*Source: Village Finance Department*

**Village of Hoffman Estates**  
Direct and Overlapping General Obligation Debt  
As of December 31, 2014

	<u>Outstanding</u> <u>Bonds</u>	<u>Applicable to Village</u> <u>Percentage</u>	<u>Amount</u>
<b>Direct Debt</b>			
General Obligation Bonds Outstanding	\$47,903,750	100.0%	\$47,903,750
<b>Overlapping Debt</b>			
Cook County	\$3,585,586,750	1.048%	\$37,576,949
Metropolitan Water Reclamation District	2,422,619,005	1.070%	25,922,023
Kane County	162,650,866	0.013%	21,145
Dundee Township	5,230,000	0.104%	5,439
Dundee Township Park District	1,845,000	0.104%	1,919
Hoffman Estates Park District	10,130,000	93.862%	9,508,221
Palatine Park District	9,895,000	2.864%	283,393
South Barrington Park District	170,000	0.036%	61
Gail Borden Public Library District	16,570,000	5.482%	908,367
Poplar Creek Library District	19,390,000	5.211%	1,010,413
School District #15	20,633,433	8.587%	1,771,793
Community Unit School District #46	259,950,778	3.115%	8,097,467
Community Unit School District #220	55,950,000	9.168%	5,129,496
Community Unit School District #300	302,632,410	1.324%	4,006,853
High School District #211	11,380,000	12.927%	1,471,093
Community College #509	187,887,831	1.996%	3,750,241
Community College #512	166,045,000	6.331%	<u>10,512,309</u>
			\$109,977,181
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>			<b>\$157,880,931</b>

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Source: Cook and Kane County Clerk's Offices

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**

As of December 31, 2014

Year Ended (December 1)	Series 2005A Bonds			Series 2008A & 2009A Bonds			Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2015	1,485,000	2,414,263	3,899,263	1,295,000	2,751,444	4,046,444	2,780,000	5,165,707	7,945,707
2016	1,555,000	2,340,012	3,895,012	1,360,000	2,689,931	4,049,931	2,915,000	5,029,943	7,944,943
2017	1,635,000	2,261,485	3,896,485	1,410,000	2,635,531	4,045,531	3,045,000	4,897,016	7,942,016
2018	1,720,000	2,177,283	3,897,283	1,485,000	2,565,031	4,050,031	3,205,000	4,742,314	7,947,314
2019	1,810,000	2,087,842	3,897,842	1,555,000	2,490,781	4,045,781	3,365,000	4,578,623	7,943,623
2020	1,905,000	1,992,818	3,897,818	1,640,000	2,409,144	4,049,144	3,545,000	4,401,962	7,946,962
2021	2,005,000	1,892,805	3,897,805	1,725,000	2,323,044	4,048,044	3,730,000	4,215,849	7,945,849
2022	2,110,000	1,787,542	3,897,542	1,815,000	2,232,481	4,047,481	3,925,000	4,020,023	7,945,023
2023	2,225,000	1,674,130	3,899,130	1,910,000	2,137,194	4,047,194	4,135,000	3,811,324	7,946,324
2024	2,345,000	1,554,536	3,899,536	2,010,000	2,036,919	4,046,919	4,355,000	3,591,455	7,946,455
2025	2,470,000	1,428,492	3,898,492	2,115,000	1,931,394	4,046,394	4,585,000	3,359,886	7,944,886
2026	2,600,000	1,295,730	3,895,730	2,225,000	1,820,356	4,045,356	4,825,000	3,116,086	7,941,086
2027	2,740,000	1,155,330	3,895,330	2,335,000	1,710,219	4,045,219	5,075,000	2,865,549	7,940,549
2028	2,890,000	1,007,370	3,897,370	2,455,000	1,590,550	4,045,550	5,345,000	2,597,920	7,942,920
2029	3,045,000	851,310	3,896,310	2,585,000	1,464,731	4,049,731	5,630,000	2,316,041	7,946,041
2030	3,210,000	686,880	3,896,880	2,415,000	1,332,250	3,747,250	5,625,000	2,019,130	7,644,130
2031	3,385,000	513,540	3,898,540	2,540,000	1,211,500	3,751,500	5,925,000	1,725,040	7,650,040
2032	3,565,000	330,750	3,895,750	2,665,000	1,084,500	3,749,500	6,230,000	1,415,250	7,645,250
2033	2,560,000	138,240	2,698,240	2,795,000	951,250	3,746,250	5,355,000	1,089,490	6,444,490
2034	-	-	-	2,935,000	811,500	3,746,500	2,935,000	811,500	3,746,500
2035	-	-	-	3,085,000	664,750	3,749,750	3,085,000	664,750	3,749,750
2036	-	-	-	3,240,000	510,500	3,750,500	3,240,000	510,500	3,750,500
2037	-	-	-	3,400,000	348,500	3,748,500	3,400,000	348,500	3,748,500
2038	-	-	-	3,570,000	178,500	3,748,500	3,570,000	178,500	3,748,500
	<u>\$45,260,000</u>	<u>\$27,590,358</u>	<u>\$72,850,358</u>	<u>\$54,565,000</u>	<u>\$39,882,000</u>	<u>\$94,447,000</u>	<u>\$99,825,000</u>	<u>\$67,472,358</u>	<u>\$167,297,358</u>

**Village of Hoffman Estates**

**Local Share of State Sales Tax History by Month - Cash Basis**

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2012 v.</u> <u>2013</u>	<u>2013 v.</u> <u>2014</u>
January	October	\$ 505,056	\$ 499,781	\$ 477,448	\$ 488,836	\$ 567,170	\$ 619,702	2%	16%
February	November	581,207	493,847	533,111	519,381	543,698	637,364	-3%	5%
March	December	609,438	576,980	567,696	610,243	660,488	708,217	7%	8%
April	January	468,904	417,113	413,811	446,201	511,352	552,833	8%	15%
May	February	428,140	475,153	490,093	481,233	491,260	564,731	-2%	2%
June	March	542,983	484,646	555,394	511,652	601,655	696,379	-8%	18%
July	April	490,141	460,764	491,400	544,604	562,580	658,113	11%	3%
August	May	506,613	498,893	469,329	535,285	582,458	696,080	14%	9%
September	June	529,597	570,797	528,513	522,335	559,356	669,646	-1%	7%
October	July	484,807	508,110	463,544	529,665	619,615	666,102	14%	17%
November	August	534,471	494,385	475,886	545,005	672,434	702,393	15%	23%
December	September	481,247	529,219	493,201	559,279	613,356	687,533	13%	10%
<b>Year Totals</b>		<b><u>\$ 6,162,604</u></b>	<b><u>\$ 6,009,688</u></b>	<b><u>\$ 5,959,426</u></b>	<b><u>\$ 6,293,719</u></b>	<b><u>\$ 6,985,422</u></b>	<b><u>\$ 7,859,093</u></b>	<b><u>6%</u></b>	<b><u>11%</u></b>

**Village Home-Rule Sales Tax History by Month - Cash Basis**

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2012 v.</u> <u>2013</u>	<u>2013 v.</u> <u>2014</u>
January	October	\$ 310,368	\$ 285,698	\$ 277,562	\$ 291,338	\$ 295,032	\$ 307,526	5%	1%
February	November	338,610	297,208	301,088	268,583	305,988	317,362	-11%	14%
March	December	381,069	361,813	344,625	355,945	383,623	376,319	3%	8%
April	January	265,394	231,066	228,719	252,071	266,407	262,216	10%	6%
May	February	252,890	268,550	262,809	273,430	272,471	282,254	4%	0%
June	March	295,060	273,585	299,150	282,686	318,355	322,997	-6%	13%
July	April	268,645	274,366	274,031	332,830	282,979	309,399	21%	-15%
August	May	284,606	277,551	280,136	286,100	304,288	323,203	2%	6%
September	June	303,447	287,434	304,288	287,149	311,744	350,513	-6%	9%
October	July	273,130	291,181	243,665	279,815	295,042	313,422	15%	5%
November	August	314,903	269,544	247,418	286,293	322,952	319,890	16%	13%
December	September	286,566	292,375	275,143	292,250	312,158	329,814	6%	7%
<b>Year Totals</b>		<b><u>\$ 3,574,688</u></b>	<b><u>\$ 3,410,371</u></b>	<b><u>\$ 3,338,634</u></b>	<b><u>\$ 3,488,490</u></b>	<b><u>\$ 3,671,039</u></b>	<b><u>\$ 3,814,915</u></b>	<b><u>4%</u></b>	<b><u>5%</u></b>

Source: Village Finance Department