

COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2015



VILLAGE OF HOFFMAN ESTATES,
ILLINOIS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2015

Prepared by Finance Department

Rachel Musiala
Director of Finance

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2015

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

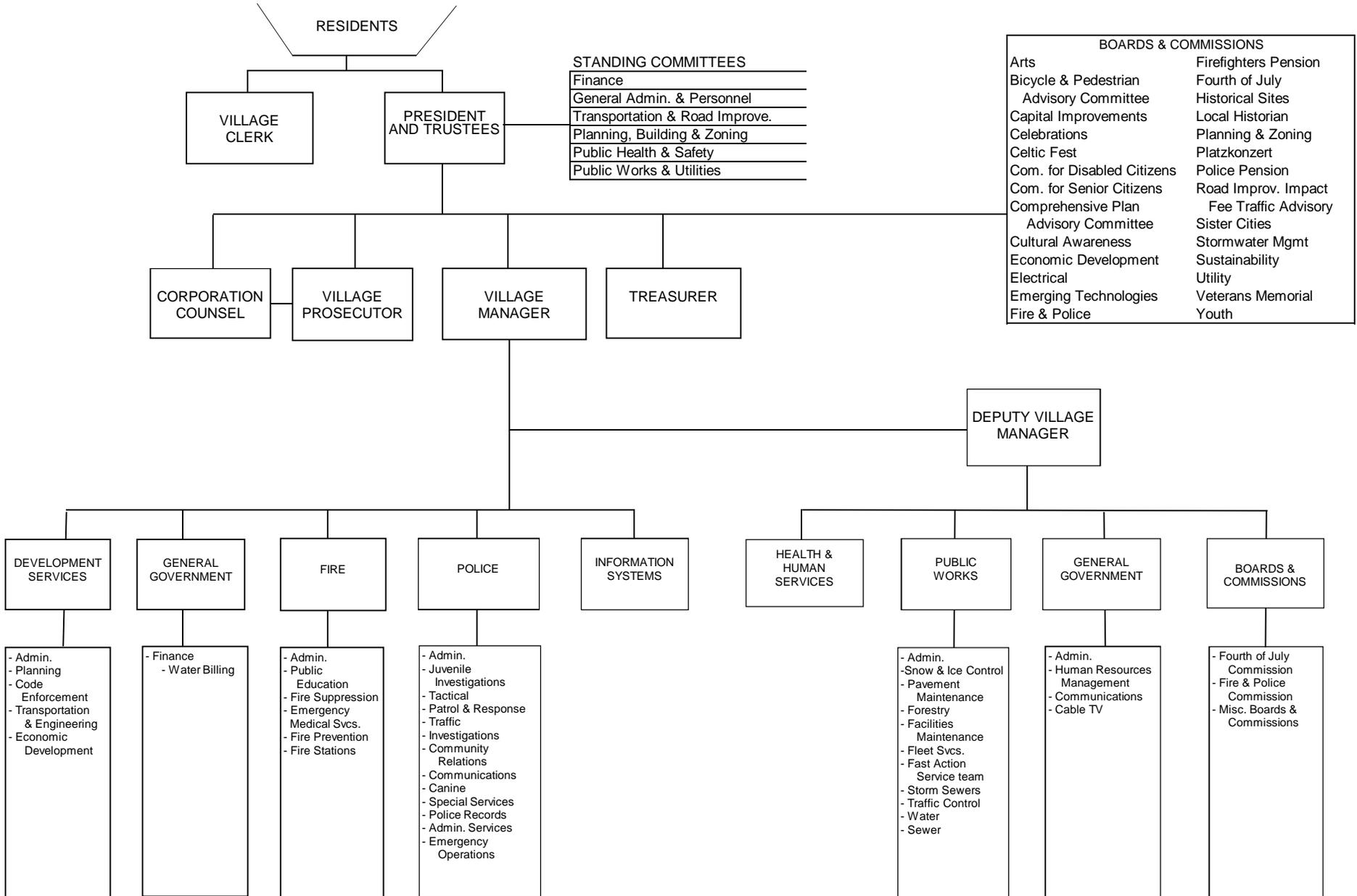
ADMINISTRATIVE

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, 2014

Executive Director/CEO



HOFFMAN ESTATES

June 01, 2016

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, 2015.

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, 2015, 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

We are all aware of the impact the Great Recession has had upon the Village budget. Major revenue sources significantly declined in 2009. The Village responded by reducing the workforce and other expenditures, deferring maintenance and capital expenditures, and seeking more efficient means to deliver necessary services to residents and businesses. While the negative effects of the Great Recession are still evident today, the economic outlook is showing signs of improvement. At the height of the Recession, the national unemployment rate was 10% (October, 2009). However, that rate has been falling about 1% per year since. The unemployment rate as of March, 2016 is 5.0%, down 0.5% since March 2015. In March of 2009, the stock market bottomed out at 6,626. Today, the market is over 17,000, over two and one-half times that of 2009.

With the national economic outlook slowly showing signs of recovery, there is still much concern surrounding the financial condition of the State of Illinois and the potential impact on the Village. The State budget impasse has begun to impact municipalities through a loss of existing state revenues to those agencies. The Local Governmental Distributive Funds (LGDF) have not yet been frozen, but it is believed that anywhere from 10-50% of those Village revenues are at risk in the near future. The threat of a property tax freeze has been the subject of many conversations at the State level. Last but certainly not least, the State has not addressed the public pension crisis furthering the uncertainty of state shared revenues to municipalities. The Village has kept close watch on the State as the legislature attempts to resolve their problems. We are monitoring legislative activity daily to be able to react and adjust operations quickly, if needed. At this point in time, the pending threat from the State of Illinois is more of a concern on our ability to fund municipal core services than the national economy.

The economy has recovered well in most sectors throughout Hoffman Estates during 2015 including retail and industrial while the office sector continues to make slight improvements.

Retail/Restaurants:

During 2015, a number of developments began to take shape in Hoffman Estates. Two of the five restaurants at the southeast corner of Barrington and Higgins Roads were renovated by Ala Carte Entertainment and opened in 2015, including Sweet Caroline's Crab-n-Que and Moretti's. Plans for demolition/rebuild of one existing McDonald's and the construction of a new McDonald's restaurant began in 2015 with completion expected in 2016, as well as the demolition/rebuild of a Wendy's restaurant also anticipating a 2016 re-opening. Within the 59-90 Entertainment District, a new three tenant building began construction and is expected to be completed in 2016, with Starbucks, Firehouse Subs and a Mattress Firm occupying the space. The Village also leased space within the Village Green for Das Beer Garden, and the construction of a Mobil gas station with Culver's restaurant began. The 59-90 district also saw construction begin on Duluth Trading Company's first stand-alone retail outlet store and a Main Event family entertainment center. Muller's Acura auto dealership proceeded with expansion plans on Golf Road.

Village TIF Districts:

Roselle Road TIF District:

In 2015, the Village of Hoffman Estates continued to focus on the promotion and improvement of Golf Center and Hoffman Plaza Shopping Centers. By the end of 2015, Golf Center was fully leased, as Robin Realty, the center owner, was successful in attracting additional retailers. Wendy's submitted plans for a teardown and rebuild on their existing site within the center, with construction fully underway and on track for 2016 completion. In 2016, construction will begin on a new McDonald's at the location of a former office building on the property to the south of Golf Center, which will attract additional visitors to the area.

Sterling Organization, the owner of Hoffman Plaza, acquired the former Burger King site along Higgins Road in 2014 and is under contract to purchase the former Shell station property. Discussions with Sterling on a comprehensive redevelopment plan are currently underway.

Work on the installation of a traffic signal on Roselle Road between Higgins and Golf Roads began late in 2015 and was completed in 2016. The signal is expected to help connect the two shopping centers and address traffic-safety issues.

The Village also issued a Request For Proposals for a developer to purchase and develop the 75-85 Golf Road properties, which were acquired in 2012 with TIF funding. This property should be sold in 2016 and developed in 2017.

Higgins Hassell TIF District:

McDonald's received site-plan approval and began reconstruction of their existing restaurant in an adjacent site in 2016. The new restaurant will open in 2016, and the old site will be demolished, presenting an opportunity for a new development to take its place. The owner of Barrington Square Shopping Center also amended approved plans to construct a third office building fronting along Hassell Road. Construction began in the fall of 2015 and is expected to be completed in summer 2016.

Barrington Higgins TIF District:

This TIF District Redevelopment Plan was amended in November 2014 as part of an agreement between the Village and Ala Carte Entertainment. In 2015, Ala Carte Entertainment completed the renovation of two long-vacant restaurant buildings just east of Barrington Road on the south side of Higgins Road. Two popular Chicagoland restaurants, Moretti's and Sweet Caroline's Crab-n-Que, opened for business in 2015. The group has also purchased the vacant TGI Friday's property and plan to renovate the space in 2016-2017 and open a new restaurant.

Office/Light Industrial:

Just to the west of the 59-90 Entertainment District, construction began on the Adesa Auto Auction facility with anticipated completion in 2016. The wholesale auction site is located on 65 acres and will include an arena building to be used during auction events.

Site work for Trumpf Technology Center began in 2015. The building will be located near the northwest corner of Central Road and Huntington Boulevard, visible from I-90, and will be home to the regional headquarters for Trumpf, a high-technology company that produces machine tools, lasers, and electronics for industrial applications. Construction on the building will begin in 2016.

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, 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. This utilization of General Fund surplus will be brought before the Village President and Board of Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.”

As of December 31, 2015, General Fund unassigned fund balance is 34 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

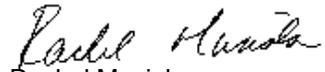
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the thirty-second 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 2015 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 seventh 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,

A handwritten signature in cursive script, appearing to read "Rachel Musiala".

Rachel Musiala
Director of Finance



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, 2015 and the related 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, 2015, 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

As discussed in Note 13, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as 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 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 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 financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, 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. Such 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Hoffman Estates' basic financial statements for the year ended December 31, 2014, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2014 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016 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 26, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015**

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, 2015. 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 7 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.

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

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 27 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 24 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 each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8 through 12 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 13 through 17 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 18 and 19 of this report.

(See independent auditor's report.)

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

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 20 through 79 of this report.

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 80 through 92 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 93 through 155 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, 2015.

Net Position

The table below reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2015
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
Current and Other Assets	\$ 57,478.5	\$ 63,874.7	\$ 5,797.5	\$ 10,956.7	\$ 63,276.0	\$ 74,831.4
Capital Assets	148,485.7	148,043.9	103,794.7	100,816.2	252,280.4	248,860.1
Deferred Outflows of Resources	-	25,939.0	-	2,455.7	-	28,394.7
Total Assets and Deferred Outflows	205,964.2	237,857.6	109,592.2	114,228.6	315,556.4	352,086.2
Long-Term Liabilities	172,029.7	295,375.7	52,383.1	59,458.2	224,412.8	354,833.9
Other Liabilities	8,341.7	8,666.1	2,444.0	2,865.8	10,785.7	11,531.9
Deferred Inflows of Resources	17,997.7	21,366.6	-	331.2	17,997.7	21,697.8
Total Liabilities and Deferred Inflows	198,369.1	325,408.4	54,827.1	62,655.2	253,196.2	388,063.6
Net Position:						
Net Investment in Capital Assets	99,864.6	99,040.2	52,052.4	50,425.4	151,917.0	149,465.6
Restricted	6,556.7	4,878.6	-	-	6,556.7	4,878.6
Unrestricted	(98,826.2)	(191,469.6)	2,712.7	1,148.0	(96,113.5)	(190,321.6)
Total Net Position	\$ 7,595.1	\$ (87,550.8)	\$ 54,765.1	\$ 51,573.4	\$ 62,360.2	\$ (35,977.4)

(See independent auditor's report.)

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

Primarily attributable to the deficit in unrestricted net position is the Village of Hoffman Estates adopted GASB pronouncement 68, which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for defined-benefit pension plans. To record the liabilities for the Village's Police, Fire, and IMRF pensions, a change in accounting principle adjustments was required. Governmental activities recognized a decrease to net position of \$75,943,236. The change to business-type activities was a decrease to net position of \$1,616,953.

Also, a portion of the deficit in unrestricted net position is 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 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$130,717,178 (as of December 31, 2015). 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, 2015
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
Current and Other Assets	\$ 54,090.4	\$ 60,434.2	\$ 5,797.5	\$ 10,956.7	\$ 59,887.9	\$ 71,390.9
Capital Assets	148,485.7	148,043.9	103,794.7	100,816.2	252,280.4	248,860.1
Deferred Outflows of Resources	-	25,939.0	-	2,455.7	-	28,394.7
Total Assets and Deferred Outflows	202,576.1	234,417.1	109,592.2	114,228.6	312,168.3	348,645.7
Long-Term Liabilities	59,095.3	164,658.5	52,383.2	59,458.2	111,478.5	224,116.7
Other Liabilities	8,315.5	8,650.0	2,444.0	2,865.8	10,759.5	11,515.8
Deferred Inflows of Resources	17,997.7	21,366.6	-	331.2	17,997.7	21,697.8
Total Liabilities and Deferred Inflows	85,408.5	194,675.1	54,827.2	62,655.2	140,235.7	257,330.3
Net Position:						
Invested in Capital Assets,						
Net of Debt	99,864.6	99,040.2	52,052.4	50,425.4	151,917.0	149,465.6
Restricted	3,194.8	1,454.2	-	-	3,194.8	1,454.2
Unrestricted	14,108.2	(60,752.4)	2,712.7	1,148.0	16,820.9	(59,604.4)
Total Net Position	\$ 117,167.6	\$ 39,742.0	\$ 54,765.1	\$ 51,573.4	\$ 171,932.7	\$ 91,315.4

(See independent auditor's report.)

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. After excluding EDA TIF activity, in the case of the Village of Hoffman Estates, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91,315,384 as of December 31, 2015. Also, the Village's combined net position decreased by \$80,617,289 from 2014 which is mainly a result of the aforementioned change in accounting principle due to the Village's adoption of GASB pronouncement 68.

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.

Table 2
Net Position Invested in Capital Assets, Net of Related Debt
As of December 31, 2015
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
Capital Assets	\$ 148,485.7	\$ 148,043.9	\$ 103,794.7	\$ 100,816.2	\$ 252,280.4	\$ 248,860.1
Less Outstanding Related Debt:						
2005A G.O. Bonds	-	-	(45,260.0)	-	(45,260.0)	-
2008 G.O. Bonds	(19,983.7)	(19,983.7)	(6,661.2)	(6,661.2)	(26,644.9)	(26,644.9)
2009 G.O. Bonds	(27,920.0)	(26,625.0)	-	-	(27,920.0)	(26,625.0)
2015A G.O. Bonds	-	-	-	(23,100.0)	-	(23,100.0)
2015B G.O. Bonds	-	(1,640.0)	-	(4,485.0)	-	(6,125.0)
2015C G.O. Bonds	-	-	-	(21,905.0)	-	(21,905.0)
Less Outstanding Premiums	(901.5)	(931.4)	-	(242.2)	(901.5)	(1,173.6)
Plus Outstanding Discounts	184.1	176.4	181.6	404.9	365.7	581.3
Less Capital Lease	-	-	(2.7)	-	(2.7)	-
Plus Unspent Bond Proceeds	-	-	-	5,597.7	-	5,597.7
Total	\$ 99,864.6	\$ 99,040.2	\$ 52,052.4	\$ 50,425.4	\$ 151,917.0	\$ 149,465.6

The second portion of the Village's net position in the amount of \$(59,604,432) 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 \$1,454,219 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 and 5.

Activities

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

(See independent auditor's report.)

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

Table 3
Changes in Net Position
For the Fiscal Year Ended December 31, 2015
(in thousands)

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total Primary</i>	
	<i>Activities</i>		<i>Activities</i>		<i>Government</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 10,966.5	\$ 14,484.5	\$ 25,061.4	\$ 26,049.6	\$ 36,027.9	\$ 40,534.1
Operating Grants	4,088.3	1,908.5	-	-	4,088.3	1,908.5
Capital Grants/Contributions	266.4	991.1	115.0	100.7	381.4	1,091.8
General Revenues:						
Property Taxes	48,756.9	35,909.0	-	-	48,756.9	35,909.0
Other Taxes	26,830.0	27,947.0	2,082.6	2,303.7	28,912.6	30,250.7
Other	1,682.7	2,413.0	1,154.0	1,157.3	2,836.7	3,570.3
Total Revenues	92,590.8	83,653.1	28,413.0	29,611.3	121,003.8	113,264.4
EXPENSES						
General Government	6,025.6	6,456.8	-	-	6,025.6	6,456.8
Public Safety	35,325.2	40,952.9	-	-	35,325.2	40,952.9
Highways and Streets	16,710.0	13,335.6	-	-	16,710.0	13,335.6
Sanitation	1,638.8	3,647.1	-	-	1,638.8	3,647.1
Health and Welfare	1,614.9	1,837.4	-	-	1,614.9	1,837.4
Culture and Recreation	355.9	331.3	-	-	355.9	331.3
Economic Development	81,666.9	29,166.2	-	-	81,666.9	29,166.2
Water and Sewer	-	-	16,505.5	17,565.5	16,505.5	17,565.5
Sears Centre	-	-	16,292.7	14,393.1	16,292.7	14,393.1
Interest on Long-Term Debt	6,427.6	6,356.0	-	-	6,427.6	6,356.0
Total Expenses	149,764.9	102,083.3	32,798.2	31,958.6	182,563.1	134,041.9
Excess (Deficiency)						
Before Transfers	(57,174.1)	(18,430.2)	(4,385.2)	(2,347.3)	(61,559.3)	(20,777.5)
Transfers In (Out)	(746.7)	(772.5)	746.7	772.5	-	-
Change in Net Position	\$ (57,920.8)	\$ (19,202.7)	\$ (3,638.5)	\$ (1,574.8)	\$ (61,559.3)	\$ (20,777.5)
Net Position, January 1	\$ 67,464.9	\$ 7,595.1	\$ 58,403.6	\$ 54,765.1	\$ 125,868.5	\$ 62,360.2
Prior Period Adjustments	(1,949.0)	-	-	-	(1,949.0)	-
Change in Accounting Principle	-	(75,943.2)	-	(1,616.9)	-	(77,560.1)
Net Position,						
January 1, as Restated	\$ 65,515.9	\$ (68,348.1)	\$ 58,403.6	\$ 53,148.2	\$ 123,919.5	\$ (15,199.9)
Net Position,						
December 31	\$ 7,595.1	\$ (87,550.8)	\$ 54,765.1	\$ 51,573.4	\$ 62,360.2	\$ (35,977.4)

(See independent auditor's report.)

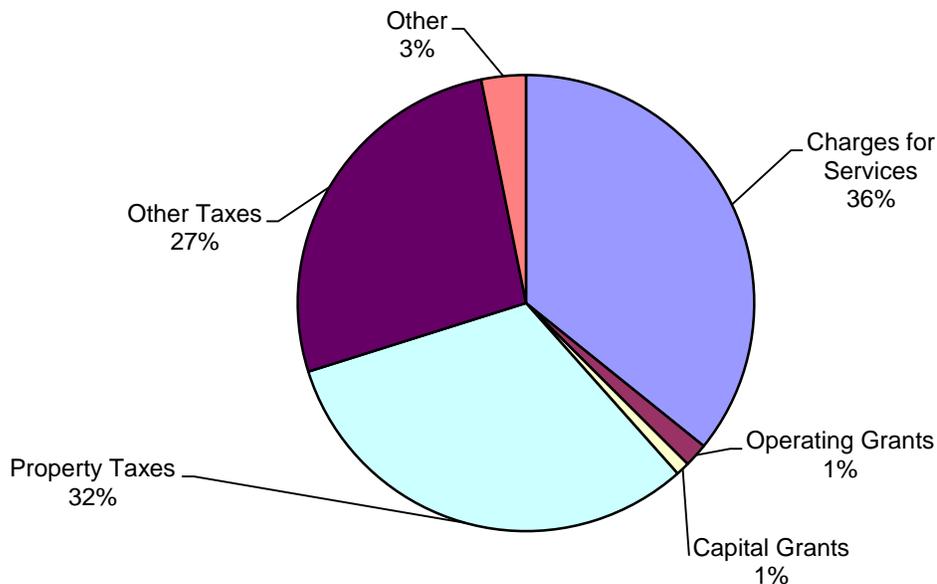
VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the fiscal year ended December 31, 2015, revenues from governmental activities totaled \$83,653,158. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$35,909,050. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

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 currently 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 2015, state-shared sales tax revenues were \$8,220,338 compared to \$7,980,411 in 2014. Home-rule sales tax revenues also saw an increase from \$3,835,430 in 2014 to \$3,883,502 in 2015. 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, 2015



Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2014 and 2015, the Village's income and local use tax revenues increased from \$5,911,120 to \$6,757,353.

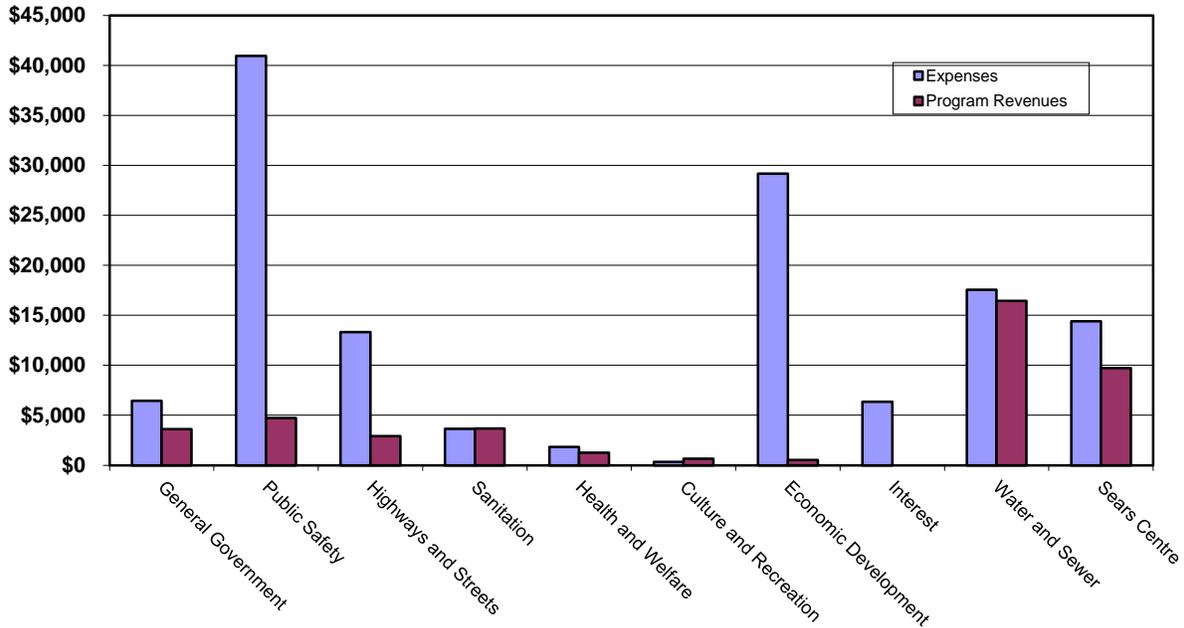
A major revenue component of the "Charges for Services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$16,361,314 in 2015 compared to \$13,980,643 in 2014. A 5-year water rate study was conducted in 2014 to plan needed rate increases. The Village imposed a 16% water rate increase in March, 2015 as a result of the water rate study.

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)

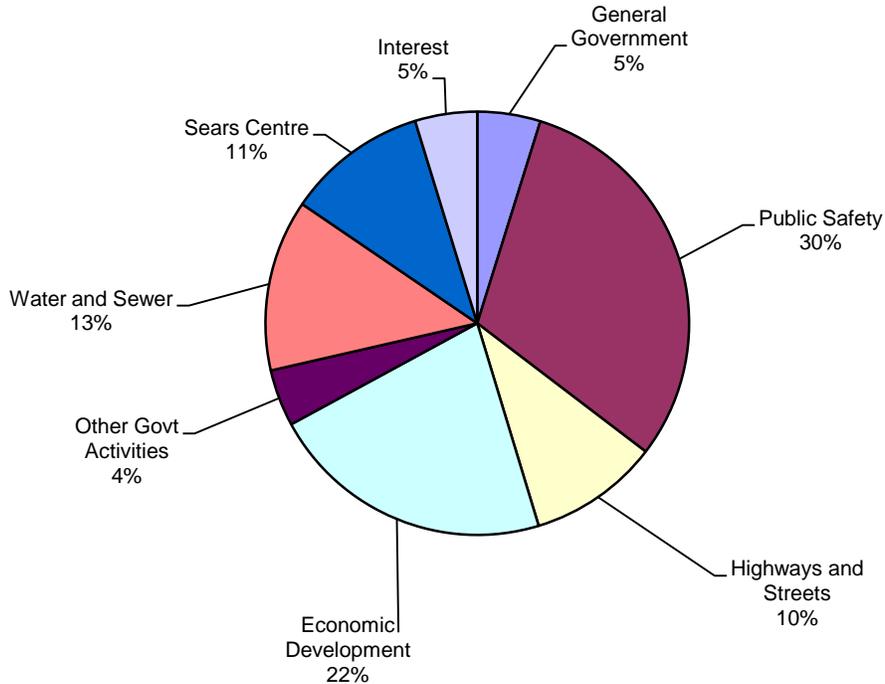
Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2015
(Dollars in Thousands)



Village expenses amounted to \$134,041,979 in 2015. The largest share is related to Public Safety in the amount of \$40,952,859.

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.

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2015



Once again, it needs to be mentioned that the inclusion of the EDA activity distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$12,220,894, which represents general revenue to the governmental activities. On the expense side, the Village recognized new EDA debt of \$26,042,563 along with principal payments of \$12,220,894. 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, 2015
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 10,966.4	\$ 14,484.5	\$ 25,061.4	\$ 26,049.6	\$ 36,027.8	\$ 40,534.1
Operating Grants	4,088.3	1,908.5	-	-	4,088.3	1,908.5
Capital Grants/Contributions	266.4	991.1	115.0	100.7	381.4	1,091.8
General Revenues:						
Property Taxes	23,237.4	23,688.1	-	-	23,237.4	23,688.1
Other Taxes	26,830.1	27,947.0	2,082.6	2,303.7	28,912.7	30,250.7
Other	1,701.2	1,897.5	1,154.0	1,157.3	2,855.2	3,054.8
Total Revenues	67,089.8	70,916.7	28,413.0	29,611.3	95,502.8	100,528.0
EXPENSES						
General Government	6,025.6	6,456.8	-	-	6,025.6	6,456.8
Public Safety	34,945.8	40,607.4	-	-	34,945.8	40,607.4
Highways and Streets	16,710.0	13,335.6	-	-	16,710.0	13,335.6
Sanitation	1,638.8	3,647.1	-	-	1,638.8	3,647.1
Health and Welfare	1,614.9	1,837.4	-	-	1,614.9	1,837.4
Culture and Recreation	355.9	331.3	-	-	355.9	331.3
Economic Development	2,901.6	3,100.7	-	-	2,901.6	3,100.7
Water and Sewer	-	-	16,505.5	17,565.5	16,505.5	17,565.5
Sears Centre	-	-	16,292.7	14,393.1	16,292.7	14,393.1
Interest on Long-Term Debt	2,420.7	2,394.8	-	-	2,420.7	2,394.8
Total Expenses	66,613.3	71,711.1	32,798.2	31,958.6	99,411.5	103,669.7
Excess (Deficiency)						
Before Transfers & Adjustments	476.5	(794.4)	(4,385.2)	(2,347.3)	(3,908.7)	(3,141.7)
Transfers In (Out)	(772.5)	(688.0)	746.7	772.5	(25.8)	84.5
Change in Net Position	\$ (296.0)	\$ (1,482.4)	\$ (3,638.5)	\$ (1,574.8)	\$ (3,934.5)	\$ (3,057.2)
Net Position, January 1	\$ 119,412.6	\$ 117,167.6	\$ 58,403.6	\$ 54,765.1	\$ 175.9	\$ 171,932.7
Prior Period Adjustments	(1,949.0)	-	-	-	(1,949.0)	-
Change in Accounting Principle	-	(75,943.2)	-	(1,616.9)	-	(77,560.1)
Net Position, January 1, as Restated	\$ 117,463.6	\$ 41,224.4	\$ 58,403.6	\$ 53,148.2	\$ 175,867.2	\$ 94,372.6
Net Position, December 31	\$ 117,167.6	\$ 39,742.0	\$ 54,765.1	\$ 51,573.4	\$ 171,932.7	\$ 91,315.4

(See independent auditor's report.)
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

As can be seen, when the EDA activity is removed, a clearer picture of the Village's finances is revealed. The total decrease change of net position, including the prior period adjustment, realized in 2014 of \$5,883,516 was primarily due to the Emerald Ash Borer Program and water and sewer system improvements. As for 2015, the Village is showing a total decrease change in net position, including the change in accounting principle, of \$80,617,289 primarily due to the aforementioned adoption of the new GASB pronouncement 68.

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, 2015, the governmental funds reported combined ending fund balances of \$32,707,968. 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 \$19,477,539, while total fund balance equaled \$22,659,893. 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 33.8 percent of budgeted General Fund expenditures, while total fund balance represents 39.3 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2015
(in thousands)

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			<i>2015</i>	<i>2014</i>
<i>REVENUES & SALE OF CAPITAL ASSETS</i>				
Taxes	\$28,983.2	\$28,983.2	\$30,056.2	\$29,447.4
Inter-Governmental	15,106.0	15,106.0	15,796.5	15,207.2
Other	12,073.5	12,073.5	14,808.9	10,756.5
Transfers In	486.4	490.3	303.9	174.0
Total Revenues	56,649.1	56,653.0	60,965.5	55,585.1
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(55,099.3)	(55,099.3)	(52,248.1)	(52,226.3)
Transfers Out	(2,564.4)	(2,564.4)	(2,476.2)	(2,146.8)
Total Expenditures and Transfers	(57,663.7)	(57,663.7)	(54,724.3)	(54,373.1)
<i>Change in Fund Balance</i>	(\$1,014.6)	(\$1,010.7)	\$6,241.2	\$1,212.0

(See independent auditor's report.)

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

The fund balance of the Village's General Fund increased by \$6,241,238 during the current fiscal year. This was a positive result when compared to the planned drawdown of \$1,014,610. 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 25 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. The utilization of General Fund surplus will be brought before the Village President and Board of Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.

Actual General Fund revenues exceeded budgeted revenues by \$4,312,488 during fiscal year 2015, 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 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. Actual General Fund expenditures and transfers ended up being less than the amended budget by \$2,939,440 in 2015.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2015. This fund is used to account for 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, 2015.

With respect to the business-type activities, in 2015, the Waterworks and Sewerage Fund recorded a decrease in net position in the amount of \$1,084,852, which was greater than the \$2,093,040 increase 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 \$(735,315).

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, 2015 this fund had an unrestricted net position in the amount of \$1,883,267.

The Village Board amended the fiscal year 2015 budget on two occasions. These budget amendments were primarily for the following purposes:

- The issuance of new debt in the EDA resulted in a budget amendment of \$26,029,100 to capital improvements and note proceeds.
- Use of grant revenues to increase stormwater drainage improvement work by \$949,250.
- Increase of \$1,200,000 to accommodate purchase of a new fire apparatus using 2015 Bond proceeds.

Of the total budgeted expense increases of \$50,731,210, \$26,029,100 is related to the issuance of new EDA debt, \$12,220,900 represented EDA incremental property taxes to pay outstanding EDA revenue notes, \$4,191,690 was to be funded from available fund balance in various funds, and the remaining increases were funded out of miscellaneous increases in various revenues.

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

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, 2015 amounted to \$248,860,156 (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 1.4 percent from 2014.

Major capital asset events during 2015 included the following:

- The Village reconstructed 12 streets in 2015, resulting in the addition of \$3,522,507 in new streets.
- The Village purchased 16 new vehicles totaling \$1,081,291: nine for the Police Department, two for Public Works, two for the Fire Department, two for the Water Department, and one for health and welfare. The Fire Department also has a new fire apparatus truck on order for over \$1,145,631, which should be ready for delivery in early 2016.
- Upgrades were made to the Sears Centre hockey rink plexiglass totaling \$43,698.
- The Village replaced the roof at the Public Works Department building at a cost of \$268,400.

The following schedule reflects the Village's capital asset balances as of December 31, 2015.

**Table 5
Capital Assets
As of December 31, 2015
(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
Land and Land Right of Way	\$ 49,184.4	\$ 49,184.4	\$ 6,499.0	\$ 6,499.0	\$ 55,683.4	\$ 55,683.4
Plant System and Equipment	-	-	55,288.6	55,419.1	55,288.6	55,419.1
Buildings and Improvements	50,504.8	50,384.8	74,286.0	74,403.2	124,790.8	124,788.0
Machinery, Vehicles and Equipment	13,157.7	13,622.2	7,654.9	7,833.6	20,812.6	21,455.8
Infrastructure	112,152.1	114,966.8	-	-	112,152.1	114,966.8
Construction in Progress	261.5	1,051.7	19.6	74.8	281.1	1,126.5
Less:						
Accumulated Depreciation	(76,774.8)	(81,166.0)	(39,953.4)	(43,413.5)	(116,728.2)	(124,579.5)
Total	\$ 148,485.7	\$ 148,043.9	\$ 103,794.7	\$ 100,816.2	\$ 252,280.4	\$ 248,860.1

Additional information on the Village's capital assets can be found in note 4 on pages 33 and 34 of this 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, 2015
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>
General Obligation Bonds	\$ 47,903.7	\$ 48,248.8	\$ 51,921.3	\$ 56,151.2	\$ 99,825.0	\$ 104,400.0
Unamortized Prem/(Discount)	717.3	755.0	(181.6)	(162.7)	535.7	592.3
TIF Revenue Notes	118,365.1	136,148.0	-	-	118,365.1	136,148.0
Net Pension Obligation	-	-	-	-	-	-
Capital Lease	-	-	2.7	-	2,700	-
Compensated Absences	2,850.5	2,827.9	401.7	356.3	3,252.2	3,184.2
Net OPEB	1,653.0	1,948.2	239.1	231.2	1,892.1	2,179.4
Net Pension Liability - IMRF	6,632.5	9,127.0	2,094.5	2,882.2	8,727.0	12,009.2
Net Pension Liability - Police	43,036.1	59,473.7	-	-	43,036.1	59,473.7
Net Pension Liability - Fire	27,714.6	36,847.1	-	-	27,714.6	36,847.1
Total	\$ 248,872.8	\$ 295,375.7	\$ 54,477.7	\$ 59,458.2	\$ 303,350.5	\$ 354,833.9

At the end of the current fiscal year, the Village had total debt outstanding of \$354,833,889. Of this amount, \$104,400,000 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.

Compared to restated 2014 figures, the Village's total long-term debt increased by \$51,483,495, or 17 percent, in 2015. Specifically, this major increase is due to the aforementioned adoption of GASB pronouncement 68. The Village is now required to recognize the full liabilities and deferred inflows and outflows of resources for all the pension funds. These net pension liabilities totaled \$108,330,073 at December 31, 2015. The debt increase was also due to the issuance of new EDA debt in the amount of \$26,065,527 offset by the annual EDA note payment in the amount of \$12,220,894 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 35 through 42 of this report.

(See independent auditor's 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, increased slightly in tax levy year 2015 (fiscal year 2016). 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.

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).

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 2016 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased from \$13,469,497 to \$19,477,539 primarily due to higher than projected revenues. The Village is planning on utilizing \$610,000 of this fund balance in the 2016 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 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 that occurred in 2015 to fund water capital expenses. As a continuation of the water rate study results, there was a rate increase of 6% in January 2016.

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, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 33,489,956	\$ 7,492,844	\$ 40,982,800
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	19,035,942	-	19,035,942
Accounts	571,000	2,776,428	3,347,428
Accrued Interest	21,554	6,777	28,331
Other	4,093,803	294,490	4,388,293
Deposits	50,000	-	50,000
Prepaid Expenses	1,233,795	20,907	1,254,702
Inventories	124,568	255,796	380,364
Due from Other Governments	5,222,359	109,940	5,332,299
Due to/from Other Funds	574	(574)	-
Advance to Fiduciary Funds	31,100	-	31,100
Capital Assets			
Not Depreciated	50,236,103	6,573,824	56,809,927
Depreciated (Net of Accumulated Depreciation)	97,807,805	94,242,424	192,050,229
Total Assets	211,918,559	111,772,856	323,691,415
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	3,969,099	1,253,399	5,222,498
Pension Items - Pension Trust Funds	21,969,922	-	21,969,922
Unamortized Loss on Refunding	-	1,202,282	1,202,282
Total Deferred Outflows of Resources	25,939,021	2,455,681	28,394,702
Total Assets and Deferred Outflows of Resources	237,857,580	114,228,537	352,086,117

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 2,631,525	\$ 1,725,517	\$ 4,357,042
Accrued Payroll	945,483	93,524	1,039,007
Accrued Interest Payable	202,414	186,950	389,364
Events Payable	-	69,527	69,527
Claims Payable	535,666	-	535,666
Benefits Payable	471,097	-	471,097
Unearned Revenues	289,898	490,937	780,835
Deposits Payable	3,542,615	299,257	3,841,872
Due to/from Fiduciary Funds	47,360	-	47,360
Long-Term Liabilities			
Due Within One Year	3,087,309	2,417,926	5,505,235
Due in More than One Year	292,288,388	57,040,266	349,328,654
	<hr/>	<hr/>	<hr/>
Total Liabilities	304,041,755	62,323,904	366,365,659
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	1,048,923	331,239	1,380,162
Pension Items - Pension Trust Funds	1,460,936	-	1,460,936
Property Taxes	18,856,746	-	18,856,746
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	21,366,605	331,239	21,697,844
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	325,408,360	62,655,143	388,063,503
NET POSITION			
Net Investment in Capital Assets	99,040,155	50,425,442	149,465,597
Restricted for			
Employee Loan Program	66,172	-	66,172
Highways and Streets	531,906	-	531,906
Emergency Equipment	66,792	-	66,792
Public Safety	235,319	-	235,319
Economic Development	3,750,171	-	3,750,171
Debt Service	228,267	-	228,267
Unrestricted (Deficit)	(191,469,562)	1,147,952	(190,321,610)
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ (87,550,780)	\$ 51,573,394	\$ (35,977,386)

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 6,456,831	\$ 3,604,847	\$ -	\$ -
Public Safety	40,952,859	4,456,892	260,904	15,765
Highways and Streets	13,335,647	587,515	1,346,311	975,382
Sanitation	3,647,121	3,693,214	-	-
Health and Welfare	1,837,446	1,263,886	-	-
Culture and Recreation	331,264	661,951	-	-
Economic Development	29,166,157	216,237	301,266	-
Interest	6,356,004	-	-	-
Total Governmental Activities	102,083,329	14,484,542	1,908,481	991,147
Business-Type Activities				
Waterworks and Sewerage	17,565,501	16,361,314	-	67,425
Sears Centre	14,393,149	9,688,311	-	33,273
Total Business-Type Activities	31,958,650	26,049,625	-	100,698
TOTAL PRIMARY GOVERNMENT	\$ 134,041,979	\$ 40,534,167	\$ 1,908,481	\$ 1,091,845

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,851,984)	\$ -	\$ (2,851,984)
	(36,219,298)	-	(36,219,298)
	(10,426,439)	-	(10,426,439)
	46,093	-	46,093
	(573,560)	-	(573,560)
	330,687	-	330,687
	(28,648,654)	-	(28,648,654)
	(6,356,004)	-	(6,356,004)
	(84,699,159)	-	(84,699,159)
	-	(1,136,762)	(1,136,762)
	-	(4,671,565)	(4,671,565)
	-	(5,808,327)	(5,808,327)
	(84,699,159)	(5,808,327)	(90,507,486)
General Revenues			
Taxes			
Property	35,909,050	-	35,909,050
Home Rule Sales (Nonsales)	3,883,502	-	3,883,502
Real Estate Transfer	925,104	-	925,104
Hotel/Motel	1,426,413	-	1,426,413
Telecommunications	2,052,086	-	2,052,086
Food and Beverage	-	1,756,004	1,756,004
Entertainment	-	282,702	282,702
Replacement	309,861	-	309,861
Other	4,372,332	265,023	4,637,355
Unrestricted Intergovernmental Revenues			
Sales Tax	8,220,338	-	8,220,338
Income and Local Use Tax	6,757,353	-	6,757,353
Investment Income	64,493	5,198	69,691
Miscellaneous	2,348,456	1,152,118	3,500,574
Transfers In (Out)	(772,518)	772,518	-
Total	65,496,470	4,233,563	69,730,033
CHANGE IN NET POSITION	(19,202,689)	(1,574,764)	(20,777,453)
NET POSITION, JANUARY 1	7,595,145	54,765,111	62,360,256
Change in Accounting Principle	(75,943,236)	(1,616,953)	(77,560,189)
NET POSITION, JANUARY 1, RESTATED	(68,348,091)	53,148,158	(15,199,933)
NET POSITION, DECEMBER 31	\$ (87,550,780)	\$ 51,573,394	\$ (35,977,386)

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2015

	<u>General</u>	<u>EDA General Account</u>	<u>EDA Series 1991 Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and Investments	\$ 18,376,003	\$ -	\$ 2,909,863	\$ 8,681,924	\$ 29,967,790
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	17,472,029	-	-	1,563,913	19,035,942
Accounts	403,893	-	-	162,537	566,430
Accrued Interest	10,199	-	-	11,355	21,554
Other	2,817,140	-	-	1,276,663	4,093,803
Prepaid Items	53,471	-	-	1,153,464	1,206,935
Inventory	124,568	-	-	-	124,568
Due from Other Governments	5,105,238	-	-	117,121	5,222,359
Due from Other Funds	406,727	-	-	475,420	882,147
Advance to Fiduciary Funds	31,100	-	-	-	31,100
TOTAL ASSETS	<u>\$ 44,800,368</u>	<u>\$ -</u>	<u>\$ 2,909,863</u>	<u>\$ 13,442,397</u>	<u>\$ 61,152,628</u>

	General	EDA General Account	EDA Series 1991 Project	Nonmajor Governmental Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,286,761	\$ -	\$ -	\$ 1,304,127	\$ 2,590,888
Accrued Payroll	921,669	-	-	12,404	934,073
Unearned Revenues	115,098	-	-	174,800	289,898
Due to Other Funds	62,756	-	-	842,195	904,951
Due to Fiduciary Funds	47,360	-	-	-	47,360
Deposits Payable	1,123,953	-	-	2,418,662	3,542,615
Total Liabilities	3,557,597	-	-	4,752,188	8,309,785
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	17,304,770	-	-	1,551,976	18,856,746
Unavailable State Taxes	1,278,108	-	-	-	1,278,108
Total Deferred Inflows of Resources	18,582,878	-	-	1,551,976	20,134,854
FUND BALANCES					
Nonspendable					
Prepaid Items	53,471	-	-	1,153,464	1,206,935
Inventories	124,568	-	-	-	124,568
Advances	31,100	-	-	-	31,100
Restricted					
Employee Loan Program	66,172	-	-	-	66,172
Highways and Streets	-	-	-	531,906	531,906
Emergency Equipment	-	-	-	66,792	66,792
Public Safety	107,404	-	-	127,915	235,319
Economic Development - State Statute	-	-	2,909,863	840,308	3,750,171
Debt Service	-	-	-	228,267	228,267
Assigned					
Employee Health	2,207,549	-	-	-	2,207,549
Subsequent Budget	592,090	-	-	-	592,090
Capital Improvements	-	-	-	4,205,874	4,205,874
Unassigned (Deficit)	19,477,539	-	-	(16,293)	19,461,246
Total Fund Balances	22,659,893	-	2,909,863	7,138,233	32,707,989
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	\$ 44,800,368	\$ -	\$ 2,909,863	\$ 13,442,397	\$ 61,152,628

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, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 32,707,989
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>	
Capital assets	148,043,908
Less capital assets of internal service funds included above	(142,620)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>	
Compensated absences	(2,827,849)
Plus compensated absences of internal service funds included above	24,485
Net other postemployment benefit obligation	(1,948,266)
Plus net other postemployment benefit obligation of internal service funds included above	26,417
Unamortized bond premium	(931,390)
Unamortized bond discount	176,387
General obligation bonds payable	(48,248,750)
Tax increment financing notes payable	(136,147,964)
<p>Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position</p>	
Less net pension liability of internal service funds included above	(9,126,992) 480,368
<p>Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position</p>	
Less net pension liability of internal service funds included above	2,920,176 (153,694)
<p>Net pension liability for the Pension Trust Funds is shown as a liability on the statement of net position</p>	
	(96,320,873)
<p>Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Pension Trust Funds are recognized as deferred outflows and inflows of resources on the statement of net position</p>	
	20,508,986
<p>Accrued interest on long-term liabilities is shown as a liability on the statement of net position</p>	
	(202,414)
<p>Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position</p>	
	1,278,108
<p>The net position of the internal service funds is included in the governmental activities in the statement of net position</p>	
	2,333,208
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (87,550,780)

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, 2015

	General	EDA General Account	EDA Series 1991 Project	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 30,056,223	\$ 12,220,894	\$ -	\$ 5,867,719	\$ 48,144,836
Licenses and Permits	2,080,207	-	-	-	2,080,207
Intergovernmental	15,796,499	-	-	3,557,836	19,354,335
Charges for Services	9,010,169	-	507,283	516,844	10,034,296
Fines and Forfeits	2,035,952	-	-	235,145	2,271,097
Investment Income	29,996	-	5,651	28,846	64,493
Miscellaneous	1,652,542	-	-	35,037	1,687,579
Total Revenues	60,661,588	12,220,894	512,934	10,241,427	83,636,843
EXPENDITURES					
Current					
General Government	5,732,993	-	-	-	5,732,993
Public Safety	33,300,683	-	-	537,878	33,838,561
Highways and Streets	6,628,993	-	-	2,244,829	8,873,822
Sanitation	2,437,875	-	-	-	2,437,875
Health and Welfare	1,789,257	-	-	-	1,789,257
Culture and Recreation	297,900	-	-	-	297,900
Economic Development	2,060,375	-	26,065,527	916,574	29,042,476
Capital Outlay	-	-	-	7,173,225	7,173,225
Debt Service					
Principal Retirement	-	12,220,894	-	1,295,000	13,515,894
Interest and Fiscal Charges	-	-	-	2,452,802	2,452,802
Total Expenditures	52,248,076	12,220,894	26,065,527	14,620,308	105,154,805
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,413,512	-	(25,552,593)	(4,378,881)	(21,517,962)
OTHER FINANCING SOURCES (USES)					
Transfers In	303,920	-	-	3,687,241	3,991,161
Transfers (Out)	(2,476,194)	-	(84,489)	(1,953,400)	(4,514,083)
Bonds Issued, at Par	-	-	-	1,640,000	1,640,000
Premium/(Discount) on Bonds	-	-	-	96,469	96,469
Notes Issued, at Par	-	-	26,042,563	-	26,042,563
Total Other Financing Sources (Uses)	(2,172,274)	-	25,958,074	3,470,310	27,256,110
NET CHANGE IN FUND BALANCES	6,241,238	-	405,481	(908,571)	5,738,148
FUND BALANCES, JANUARY 1	16,418,655	-	2,504,382	8,046,804	26,969,841
FUND BALANCES, DECEMBER 31	\$ 22,659,893	\$ -	\$ 2,909,863	\$ 7,138,233	\$ 32,707,989

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, 2015

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 5,738,148
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	5,125,442
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(137,179)
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	13,515,894
Certain items are reported as interest expense on the statement of activities:	
Accretion of interest on notes payable	(3,961,178)
Change in accrued interest payable	(883)
Amortization of bond premiums and discounts, net	58,859
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(5,443,472)
Certain revenues recognition is different on the full accrual basis than on the modified accrual basis	16,315
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	
Bonds Issued	(1,640,000)
Bond Premium	(96,469)
TIF Notes Issued	(26,042,563)
The increase in the net other postemployment benefit obligation is shown as an increase in expense on the statement of activities	(294,896)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(2,363,223)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	1,333,939
The change in the net pension liability for the Pension Trust Funds is reported only in the statement of activities	(25,570,250)
The change in deferred inflows and outflows for the Pension Trust Funds is reported only in the statement of activities	20,508,986
The change in compensated absences payable is shown as an expense on the statement of activities	31,696
The change in net position of certain activities of internal service funds (excluding depreciation included above) is in governmental funds	18,145
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (19,202,689)

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
CURRENT ASSETS				
Cash and Investments	\$ 4,503,642	\$ 2,989,202	\$ 7,492,844	\$ 3,522,166
Receivables				
Accounts	2,683,964	92,464	2,776,428	4,570
Accrued Interest	6,777	-	6,777	-
Other	-	294,490	294,490	-
Deposits	-	-	-	50,000
Prepaid Expenses	-	20,907	20,907	26,860
Inventories	255,796	-	255,796	-
Due from Other Governments	109,940	-	109,940	-
Due from Other Funds	-	62,756	62,756	33,789
Total Current Assets	7,560,119	3,459,819	11,019,938	3,637,385
CAPITAL ASSETS				
Not Depreciated	573,824	6,000,000	6,573,824	-
Depreciated	59,111,846	78,544,093	137,655,939	398,493
Accumulated Depreciation	(29,161,113)	(14,252,402)	(43,413,515)	(255,873)
Net Capital Assets	30,524,557	70,291,691	100,816,248	142,620
Total Assets	38,084,676	73,751,510	111,836,186	3,780,005
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	1,253,399	-	1,253,399	208,900
Unamortized Loss on Refunding	-	1,202,282	1,202,282	-
Total Deferred Outflows of Resources	1,253,399	1,202,282	2,455,681	208,900
Total Assets and Deferred Outflows of Resources	39,338,075	74,953,792	114,291,867	3,988,905

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
CURRENT LIABILITIES				
Accounts Payable	\$ 1,061,785	\$ 663,732	\$ 1,725,517	\$ 40,637
Events Payable	-	69,527	69,527	-
Accrued Payroll	93,524	-	93,524	11,410
Accrued Interest Payable	44,594	142,356	186,950	-
Unearned Revenue	-	490,937	490,937	-
Claims Payable	-	-	-	535,666
Benefits Payable	-	-	-	471,097
Due to Other Funds	63,330	-	63,330	10,411
Deposits Payable	89,257	210,000	299,257	-
General Obligation Bonds Payable	220,000	2,040,000	2,260,000	-
Compensated Absences Payable	157,926	-	157,926	24,485
Total Current Liabilities	1,730,416	3,616,552	5,346,968	1,093,706
LONG-TERM LIABILITIES				
General Obligation Bonds Payable	11,109,692	42,618,891	53,728,583	-
Compensated Absences Payable	198,325	-	198,325	-
Net Pension Liability	2,882,208	-	2,882,208	480,368
Other Postemployment Benefit Obligations	231,150	-	231,150	26,417
Total Long-Term Liabilities	14,421,375	42,618,891	57,040,266	506,785
Total Liabilities	16,151,791	46,235,443	62,387,234	1,600,491
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	331,239	-	331,239	55,206
Total Deferred Inflows of Resources	331,239	-	331,239	55,206
Total Liabilities and Deferred Inflows of Resources	16,483,030	46,235,443	62,718,473	1,655,697
NET POSITION				
Net Investment in Capital Assets	23,590,360	26,835,082	50,425,442	142,620
Unrestricted	(735,315)	1,883,267	1,147,952	2,190,588
TOTAL NET POSITION	\$ 22,855,045	\$ 28,718,349	\$ 51,573,394	\$ 2,333,208

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, 2015

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
OPERATING REVENUES				
Charges for Services	\$ 16,361,314	\$ 9,600,669	\$ 25,961,983	\$ 2,690,420
Total Operating Revenues	16,361,314	9,600,669	25,961,983	2,690,420
OPERATING EXPENSES				
Operations	-	-	-	1,138,667
Claims and Insurance	-	-	-	1,307,757
Water Division	13,738,123	-	13,738,123	-
Sewer Division	2,160,183	-	2,160,183	-
Sears Centre	-	10,402,190	10,402,190	-
Depreciation	1,332,040	2,401,543	3,733,583	17,472
Total Operating Expenses	17,230,346	12,803,733	30,034,079	2,463,896
OPERATING INCOME (LOSS)	(869,032)	(3,203,064)	(4,072,096)	226,524
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	-	2,303,729	2,303,729	-
Charges for Services	-	87,642	87,642	-
Investment Income	3,109	2,089	5,198	10,330
Interest Expense	(349,901)	(1,476,091)	(1,825,992)	-
Amortization Expense	14,746	(113,325)	(98,579)	-
Gain on Sale of Capital Assets	(28,110)	(47,736)	(75,846)	-
Miscellaneous Revenue	104,393	1,123,571	1,227,964	13,415
Total Non-Operating Revenues (Expenses)	(255,763)	1,879,879	1,624,116	23,745
NET INCOME (LOSS) BEFORE TRANSFERS	(1,124,795)	(1,323,185)	(2,447,980)	250,269
TRANSFERS				
Transfers In	84,307	800,000	884,307	50,404
Transfers (Out)	(111,789)	-	(111,789)	(300,000)
Total Transfers	(27,482)	800,000	772,518	(249,596)
CONTRIBUTIONS				
Intergovernmental	67,425	33,273	100,698	-
CHANGE IN NET POSITION	(1,084,852)	(489,912)	(1,574,764)	673
NET POSITION, JANUARY 1	25,556,850	29,208,261	54,765,111	2,602,027
Change in Accounting Principle	(1,616,953)	-	(1,616,953)	(269,492)
NET POSITION, JANUARY 1, RESTATED	23,939,897	29,208,261	53,148,158	2,332,535
NET POSITION, DECEMBER 31	\$ 22,855,045	\$ 28,718,349	\$ 51,573,394	\$ 2,333,208

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Business-Type Activities		Total	Governmental
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 15,952,998	\$ 9,570,397	\$ 25,523,395	\$ -
Receipts from Interfund Services Transactions	-	-	-	2,696,220
Payments to Suppliers	(11,568,456)	(10,177,780)	(21,746,236)	(2,096,421)
Payments to Employees	(3,795,350)	-	(3,795,350)	(271,906)
Net Cash from Operating Activities	589,192	(607,383)	(18,191)	327,893
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In (Out)	(27,482)	800,000	772,518	(249,596)
Interfund Borrowing (Lending)	14,724	(107,720)	(92,996)	26,617
Intergovernmental Income	6,151	33,273	39,424	-
Entertainment and Food and Beverage Tax	-	2,303,729	2,303,729	-
Miscellaneous Income	55,727	1,211,213	1,266,940	-
Reimbursements and Recoveries	-	-	-	13,415
Net Cash from Noncapital Financing Activities	49,120	4,240,495	4,289,615	(209,564)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Purchased	(787,774)	(43,698)	(831,472)	(13,382)
Principal Payment on Bonds and Leases	-	(45,577,683)	(45,577,683)	-
Proceeds from the Issuance of Bonds	4,744,540	43,778,542	48,523,082	-
Interest and Fiscal Charges Paid on Bonds	(333,062)	(1,534,924)	(1,867,986)	-
Proceeds from the Sale of Capital Assets	-	505	505	-
Net Cash from Capital and Related Financing Activities	3,623,704	(3,377,258)	246,446	(13,382)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	(3,668)	2,089	(1,579)	9,675
Net Cash from Investing Activities	(3,668)	2,089	(1,579)	9,675
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,258,348	257,943	4,516,291	114,622
CASH AND CASH EQUIVALENTS, JANUARY 1	245,294	2,731,259	2,976,553	3,407,544
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 4,503,642	\$ 2,989,202	\$ 7,492,844	\$ 3,522,166

(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, 2015

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (869,032)	\$ (3,203,064)	\$ (4,072,096)	\$ 226,524
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation and Amortization	1,332,040	2,401,543	3,733,583	17,472
Changes in Assets and Liabilities				
Pension Related Items	343,095	-	343,095	57,182
Receivables	(442,025)	47,394	(394,631)	5,800
Prepaid Expenses	-	14,142	14,142	(26,860)
Inventory	(52,626)	-	(52,626)	-
Unearned Revenue	-	(77,666)	(77,666)	-
Accounts Payable	288,143	(20,598)	267,545	(35,864)
Events Payable	-	20,866	20,866	-
Accrued Payroll	9,307	-	9,307	(2,132)
Claims Payable	-	-	-	(100,123)
Benefits Payable	-	-	-	176,401
Deposits Payable	33,709	210,000	243,709	-
Compensated Absences Payable	(45,464)	-	(45,464)	9,066
Other Postemployment Benefits Payable	(7,955)	-	(7,955)	427
NET CASH FROM OPERATING ACTIVITIES	\$ 589,192	\$ (607,383)	\$ (18,191)	\$ 327,893

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2015

	<u>Pension</u> <u>Trust Funds</u>	<u>Agency</u> <u>Funds</u>
ASSETS		
Cash and Short-Term Investments	\$ 2,085,757	\$ 458,539
Investments, at Fair Value		
U.S. Treasury Securities	14,353,646	-
U.S. Agency Securities	20,294,582	-
Corporate Bonds	14,995,119	-
Municipal Bonds	1,570,317	-
Mutual Funds	69,044,839	-
Money Market Mutual Funds	2,331,303	-
Equity Securities	12,007,380	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	326,110	-
Due from General Fund	47,360	-
Prepaid Expenses	1,840	-
Assets Held by Agents	-	82,150
	<hr/>	<hr/>
Total Assets	137,058,253	\$ 540,689
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	43,816	\$ 6,903
Due to Participants	-	51,050
Advances from Other Funds	-	31,100
Due to Other Governments	-	1,310
Due to Other Entities	-	450,326
	<hr/>	<hr/>
Total Liabilities	43,816	\$ 540,689
	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 137,014,437</u>	

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, 2015

ADDITIONS

Contributions

Employer	\$ 5,267,818
Employee	<u>1,716,603</u>

Total Contributions	<u>6,984,421</u>
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Investment Income

Net Appreciation (Depreciation) in Fair Value of Investments	(5,747,105)
Interest	<u>4,889,917</u>

Total Investment Income	(857,188)
Less Investment Expense	<u>(339,719)</u>

Net Investment Income	<u>(1,196,907)</u>
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Total Additions	<u>5,787,514</u>
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DEDUCTIONS

Benefits and Refunds	7,966,774
Miscellaneous	<u>104,732</u>

Total Deductions	<u>8,071,506</u>
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NET (DECREASE)	(2,283,992)
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>139,298,429</u>
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December 31	<u><u>\$ 137,014,437</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, 2015

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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)

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 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, including, 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)

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)

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)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes for 2015 attach as an enforceable lien on January 1, 2015 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, 2016 and August 1, 2016, and are payable in two installments, on or about March 1, 2016 and September 1, 2016. The Counties collect such taxes and remits them periodically. Since the 2015 levy is intended to finance the 2016 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2014 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.

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:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Assets	Years
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.

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."

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Receivables/Payables (Continued)

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 deferred outflows and liabilities and deferred inflows. 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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance (Continued)

- 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, 2015, 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. Deficit fund balances of other governmental funds are also reported as unassigned.

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	\$ (16,293)

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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, 2015.

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable Certificate of Deposits	\$ 8,211,379	\$ 8,211,379	\$ -	\$ -	\$ -
TOTAL	\$ 8,211,379	\$ 8,211,379	\$ -	\$ -	\$ -

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. 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 is the risk that the Village has a high percentage of their investments invested in one type of investment. 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.

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

3. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES	
Hotel Tax	\$ 89,033
Electric Utility Tax	144,033
Municipal Gas Use Tax	129,857
Packaged Liquor Tax	41,489
Motor Fuel Tax	56,266
Cable Franchise Fees	215,995
IPBC Terminal Reserve	2,207,549
Grants	671,757
Waste Management Franchise Fees	9,884
911 Surcharge	3,430
Employee Computer Program	66,172
Red Light Camera Funds	11,776
Other Miscellaneous	446,562
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,093,803
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BUSINESS-TYPE ACTIVITIES	
Entertainment Tax	\$ 5,148
Food and Beverage Taxes	196,139
Video Gaming Tax	23,157
Ticketing	14,303
Other Miscellaneous	55,743
	<hr/>
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 294,490
	<hr/>

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

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 2,056,497
Home Rule Sales Tax	989,278
Income Tax	1,134,475
Local Use Tax	396,499
Municipal Motor Fuel Tax	117,121
Simplified Telecommunications Tax	486,270
Court Fines	42,219
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,222,359
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

BUSINESS-TYPE ACTIVITIES

DCEO Grant	\$ 48,666
Tollway Grant	<u>61,274</u>

TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 109,940</u>
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4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
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	261,496	790,214	-	<u>1,051,710</u>
Total Capital Assets not Being Depreciated	<u>49,445,889</u>	<u>790,214</u>	<u>-</u>	<u>50,236,103</u>
Capital Assets Being Depreciated				
Buildings and Improvements	50,504,819	99,702	219,727	50,384,794
Department Equipment	2,614,034	44,831	10,110	2,648,755
Vehicles	10,468,765	681,571	251,779	10,898,557
Software	74,911	-	-	74,911
Infrastructure	112,152,134	3,522,507	707,810	<u>114,966,831</u>
Total Capital Assets Being Depreciated	<u>175,814,663</u>	<u>4,348,611</u>	<u>1,189,426</u>	<u>178,973,848</u>
Less Accumulated Depreciation for				
Buildings and Improvements	12,361,843	1,292,464	130,486	13,523,821
Department Equipment	1,530,950	198,990	10,110	1,719,830
Vehicles	7,087,409	560,858	212,919	7,435,348
Software	74,912	-	-	74,912
Infrastructure	55,719,704	3,391,160	698,732	<u>58,412,132</u>
Total Accumulated Depreciation	<u>76,774,818</u>	<u>5,443,472</u>	<u>1,052,247</u>	<u>81,166,043</u>
Total Capital Assets Being Depreciated, Net	<u>99,039,845</u>	<u>(1,094,861)</u>	<u>137,179</u>	<u>97,807,805</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 148,485,734</u>	<u>\$ (304,647)</u>	<u>\$ 137,179</u>	<u>\$ 148,043,908</u>

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

4. CAPITAL ASSETS (Continued)

	Balances January 1	Increases	Decreases	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in Progress	19,575	55,249	-	74,824
Total Capital Assets not Being Depreciated	6,518,575	55,249	-	6,573,824
Capital Assets Being Depreciated				
Buildings and Improvements	74,285,951	245,996	128,714	74,403,233
Plant System and Equipment	55,288,621	130,507	-	55,419,128
Vehicles	1,322,180	399,720	198,063	1,523,837
Software	14,077	-	-	14,077
Department Equipment	6,318,664	-	23,000	6,295,664
Total Capital Assets Being Depreciated	137,229,493	776,223	349,777	137,655,939
Less Accumulated Depreciation For				
Buildings and Improvements	10,071,056	1,866,236	52,363	11,884,929
Plant System and Equipment	25,721,499	1,181,932	-	26,903,431
Vehicles	1,033,828	67,365	198,063	903,130
Software	8,680	2,815	-	11,495
Department Equipment	3,118,295	615,235	23,000	3,710,530
Total Accumulated Depreciation	39,953,358	3,733,583	273,426	43,413,515
Total Capital Assets Being Depreciated, Net	97,276,135	(2,957,360)	76,351	94,242,424
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 103,794,710	\$ (2,902,111)	\$ 76,351	\$ 100,816,248

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 368,446
Public Safety	1,296,811
Highways and Streets, including Depreciation of General Infrastructure Assets	3,726,282
Health and Welfare	10,087
Culture and Recreation	21,233
Economic Development	20,613
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 5,443,472
BUSINESS-TYPE ACTIVITIES	
Waterworks and Sewerage	\$ 1,332,039
Sears Centre Operating	2,401,543
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 3,733,582

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/Refundings	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	\$ 45,260,000	\$ -	\$ 45,260,000	\$ -	\$ -
\$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 3.000% to 5.125%	Police Station Construction and Road Improvements	Debt Service	27,920,000	-	1,295,000	26,625,000	1,360,000
\$23,415,000 General Obligation Refunding Bonds, Series 2015A, dated August 19, 2015 with interest at 1.00% to 4.38%	Sears Centre	Sears Centre	-	23,415,000	315,000	23,100,000	1,940,000
\$6,125,000 General Obligation Bonds, Series 2015B, dated August 12, 2015 with interest at 2.00% to 4.00%	Ladder Truck and Storm Water and Water System	Debt Service Water	-	1,640,000	-	1,640,000	95,000
			-	4,485,000	-	4,485,000	220,000
\$21,905,000 General Obligation Refunding Bonds, Series 2015C, dated October 28, 2015 with interest at 1.00% to 4.50%	Sears Centre	Sears Centre	-	21,905,000	-	21,905,000	100,000
TOTAL GENERAL OBLIGATION BONDS			<u>\$ 99,825,000</u>	<u>\$ 51,445,000</u>	<u>\$ 46,870,000</u>	<u>\$ 104,400,000</u>	<u>\$ 3,715,000</u>

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

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	\$ 112,934,331	\$ 30,003,741	\$ 12,220,894	\$ 130,717,178	\$ -
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	-
TOTAL TAX INCREMENT FINANCING NOTES		<u>\$ 118,365,117</u>	<u>\$ 30,003,741</u>	<u>\$ 12,220,894</u>	<u>\$ 136,147,964</u>	<u>\$ -</u>

The increase of \$30,003,741 in the Tax Increment Revenue Notes is inclusive of interest due as of December 31, 2015 of \$3,961,178 that accrues to the principal balance if not paid.

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

5. LONG-TERM DEBT (Continued)

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
2016	\$ 1,455,000	\$ 2,428,977
2017	1,525,000	2,355,919
2018	1,600,000	2,283,118
2019	1,675,000	2,206,569
2020	1,760,000	2,121,331
2021-2025	10,255,000	9,154,670
2026-2030	11,806,250	6,283,393
2031-2035	10,515,000	3,542,625
2036-2038	7,657,500	778,125
TOTAL	\$ 48,248,750	\$ 31,154,727

Year Ending December 31,	Tax Increment Revenue Notes*		General Obligation Bonds Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ -	\$ -	\$ 2,260,000	\$ 2,243,390
2017	-	-	1,975,000	2,171,629
2018	-	-	2,015,000	2,140,673
2019	-	-	2,110,000	2,100,373
2020	-	-	2,205,000	2,053,043
2021-2025	-	-	13,010,000	9,170,365
2026-2030	-	-	17,038,750	6,216,131
2031-2035	-	-	12,985,000	2,086,125
2036-2038	-	-	2,552,500	259,375
TOTAL	\$ -	\$ -	\$ 56,151,250	\$ 28,441,104

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

5. LONG-TERM DEBT (Continued)

C. Debt Service Requirements to Maturity (Continued)

* 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.

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	\$ 47,903,750	\$ 1,640,000	\$ 1,295,000	\$ 48,248,750	\$ 1,455,000
Unamortized Bond Discount	(184,056)	-	(7,669)	(176,387)	-
Unamortized Bond Premium	901,449	96,469	66,528	931,390	-
Tax Increment Financing Notes Payable	118,365,117	30,003,741	12,220,894	136,147,964	-
Compensated Absences Payable - Governmental Funds*	2,835,060	1,579,838	1,611,534	2,803,364	1,607,824
Compensated Absences Payable - Internal Service Fund	15,419	24,485	15,419	24,485	24,485

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

5. LONG-TERM DEBT (Continued)

D. Changes in Long-Term Liabilities (Continued)

	Balances January 1, Restated	Issuances or Accretions	Reductions	Balances December 31	Current Portion
Net Other Postemployment Benefit Obligations**	\$ 1,626,953	\$ 294,896	\$ -	\$ 1,921,849	\$ -
Net Other Postemployment Benefit Obligations - Internal Service Fund	25,990	427	-	26,417	-
Net Pension Liability - IMRF**	6,283,401	2,363,223	-	8,646,624	-
Net Pension Liability - IMRF - Internal Service Fund	349,078	131,290	-	480,368	-
Net Pension Liability - Police Pension**	43,036,056	16,437,672	-	59,473,728	-
Net Pension Liability - Firefighters' Pension**	27,714,567	9,132,578	-	36,847,145	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 248,872,784	\$ 61,704,619	\$ 15,201,706	\$ 295,375,697	\$ 3,087,309

* 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 is generally used to liquidate the net pension liabilities, and the net other postemployment benefit obligations.

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, Restated	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 51,921,250	\$ 49,805,000	\$ 45,575,000	\$ 56,151,250	\$ 2,260,000
Unamortized Bond Discount	(181,610)	(371,452)	(148,157)	(404,905)	-
Unamortized Bond Premium	-	259,540	17,302	242,238	-
Capital Lease Payable	2,683	-	2,683	-	-
Compensated Absences Payable	401,715	120,799	166,263	356,251	157,926
Net Other Postemployment Benefit Obligations	239,105	-	7,955	231,150	-
Net Pension Liability - IMRF	2,094,467	787,741	-	2,882,208	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 54,477,610	\$ 50,601,628	\$ 45,621,046	\$ 59,458,192	\$ 2,417,926

E. Refundings

On August 19, 2015, the Village issued \$23,415,000 General Obligation Refunding Bonds, Series 2015A, to advance refund, through an in-substance defeasance, \$22,380,000 of the Series 2005A General Obligation Bonds. The bonds were paid from escrow on December 15, 2015. Through the refunding, the Village reduced its debt service by \$1,864,189 and achieved an economic gain of \$1,640,417. The amount of bonds outstanding to be paid from escrow at December 31, 2015 was \$0.

On October 28, 2015, the Village issued \$21,905,000 General Obligation Refunding Bonds, Series 2015C, to advance refund, through an in-substance defeasance, \$21,395,000 of the Series 2005A General Obligation Bonds. The bonds were paid from escrow on December 1, 2015. Through the refunding, the Village reduced its debt service by \$1,576,321 and achieved an economic gain of \$1,141,145. The amount of bonds outstanding to be paid from escrow at December 31, 2015 was \$0.

5. LONG-TERM DEBT (Continued)

F. 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.

G. 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.

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, 2015.

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

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 was fully depreciated at of December 31, 2015. Payments are made by the Sears Centre Operating Fund. The capital lease was paid off during 2015.

6. INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2015 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 406,727	\$ 110,116
Nonmajor Governmental	475,420	842,195
Waterworks and Sewerage	-	63,330
Sears Centre Operating	62,756	-
Internal Service	33,789	10,411
Fiduciary	47,360	-
TOTAL	<u>\$ 1,026,052</u>	<u>\$ 1,026,052</u>

- \$352,399 due to the General Fund from Road Improvement Fund relates to reimbursement for road projects paid by the General 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.

Advances from/to other funds at December 31, 2015 consisted of the following:

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

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

6. INTERFUND ACCOUNTS (Continued)

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, 2015 consisted of the following:

	Transfer In	Transfer Out
General	\$ 303,920	\$ 2,476,194
EDA Series 1991 Project	-	84,489
Nonmajor Governmental	3,687,241	1,953,400
Waterworks and Sewerage	84,307	111,789
Sears Centre Operating	800,000	-
Internal Service	50,404	300,000
TOTAL	<u>\$ 4,925,872</u>	<u>\$ 4,925,872</u>

The purposes of significant interfund transfers are as follows:

- \$303,920 transferred from the Nonmajor Governmental Funds to the General Fund to reimburse operating expenses. This amount will not be repaid.
- \$3,387,241 transferred from the General Fund (\$1,625,790), EDA Series 1991 Project Fund (\$182), Waterworks and Sewerage (\$111,789) and Nonmajor Governmental Funds (\$1,649,480) to Nonmajor Governmental Funds. This relates to routine transfers for the payment of debt service costs and capital projects. The transfers will not be repaid.
- \$84,307 transferred from EDA Series 1991 Project Fund to Waterworks and Sewerage Fund to fund project costs. This amount will not be repaid.
- \$800,000 transferred from the General Fund to the Sears Centre Operating Fund to fund debt service. This amount will not be repaid.
- \$50,404 transferred from the General Fund to the Internal Service Funds to fund operating expenses. This amount will not be repaid.
- \$300,000 transferred from the Internal Service Fund to Nonmajor Governmental Funds to transfer out excess insurance reserves. This amount will not be repaid.

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

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 \$2,207,549 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 did not exceed the Fund's coverage and the commercial coverage was not exceeded in the past three fiscal years.

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:

	2015	2014
UNPAID CLAIMS, BEGINNING OF YEAR	\$ 635,789	\$ 625,947
Incurred Claims (including IBNR)	532,687	774,783
Claim Payments	(632,810)	(764,941)
UNPAID CLAIMS, END OF YEAR	<u>\$ 535,666</u>	<u>\$ 635,789</u>

High-Level Excess Liability Pool

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.

7. RISK MANAGEMENT (Continued)

High-Level Excess Liability Pool (Continued)

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

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.

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.

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

8. CONTINGENT LIABILITIES (Continued)

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>
2016	\$ 137,000
2017	137,000
2018	137,000

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

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>
2016	\$ 9,477,230
2017	9,477,230
2018	9,477,230
2019	9,477,230
2020	9,477,230
2021-2022	18,954,460

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.

9. CONTRACTUAL COMMITMENTS (Continued)

C. 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 (\$7,791,326 paid as of December 31, 2015) and are payable over 4 to 12 years solely from sales taxes or property taxes generated by the commercial entities. The rebates are to be paid semiannually by each March 31st and September 30th for the previous six months ending December 31st and June 30th, 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, 2015, the Village has accrued an estimated rebate liability of \$428,493 for amounts collected by the state through December 31, 2015. 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

Description of Joint Venture

The Village is a member of Northwest Suburban Municipal Joint Action Water Agency (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.

10. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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.

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 \$8,730,033 to JAWA for 2015. The Village does not have an equity interest in JAWA at December 31, 2015.

10. JOINT VENTURES (Continued)

B. Solid Waste Agency of Northern Cook County

The Village is a member of the Solid Waste Agency of Northern Cook County (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. SWANCC has no power to levy taxes.

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

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 \$715,748 to SWANCC in 2015. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2015.

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

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.

Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	162
Inactive Employees Entitled to but not yet Receiving Benefits	119
Active Employees	<u>173</u>
 TOTAL	 <u><u>454</u></u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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.

Contributions

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 rate for the calendar year ended 2015 was 14.75% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.50%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.47%. 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 IMRF's fiduciary net position was not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 71,992,367	\$ 63,265,421	\$ 8,726,946
Changes for the period			
Service Cost	1,301,536	-	1,301,536
Interest	5,325,516	-	5,325,516
Difference Between Expected and Actual Experience	(1,490,827)	-	(1,490,827)
Changes in Assumptions	92,788	-	92,788
Employer Contributions	-	1,743,250	(1,743,250)
Employee Contributions	-	569,687	(569,687)
Net Investment Income	-	314,408	(314,408)
Benefit Payments and Refunds	(2,892,799)	(2,892,799)	-
Other (Net Transfer)	-	(680,586)	680,586
Net Changes	2,336,214	(946,040)	3,282,254
BALANCES AT DECEMBER 31, 2015	\$ 74,328,581	\$ 62,319,381	\$ 12,009,200

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Village recognized pension expense of \$3,172,811. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 1,380,162
Changes in Assumption	1,220,931	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,001,567	-
TOTAL	\$ 5,222,498	\$ 1,380,162

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Period Ended December 31,</u>	
2016	\$ 1,128,979
2017	1,128,979
2018	708,435
2019	875,943
2020	-
Thereafter	-
TOTAL	\$ 3,842,336

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 7.47% 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 (6.47%) or 1 percentage point higher (8.47%) than the current rate:

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity (Continued)

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability (asset)	\$ 22,095,137	\$ 12,009,200	\$ 3,734,087

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.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	74
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	91
TOTAL	166

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 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 1st 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2015, the Village's contribution was 31.5% 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)

11. DEFINED BENEFIT PENSION PLANS (Continued)

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)

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 2016 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, 2015 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 and FHLMC securities implicitly guaranteed by the United States Government.

Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.94)%. 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)

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, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 7,706,889	\$ -	\$ 5,877,729	\$ 1,779,342	\$ 49,818
U.S. Agency Obligations	9,363,882	1,497,086	4,128,720	1,924,546	1,813,530
Municipal Bonds	1,570,317	127,367	1,080,507	237,720	124,723
Corporate Bonds	5,452,898	449,366	3,233,552	1,569,915	200,065
TOTAL	\$ 24,093,986	\$ 2,073,819	\$ 14,320,508	\$ 5,511,523	\$ 2,188,136

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. 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)

11. DEFINED BENEFIT PENSION PLANS (Continued)

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.

Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 111,118,939	\$ 68,082,883	\$ 43,036,056
Changes for the Period			
Service Cost	1,644,115	-	1,644,115
Interest	7,426,526	-	7,426,526
Difference Between Expected and Actual Experience	(905,685)	-	(905,685)
Changes in Assumptions	10,336,137	-	10,336,137
Employer Contributions	-	2,670,802	(2,670,802)
Employee Contributions	-	852,743	(852,743)
Net Investment Income	-	(1,410,523)	1,410,523
Benefit Payments and Refunds	(4,131,392)	(4,131,392)	-
Administrative Expense	-	(49,601)	49,601
Net Changes	14,369,701	(2,067,971)	16,437,672
BALANCES AT DECEMBER 31, 2015	\$ 125,488,640	\$ 66,014,912	\$ 59,473,728

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Assumptions	
Inflation	3.00%
Salary Increases	3.50% to 10.33%
Interest Rate	7.50%
Cost of Living Adjustments	Tier 1: 3.00%, compounded Tier 2: 2.00%, simple
Asset Valuation Method	Market

Mortality rates were based on the Lauterbach and Amen 2016 Illinois Mortality Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.81%. 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 not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 6.81% used to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate (Continued)

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 6.81% 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 (5.81%) or 1 percentage point higher (7.81%) than the current rate:

Discount Rate Sensitivity

	1% Decrease (5.81%)	Current Discount Rate (6.81%)	1% Increase (7.81%)
Net Pension Liability	\$ 79,307,390	\$ 59,473,728	\$ 43,426,555

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Village recognized police pension expense of \$5,971,808. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 762,832
Changes in Assumption	8,705,831	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,193,667	-
TOTAL	\$ 13,899,498	\$ 762,832

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Period Ended</u> <u>December 31,</u>	
2016	\$ 2,785,870
2017	2,785,870
2018	2,785,870
2019	2,785,869
2020	1,487,453
Thereafter	<u>505,734</u>
 TOTAL	 <u>\$ 13,136,666</u>

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 of Trustees are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At December 31, 2015, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	63
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>97</u>
 TOTAL	 <u><u>160</u></u>

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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 preceding calendar year.

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, 2015, the Village's contribution was 28.0% of covered payroll.

Investment Policy

Permitted Deposits and Investments - ILCS 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)

11. DEFINED BENEFIT PENSION PLANS (Continued)

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%	2.58%
Domestic Equities	35%	3.30%
International Equities	20%	(0.58%)
Domestic REIT	5%	9.03%

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 2016 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, 2015 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)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.42%. 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, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 6,646,757	\$ -	\$ 4,128,770	\$ 1,290,485	\$ 1,227,502
U.S. Agency Obligations	10,930,700	200,991	1,611,040	931,973	8,186,696
Corporate Bonds	9,542,221	327,288	4,692,322	1,872,954	2,649,657
TOTAL	\$ 27,119,678	\$ 528,279	\$ 10,432,132	\$ 4,095,412	\$ 12,063,855

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

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.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 98,930,113	\$ 71,215,546	\$ 27,714,567
Changes for the period			
Service Cost	1,868,762	-	1,868,762
Interest	7,120,712	-	7,120,712
Difference Between Expected and Actual Experience	(800,017)	-	(800,017)
Changes in Assumptions	4,562,482	-	4,562,482
Employer Contributions	-	2,597,016	(2,597,016)
Employee Contributions	-	863,860	(863,860)
Net Investment Income	-	213,616	(213,616)
Benefit Payments and Refunds	(3,835,382)	(3,835,382)	-
Administrative Expense	-	(55,131)	55,131
Net Changes	8,916,557	(216,021)	9,132,578
BALANCES AT DECEMBER 31, 2015	\$ 107,846,670	\$ 70,999,525	\$ 36,847,145

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2015 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-age Normal
Assumptions	
Inflation	3.00%
Salary Increases	4.00% to 11.29%
Interest Rate	7.50%
Cost of Living Adjustments	Tier 1: 3.00%, compounded Tier 2: 2.00%, simple
Asset Valuation Method	Market

Mortality rates were based on the Lauterbach and Amen 2016 Illinois Firefighters Mortality Rates.

Discount Rate

The discount rate used to measure the total pension liability was 7.34%. 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 not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.34% used to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

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 7.34% 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 (6.34%) or 1 percentage point higher (8.34%) than the current rate:

	1% Decrease (6.34%)	Current Discount Rate (7.34%)	1% Increase (8.34%)
Net Pension Liability	\$ 52,739,933	\$ 36,847,145	\$ 23,828,798

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Village recognized firefighters' pension expense of \$4,357,274. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 698,104
Changes in Assumption	3,981,274	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,089,150	-
TOTAL	\$ 8,070,424	\$ 698,104

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Period Ended</u> <u>December 31,</u>	
2016	\$ 1,501,584
2017	1,501,584
2018	1,501,584
2019	1,501,582
2020	479,296
Thereafter	<u>886,690</u>
 TOTAL	 <u><u>\$ 7,372,320</u></u>

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Pension Segment Information

Fiduciary Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 662,203	\$ 1,423,554	\$ 2,085,757
Investments, at Fair Value			
U.S. Treasury Securities	7,706,889	6,646,757	14,353,646
U.S. Agency Securities	9,363,882	10,930,700	20,294,582
Corporate Bonds	5,452,898	9,542,221	14,995,119
Municipal Bonds	1,570,317	-	1,570,317
Mutual Funds	40,579,033	28,465,806	69,044,839
Money Market Mutual Funds	498,279	1,833,024	2,331,303
Equities	-	12,007,380	12,007,380
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	176,435	149,675	326,110
Prepaid Expenses	1,045	795	1,840
Due from General Fund	23,272	24,088	47,360
Total Assets	66,034,253	71,024,000	137,058,253
LIABILITIES			
Accounts Payable	19,341	24,475	43,816
Total Liabilities	19,341	24,475	43,816
NET POSITION RESTRICTED FOR PENSIONS	\$ 66,014,912	\$ 70,999,525	\$ 137,014,437

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Descriptions (Continued)

Pension Segment Information (Continued)

Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 2,670,802	\$ 2,597,016	\$ 5,267,818
Employee Contributions	852,743	863,860	1,716,603
Total Contributions	3,523,545	3,460,876	6,984,421
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(3,702,156)	(2,044,949)	(5,747,105)
Interest	2,395,943	2,493,974	4,889,917
Total Investment Income	(1,306,213)	449,025	(857,188)
Less Investment Expense	(104,310)	(235,409)	(339,719)
Net Investment Income	(1,410,523)	213,616	(1,196,907)
Total Additions	2,113,022	3,674,492	5,787,514
DEDUCTIONS			
Benefits and Refunds	4,131,392	3,835,382	7,966,774
Miscellaneous	49,601	55,131	104,732
Total Deductions	4,180,993	3,890,513	8,071,506
NET INCREASE (DECREASE)	(2,067,971)	(216,021)	(2,283,992)
NET POSITION RESTRICTED FOR PENSIONS			
January 1	68,082,883	71,215,546	139,298,429
December 31	\$ 66,014,912	\$ 70,999,525	\$ 137,014,437

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

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, 2015, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	59
Active Employees - Vested	41
Active Employees - Nonvested	<u>243</u>
TOTAL	<u><u>343</u></u>
Participating Employers	<u><u>1</u></u>

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, 2015 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, 2015. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years was as follows.

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 675,328	\$ 328,364	48.62%	\$ 1,781,012
December 31, 2014	433,569	322,533	74.39%	1,892,048
December 31, 2015	678,756	391,388	57.66%	2,179,416

The net OPEB obligation as of December 31, 2015 was calculated as follows:

Annual Required Contribution	\$ 666,142
Interest on Net OPEB Obligation	75,682
Adjustment to Annual Required Contribution	<u>(63,068)</u>
Annual OPEB Cost	678,756
Contributions Made	<u>391,388</u>
Increase in Net OPEB Obligation	287,368
Net OPEB Obligation, Beginning of Year	<u>1,892,048</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 2,179,416</u></u>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2015 was as follows:

Actuarial Accrued Liability (AAL)	\$ 11,874,011
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	11,874,011
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 25,371,459
UAAL as a Percentage of Covered Payroll	46.80%

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, 2015 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, 2015 was 30 years.

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

13. CHANGE IN ACCOUNTING PRINCIPLE

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in Accounting Principal:	
To Write-Off the Police Pension Plan Net Pension Asset	\$ (612,228)
To Record the Police Pension Plan Net Pension Liability	(43,036,056)
To Write-Off the Firefighters' Pension Plan Net Pension Obligation	424,194
To Record the Firefighters' Pension Plan Net Pension Liability	(27,714,567)
To Write-Off the IMRF Net Pension Obligation	115,771
To Record the IMRF Net Pension Liability	(6,283,401)
To Record the IMRF Deferred Outflows	(286,059)
To Record the IMRF Deferred Inflows	1,718,602
To Record the Effect of the Internal Service Fund, as Detailed Below	<u>(269,492)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	<u>\$ (75,943,236)</u>
CHANGE IN ACCOUNTING PRINCIPLE - INTERNAL SERVICE FUNDS	
To Record the IMRF Net Pension Liability	\$ (349,078)
To Record the IMRF Deferred Inflows	(15,892)
To Record the IMRF Deferred Outflows	<u>95,478</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - INTERNAL SERVICE FUNDS	<u>\$ (269,492)</u>
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To Record the IMRF Net Pension Liability	\$ (2,094,467)
To Record the IMRF Deferred Inflows	(95,353)
To Record the IMRF Deferred Outflows	<u>572,867</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	<u>\$ (1,616,953)</u>

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability and deferred outflows of resources and write-off the net pension obligation and net pension asset.

14. SUBSEQUENT EVENT

On January 6, 2016, the Village issued a non-interest-bearing note to Ala Carte Entertainment Limited Partnership. The principal amount of the note is \$541,447, with a maturity date of December 1, 2021.

On April 21, 2016, the Village issued \$8,975,000 General Obligation Refunding Bonds, Series 2016, to advance refund, through an in-substance defeasance, \$8,575,000 of the Series 2009A General Obligation Bonds. The bonds will be called and paid from escrow on December 1, 2018.

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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 28,983,160	\$ 28,983,160	\$ 30,056,223
Licenses and Permits	1,337,000	1,337,000	2,080,207
Intergovernmental	15,106,000	15,106,000	15,796,499
Charges for Services	8,216,350	8,216,350	9,010,169
Fines and Forfeits	1,538,000	1,538,000	2,035,952
Interest Income	30,300	30,300	29,996
Miscellaneous	951,840	951,840	1,652,542
Total Revenues	56,162,650	56,162,650	60,661,588
EXPENDITURES			
Current			
General Government	6,353,130	6,353,130	5,732,993
Public Safety	33,791,980	33,791,980	33,300,683
Highways and Streets	7,591,440	7,591,440	6,628,993
Sanitation	2,914,590	2,914,590	2,437,875
Health and Welfare	1,900,670	1,900,670	1,789,257
Culture and Recreation	330,880	330,880	297,900
Economic Development	2,216,580	2,216,580	2,060,375
Total Expenditures	55,099,270	55,099,270	52,248,076
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,063,380	1,063,380	8,413,512
OTHER FINANCING SOURCES (USES)			
Transfers In	486,450	490,370	303,920
Transfers (Out)	(2,564,440)	(2,564,440)	(2,476,194)
Total Other Financing Sources (Uses)	(2,077,990)	(2,074,070)	(2,172,274)
NET CHANGE IN FUND BALANCE	\$ (1,014,610)	\$ (1,010,690)	6,241,238
FUND BALANCE, JANUARY 1			16,418,655
FUND BALANCE, DECEMBER 31			\$ 22,659,893

(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, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ -	\$ 12,220,900	\$ 12,220,894
Total Revenues	-	12,220,900	12,220,894
EXPENDITURES			
Debt Service			
Principal Retirement	-	12,220,900	12,220,894
Total Expenditures	-	12,220,900	12,220,894
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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 of Trustees for review. The Village Board of Trustees 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 of Trustees. Expenditures/expenses may not legally exceed budget at the department/fund level. During the year, two budget amendments were approved by the Village Board of Trustees. 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

OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2015

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
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%
2015	-	11,874,011	0.00%	11,874,011	25,371,459	46.80%

*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, 2015

	<u>2015</u>
Actuarially Determined Contribution	\$ 1,743,250
Contributions in Relation to the Actuarially Determined Contribution	<u>1,743,250</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-Employee Payroll	<u><u>\$ 11,821,130</u></u>
Contributions as a Percentage of Covered-Employee Payroll	<u><u>14.75%</u></u>

Notes to the Required Supplementary Information:

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 28 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.00% compounded

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PENSION FUND

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 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	\$ 2,609,029
Contributions in Relation to the Actuarially Determined Contribution	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	2,670,802
CONTRIBUTION DEFICIENCY (Excess)	\$ 5,725	\$ 25,295	\$ (15,486)	\$ (67,286)	\$ (17,483)	\$ (20,635)	\$ 23,299	\$ 4,943	\$ 12,430	\$ (61,773)
Covered-Employee Payroll	\$ 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	\$ 8,465,859
Contributions as a Percentage of Covered-Employee Payroll	19.9%	20.7%	22.2%	24.3%	31.0%	29.9%	28.3%	27.7%	32.2%	31.5%

Notes to the Required Supplementary Information:

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 25 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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 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	\$ 2,531,184
Contributions in Relation to the Actuarially Determined Contribution	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	2,597,016
CONTRIBUTION DEFICIENCY (Excess)	\$ (13,184)	\$ (213)	\$ (16,236)	\$ (16,026)	\$ (19,163)	\$ (14,032)	\$ (34,670)	\$ 243,948	\$ 9,379	\$ (65,832)
Covered-Employee Payroll	\$ 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	\$ 9,274,129
Contributions as a Percentage of Covered-Employee Payroll	19.4%	18.9%	19.8%	21.6%	29.0%	30.2%	25.1%	24.2%	28.0%	28.0%

Notes to the Required Supplementary Information:

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 25 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, 2015

<u>Fiscal Year December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2015	391,388	666,142	58.75%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015

	2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 1,301,536
Interest	5,325,516
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	(1,490,827)
Changes of Assumptions*	92,788
Benefit Payments, Including Refunds of Member Contributions	(2,892,799)
Net Change in Total Pension Liability	2,336,214
Total Pension Liability - Beginning	71,992,367
TOTAL PENSION LIABILITY - ENDING	\$ 74,328,581
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 1,743,250
Contributions - Member	569,687
Net Investment Income	314,408
Benefit Payments, Including Refunds of Member Contributions	(2,892,799)
Other (Net Transfer)	(680,586)
Net Change in Plan Fiduciary Net Position	(946,040)
Plan Fiduciary Net Position - Beginning	63,265,421
PLAN FIDUCIARY NET POSITION - ENDING	\$ 62,319,381
EMPLOYER'S NET PENSION LIABILITY	\$ 12,009,200
Plan Fiduciary Net Position	
as a Percentage of the Total Pension Liability	83.8%
Covered-Employee Payroll	\$ 11,821,130
Employer's Net Pension Liability	
as a Percentage of Covered-Employee Payroll	101.6%

*Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

(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, 2015

	2014	2015
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,718,313	\$ 1,644,115
Interest	7,215,478	7,426,526
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,407,476	(905,685)
Changes of Assumptions*	6,443,602	10,336,137
Benefit Payments, Including Refunds of Member Contributions	(3,744,605)	(4,131,392)
	13,040,264	14,369,701
Net Change in Total Pension Liability		
Total Pension Liability - Beginning	98,078,675	111,118,939
TOTAL PENSION LIABILITY - ENDING	\$ 111,118,939	\$ 125,488,640
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 2,698,444	\$ 2,670,802
Contributions - Member	1,026,505	852,743
Net Investment Income	1,545,937	(1,410,523)
Benefit Payments, Including Refunds of Member Contributions	(3,744,605)	(4,131,392)
Administrative Expense	(21,217)	(49,601)
	1,505,064	(2,067,971)
Net Change in Plan Fiduciary Net Position		
Plan Fiduciary Net Position - Beginning	66,577,819	68,082,883
PLAN FIDUCIARY NET POSITION - ENDING	\$ 68,082,883	\$ 66,014,912
EMPLOYER'S NET PENSION LIABILITY	\$ 43,036,056	\$ 59,473,728
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.3%	52.6%
Covered-Employee Payroll	\$ 8,378,076	\$ 8,465,859
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	513.7%	702.5%

* There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(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, 2015

	<u>2014</u>	<u>2015</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 2,120,597	\$ 1,868,762
Interest	6,556,239	7,120,712
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,252,030	(800,017)
Changes of Assumptions*	3,396,442	4,562,482
Benefit Payments, Including Refunds of Member Contributions	<u>(3,623,427)</u>	<u>(3,835,382)</u>
Net Change in Total Pension Liability	9,701,881	8,916,557
Total Pension Liability - Beginning	<u>89,228,232</u>	<u>98,930,113</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 98,930,113</u>	<u>\$ 107,846,670</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 2,520,362	\$ 2,597,016
Contributions - Member	851,857	863,860
Net Investment Income	3,594,816	213,616
Benefit Payments, Including Refunds of Member Contributions	(3,623,427)	(3,835,382)
Administrative Expense	<u>(77,973)</u>	<u>(55,131)</u>
Net Change in Plan Fiduciary Net Position	3,265,635	(216,021)
Plan Fiduciary Net Position - Beginning	<u>67,949,911</u>	<u>71,215,546</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 71,215,546</u>	<u>\$ 70,999,525</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 27,714,567</u>	<u>\$ 36,847,145</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.0%	65.8%
Covered-Employee Payroll	\$ 9,015,322	\$ 9,274,129
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	307.4%	397.3%

* There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

POLICE PENSION FUND

December 31, 2015

	<u>2014</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.15%	(1.94%)

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

FIREFIGHTERS' PENSION FUND

December 31, 2015

	<u>2014</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.34%	0.42%

(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, 2015
(with comparative totals for 2014)

	2015			2014
	General Account	Municipal Waste System Account	Total	
ASSETS				
Cash and Investments	\$ 18,152,685	\$ 223,318	\$ 18,376,003	\$ 13,028,953
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	17,472,029	-	17,472,029	16,492,676
Accounts	144,215	259,678	403,893	169,360
Accrued Interest	10,199	-	10,199	8,745
Other	2,800,060	17,080	2,817,140	2,473,565
Prepaid Items	500	52,971	53,471	63,473
Inventories	124,568	-	124,568	136,188
Due from Other Governments	5,105,238	-	5,105,238	4,866,541
Due from Other Funds	406,727	-	406,727	90,459
Due from Fiduciary Funds	-	-	-	184,209
Advance to Fiduciary Funds	31,100	-	31,100	31,100
TOTAL ASSETS	\$ 44,247,321	\$ 553,047	\$ 44,800,368	\$ 37,545,269
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,286,729	\$ 32	\$ 1,286,761	\$ 1,587,540
Accrued Payroll	920,514	1,155	921,669	816,559
Unearned Revenues	115,098	-	115,098	122,237
Due to Other Funds	62,756	-	62,756	86,666
Due to Fiduciary Funds	47,360	-	47,360	1,319
Deposits Payable	1,123,953	-	1,123,953	802,816
Total Liabilities	3,556,410	1,187	3,557,597	3,417,137
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	17,304,770	-	17,304,770	16,447,684
Unavailable State Taxes	1,278,108	-	1,278,108	1,261,793
Total Deferred Inflows of Resources	18,582,878	-	18,582,878	17,709,477
Total Liabilities and Deferred Inflows of Resources	22,139,288	1,187	22,140,475	21,126,614
FUND BALANCES				
Nonspendable				
Prepaid Items	500	52,971	53,471	63,473
Inventories	124,568	-	124,568	136,188
Noncurrent receivables	31,100	-	31,100	31,100
Restricted				
Public Safety	107,404	-	107,404	116,197
Employee Loan Program	66,172	-	66,172	65,019
Assigned				
Employee Health	2,207,549	-	2,207,549	1,502,681
Subsequent Budget	592,090	-	592,090	1,034,500
Unassigned	18,978,650	498,889	19,477,539	13,469,497
Total Fund Balances	22,108,033	551,860	22,659,893	16,418,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 44,247,321	\$ 553,047	\$ 44,800,368	\$ 37,545,269

(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, 2015
(with comparative actual for 2014)

	2015				2014			
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Eliminations	Total
REVENUES								
Taxes	\$ 30,056,223	\$ -	\$ -	\$ 30,056,223	\$ 29,447,436	\$ -	\$ -	\$ 29,447,436
Licenses and Permits	2,080,207	-	-	2,080,207	1,291,098	-	-	1,291,098
Intergovernmental	15,796,499	-	-	15,796,499	15,207,160	-	-	15,207,160
Charges for Services	6,382,285	2,627,884	-	9,010,169	5,604,821	1,241,987	-	6,846,808
Fines and Forfeits	2,035,952	-	-	2,035,952	1,709,421	-	-	1,709,421
Investment Income	29,934	62	-	29,996	(109,652)	(955)	-	(110,607)
Miscellaneous	1,510,049	142,493	-	1,652,542	952,634	67,143	-	1,019,777
Total Revenues	57,891,149	2,770,439	-	60,661,588	54,102,918	1,308,175	-	55,411,093
EXPENDITURES								
Current								
General Government	5,732,993	-	-	5,732,993	5,874,247	-	-	5,874,247
Public Safety	33,300,683	-	-	33,300,683	33,248,630	-	-	33,248,630
Highways and Streets	6,605,766	23,227	-	6,628,993	7,362,411	-	-	7,362,411
Sanitation	-	2,437,875	-	2,437,875	-	1,332,980	-	1,332,980
Health and Welfare	1,789,257	-	-	1,789,257	1,609,731	-	-	1,609,731
Culture and Recreation	297,900	-	-	297,900	336,225	-	-	336,225
Economic Development	2,060,375	-	-	2,060,375	2,462,040	-	-	2,462,040
Total Expenditures	49,786,974	2,461,102	-	52,248,076	50,893,284	1,332,980	-	52,226,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,104,175	309,337	-	8,413,512	3,209,634	(24,805)	-	3,184,829

	2015				2014			
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Eliminations	Total
OTHER FINANCING SOURCES (USES)								
Transfers In	\$ 303,920	\$ -	\$ -	\$ 303,920	\$ 173,996	\$ 125,000	\$ (125,000)	\$ 173,996
Transfers (Out)	(2,476,194)	-	-	(2,476,194)	(2,271,782)	-	125,000	(2,146,782)
Total Other Financing Sources (Uses)	(2,172,274)	-	-	(2,172,274)	(2,097,786)	125,000	-	(1,972,786)
NET CHANGE IN FUND BALANCES	5,931,901	309,337	-	6,241,238	1,111,848	100,195	-	1,212,043
FUND BALANCES, JANUARY 1	16,176,132	242,523	-	16,418,655	15,064,284	142,328	-	15,206,612
FUND BALANCES, DECEMBER 31	\$ 22,108,033	\$ 551,860	\$ -	\$ 22,659,893	\$ 16,176,132	\$ 242,523	\$ -	\$ 16,418,655

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL ACCOUNT

For the Year Ended December 31, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 376,640	\$ 376,640	\$ 366,169	\$ 355,721
Administration	614,980	614,980	613,715	588,937
Legal	493,720	493,720	547,448	525,964
Finance	1,061,140	1,061,140	976,735	891,550
Village Clerk	207,290	207,290	201,409	184,047
Human Resources Management	551,040	551,040	529,103	501,413
Communications	219,550	219,550	218,243	195,130
Buildings and Grounds	1,061,600	1,061,600	956,579	1,022,359
Fleet Services	1,469,800	1,469,800	1,114,744	1,382,739
Police and Fire Commission	95,180	95,180	35,817	46,977
Miscellaneous Boards and Commissions	202,190	202,190	173,031	179,410
Total General Government	6,353,130	6,353,130	5,732,993	5,874,247
PUBLIC SAFETY				
Police Department				
Administration	1,357,300	1,357,300	1,312,408	1,397,547
Juvenile Investigations	509,400	509,400	507,415	492,239
Tactical	651,350	651,350	606,753	702,385
Patrol and Response	9,726,550	9,726,550	9,748,411	9,581,990
Traffic Control	1,638,370	1,638,370	1,595,771	1,573,093
Investigations	1,217,670	1,217,670	1,217,851	1,199,275
Community Relations	13,280	13,280	11,537	10,772
Communications	735,860	735,860	790,929	692,980
Canine	161,980	161,980	161,706	175,750
Special Services	152,680	152,680	201,749	178,529
Records	321,970	321,970	298,078	319,519
Administrative Services	703,500	703,500	660,130	723,689
Emergency Operations	125,080	125,080	49,328	52,459
Total Police Department	17,314,990	17,314,990	17,162,066	17,100,227
Fire Department				
Administration	775,730	775,730	817,168	752,892
Public Education	35,090	35,090	36,071	37,661
Suppression	8,036,360	8,036,360	7,796,488	7,981,295
Emergency Medical Services	7,060,510	7,060,510	6,975,783	6,729,993
Fire Prevention	543,500	543,500	489,632	622,591
Fire Stations	25,800	25,800	23,475	23,971
Total Fire Department	16,476,990	16,476,990	16,138,617	16,148,403
Total Public Safety	33,791,980	33,791,980	33,300,683	33,248,630

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS				
Administration - Public Works	\$ 264,490	\$ 264,490	\$ 239,367	\$ 255,803
Snow and Ice Control	1,867,970	1,867,970	1,538,223	2,005,320
Pavement Maintenance	421,170	421,170	417,189	380,648
Forestry	2,524,790	2,524,790	2,067,999	2,417,624
Maintenance	310,000	310,000	293,915	275,192
Storm Sewers	225,050	225,050	200,021	201,646
Utilities	675,930	675,930	642,791	637,967
Engineering	1,268,940	1,268,940	1,206,261	1,188,211
Total Highways and Streets	7,558,340	7,558,340	6,605,766	7,362,411
HEALTH AND WELFARE				
Health and Human Services	704,670	704,670	666,938	673,622
Code Enforcement	1,196,000	1,196,000	1,122,319	936,109
Total Health and Welfare	1,900,670	1,900,670	1,789,257	1,609,731
CULTURE AND RECREATION				
Cable T.V.	155,600	155,600	144,182	140,287
4th of July	175,280	175,280	153,718	195,938
Total Culture and Recreation	330,880	330,880	297,900	336,225
ECONOMIC DEVELOPMENT				
Administration - Community Development	386,430	386,430	386,014	311,443
Planning	522,670	522,670	489,068	616,604
Economic Development	1,307,480	1,307,480	1,185,293	1,533,993
Total Economic Development	2,216,580	2,216,580	2,060,375	2,462,040
TOTAL EXPENDITURES	\$ 52,151,580	\$ 52,151,580	\$ 49,786,974	\$ 50,893,284

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 2,816,000	\$ 2,816,000	\$ 2,627,884	\$ 1,241,987
Investment Income	300	300	62	(955)
Miscellaneous	151,280	151,280	142,493	67,143
Total Revenues	2,967,580	2,967,580	2,770,439	1,308,175
EXPENDITURES				
Current				
Sanitation	2,914,590	2,914,590	2,437,875	1,332,980
Highways and Streets	33,100	33,100	23,227	-
Total Expenditures	2,947,690	2,947,690	2,461,102	1,332,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,890	19,890	309,337	(24,805)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	125,000
Total Other Financing Sources (Uses)	-	-	-	125,000
NET CHANGE IN FUND BALANCE	\$ 19,890	\$ 19,890	309,337	100,195
FUND BALANCE, JANUARY 1			242,523	142,328
FUND BALANCE, DECEMBER 31			\$ 551,860	\$ 242,523

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ 12,220,900	\$ 12,220,894	\$ 25,571,103
Total Revenues	-	12,220,900	12,220,894	25,571,103
EXPENDITURES				
Economic Development				
Other Contractual Services	-	-	-	-
Debt Service				
Principal Retirement	-	12,220,900	12,220,894	26,371,103
Total Expenditures	-	12,220,900	12,220,894	26,371,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	(800,000)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	800,000
Total Other Financing Sources (Uses)	-	-	-	800,000
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	<u>\$ -</u>

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 1,500	\$ 1,500	\$ 5,651	\$ (38,586)
Charges for Services	-	-	507,283	-
Total Revenues	1,500	1,500	512,934	(38,586)
EXPENDITURES				
Current				
Economic Development	775,000	26,804,100	26,065,527	78,765,309
Total Expenditures	775,000	26,804,100	26,065,527	78,765,309
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(773,500)	(26,802,600)	(25,552,593)	(78,803,895)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(546,000)	(546,000)	(84,489)	(806,277)
Notes Issued, at Par	-	26,029,100	26,042,563	78,635,096
Total Other Financing Sources (Uses)	(546,000)	25,483,100	25,958,074	77,828,819
NET CHANGE IN FUND BALANCE	\$ (1,319,500)	\$ (1,319,500)	405,481	(975,076)
FUND BALANCE, JANUARY 1			2,504,382	3,479,458
FUND BALANCE, DECEMBER 31			\$ 2,909,863	\$ 2,504,382

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 2,025,586	\$ 216,330	\$ 6,440,008	\$ 8,681,924
Receivables				
Property Taxes	1,976	1,561,937	-	1,563,913
Accounts	-	-	162,537	162,537
Accrued Interest	1,303	-	10,052	11,355
Other	7,240	-	1,269,423	1,276,663
Prepaid Items	-	-	1,153,464	1,153,464
Due from Other Governments	117,121	-	-	117,121
Due from Other Funds	-	-	475,420	475,420
TOTAL ASSETS	\$ 2,153,226	\$ 1,778,267	\$ 9,510,904	\$ 13,442,397
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 354,195	\$ -	\$ 949,932	\$ 1,304,127
Accrued Payroll	12,404	-	-	12,404
Unearned Revenues	174,800	-	-	174,800
Due to Other Funds	52,293	-	789,902	842,195
Deposits Payable	6,930	-	2,411,732	2,418,662
Total Liabilities	600,622	-	4,151,566	4,752,188
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	1,976	1,550,000	-	1,551,976
Total Deferred Inflows of Resources	1,976	1,550,000	-	1,551,976
Total Liabilities and Deferred Inflows of Resources	602,598	1,550,000	4,151,566	6,304,164
FUND BALANCES				
Nonspendable				
Prepaid Items	-	-	1,153,464	1,153,464
Restricted				
Highways and Streets	531,906	-	-	531,906
Emergency Equipment	66,792	-	-	66,792
Public Safety	127,915	-	-	127,915
Debt Service	-	228,267	-	228,267
Economic Development	840,308	-	-	840,308
Assigned				
Capital Improvements	-	-	4,205,874	4,205,874
Unassigned (Deficit)	(16,293)	-	-	(16,293)
Total Fund Balances	1,550,628	228,267	5,359,338	7,138,233
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,153,226	\$ 1,778,267	\$ 9,510,904	\$ 13,442,397

(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, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,975	\$ 2,098,066	\$ 3,767,678	\$ 5,867,719
Intergovernmental	1,624,499	305,930	1,627,407	3,557,836
Charges for Services	-	-	516,844	516,844
Fines and Forfeits	235,145	-	-	235,145
Investment Income	6,139	1,814	20,893	28,846
Miscellaneous	2,051	-	32,986	35,037
Total Revenues	1,869,809	2,405,810	5,965,808	10,241,427
EXPENDITURES				
Current				
Public Safety	537,878	-	-	537,878
Highways and Streets	2,244,829	-	-	2,244,829
Economic Development	916,574	-	-	916,574
Capital Outlay	-	-	7,173,225	7,173,225
Debt Service				
Principal Retirement	-	1,295,000	-	1,295,000
Interest and Fiscal Charges	-	2,419,382	33,420	2,452,802
Total Expenditures	3,699,281	3,714,382	7,206,645	14,620,308
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,829,472)	(1,308,572)	(1,240,837)	(4,378,881)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,133,188	2,554,053	3,687,241
Transfers (Out)	(34,451)	(35,429)	(1,883,520)	(1,953,400)
Bonds Issued, at Par	-	-	1,640,000	1,640,000
Premium (Discount) on Bonds	-	-	96,469	96,469
Total Other Financing Sources (Uses)	(34,451)	1,097,759	2,407,002	3,470,310
NET CHANGE IN FUND BALANCES	(1,863,923)	(210,813)	1,166,165	(908,571)
FUND BALANCES, JANUARY 1	3,414,551	439,080	4,193,173	8,046,804
FUND BALANCES, DECEMBER 31	\$ 1,550,628	\$ 228,267	\$ 5,359,338	\$ 7,138,233

(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, 2015

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
ASSETS			
Cash and Investments	\$ 416,603	\$ 1	\$ 341,183
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	646	-	-
Property Tax	-	-	-
Other	-	575	-
Due from Other Governments	117,121	-	-
TOTAL ASSETS	\$ 534,370	\$ 576	\$ 341,183
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,464	\$ 575	\$ -
Accrued Payroll	-	-	3,255
Unearned Revenues	-	-	174,800
Due to Other Funds	-	-	35,213
Deposits Payable	-	-	-
Total Liabilities	2,464	575	213,268
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	2,464	575	213,268
FUND BALANCES			
Restricted			
Highways and Streets	531,906	-	-
Emergency Equipment	-	-	-
Public Safety	-	-	127,915
Economic Development	-	1	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	531,906	1	127,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 534,370	\$ 576	\$ 341,183

EDA Administration	Emergency 911	Roselle Road TIF	Higgins/Hassell TIF	Total
\$ 530,624	\$ 64,149	\$ 673,026	\$ -	\$ 2,025,586
-	-	657	-	1,303
-	-	-	1,976	1,976
-	3,430	3,235	-	7,240
-	-	-	-	117,121
<u>\$ 530,624</u>	<u>\$ 67,579</u>	<u>\$ 676,918</u>	<u>\$ 1,976</u>	<u>\$ 2,153,226</u>
\$ -	\$ -	\$ 351,156	\$ -	\$ 354,195
9,149	-	-	-	12,404
-	-	-	-	174,800
-	787	-	16,293	52,293
6,930	-	-	-	6,930
<u>16,079</u>	<u>787</u>	<u>351,156</u>	<u>16,293</u>	<u>600,622</u>
-	-	-	1,976	1,976
-	-	-	1,976	1,976
<u>16,079</u>	<u>787</u>	<u>351,156</u>	<u>18,269</u>	<u>602,598</u>
-	-	-	-	531,906
-	66,792	-	-	66,792
-	-	-	-	127,915
514,545	-	325,762	-	840,308
-	-	-	(16,293)	(16,293)
<u>514,545</u>	<u>66,792</u>	<u>325,762</u>	<u>(16,293)</u>	<u>1,550,628</u>
<u>\$ 530,624</u>	<u>\$ 67,579</u>	<u>\$ 676,918</u>	<u>\$ 1,976</u>	<u>\$ 2,153,226</u>

(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, 2015

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
REVENUES			
Intergovernmental	\$ 1,306,516	\$ 301,266	\$ -
Fines and Forfeits	-	-	235,145
Investment Income	1,526	-	207
Taxes	-	-	-
Miscellaneous	-	-	2,051
Total Revenues	1,308,042	301,266	237,403
EXPENDITURES			
Current			
Public Safety	-	-	165,793
Highways and Streets	2,244,829	-	-
Economic Development	-	303,546	-
Total Expenditures	2,244,829	303,546	165,793
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(936,787)	(2,280)	71,610
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	(69,880)
Total Other Financing Sources (Uses)	-	-	(69,880)
NET CHANGE IN FUND BALANCES	(936,787)	(2,280)	1,730
FUND BALANCES (DEFICIT), JANUARY 1	1,468,693	2,281	126,185
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 531,906	\$ 1	\$ 127,915

EDA Administration	Emergency 911	Roselle Road TIF	Higgins/Hassell TIF	Total
\$ -	\$ 21,233	\$ (4,516)	\$ -	\$ 1,624,499
-	-	-	-	235,145
2,389	177	1,840	-	6,139
-	-	-	1,975	1,975
-	-	-	-	2,051
2,389	21,410	(2,676)	1,975	1,869,809
345,461	26,624	-	-	537,878
-	-	-	-	2,244,829
-	-	608,344	4,684	916,574
345,461	26,624	608,344	4,684	3,699,281
(343,072)	(5,214)	(611,020)	(2,709)	(1,829,472)
35,429	-	-	-	(34,451)
35,429	-	-	-	(34,451)
(307,643)	(5,214)	(611,020)	(2,709)	(1,863,923)
822,188	72,006	936,782	(13,584)	3,414,551
\$ 514,545	\$ 66,792	\$ 325,762	\$ (16,293)	\$ 1,550,628

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,225,000	\$ 1,225,000	\$ 1,306,516	\$ 1,762,569
Investment Income	3,000	3,000	1,526	3,301
Total Revenues	1,228,000	1,228,000	1,308,042	1,765,870
EXPENDITURES				
Current				
Highways and Streets	2,281,360	2,281,360	2,244,829	2,281,815
Total Expenditures	2,281,360	2,281,360	2,244,829	2,281,815
NET CHANGE IN FUND BALANCE	\$ (1,053,360)	\$ (1,053,360)	(936,787)	(515,945)
FUND BALANCE, JANUARY 1			1,468,693	1,984,638
FUND BALANCE, DECEMBER 31			\$ 531,906	\$ 1,468,693

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 560,000	\$ 560,000	\$ 301,266	\$ 318,020
Miscellaneous	-	-	-	49,892
Total Revenues	560,000	560,000	301,266	367,912
EXPENDITURES				
Current				
Economic Development	560,000	560,000	303,546	365,632
Total Expenditures	560,000	560,000	303,546	365,632
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(2,280)	2,280
FUND BALANCE, JANUARY 1			2,281	1
FUND BALANCE, DECEMBER 31			\$ 1	\$ 2,281

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	
REVENUES				
Fines and Forfeits	\$ 346,360	\$ 346,360	\$ 235,145	\$ 162,256
Investment Income	400	400	207	(3,229)
Miscellaneous	-	-	2,051	800
Total Revenues	346,760	346,760	237,403	159,827
EXPENDITURES				
Current				
Public Safety	293,830	293,830	165,793	162,497
Total Expenditures	293,830	293,830	165,793	162,497
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	52,930	52,930	71,610	(2,670)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(69,880)	(69,880)	(69,880)	-
Total Other Financing Sources (Uses)	(69,880)	(69,880)	(69,880)	-
NET CHANGE IN FUND BALANCE	\$ (16,950)	\$ (16,950)	1,730	(2,670)
FUND BALANCE, JANUARY 1			126,185	128,855
FUND BALANCE, DECEMBER 31			\$ 127,915	\$ 126,185

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 1,500	\$ 1,500	\$ 2,389	\$ (25,859)
Miscellaneous	-	-	-	46,546
Total Revenues	1,500	1,500	2,389	20,687
EXPENDITURES				
Current				
Public Safety	345,960	345,960	345,461	379,379
Total Expenditures	345,960	345,960	345,461	379,379
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(344,460)	(344,460)	(343,072)	(358,692)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	35,430	35,429	(19,533)
Total Other Financing Sources (Uses)	-	35,430	35,429	(19,533)
NET CHANGE IN FUND BALANCE	\$ (344,460)	\$ (309,030)	(307,643)	(378,225)
FUND BALANCE, JANUARY 1			822,188	1,200,413
FUND BALANCE, DECEMBER 31			\$ 514,545	\$ 822,188

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 21,500	\$ 21,500	\$ 21,233	\$ 21,908
Investment Income	100	100	177	(1,715)
Total Revenues	21,600	21,600	21,410	20,193
EXPENDITURES				
Current				
Public Safety	26,420	26,670	26,624	26,328
Total Expenditures	26,420	26,670	26,624	26,328
NET CHANGE IN FUND BALANCE	\$ (4,820)	\$ (5,070)	(5,214)	(6,135)
FUND BALANCE, JANUARY 1			72,006	78,141
FUND BALANCE, DECEMBER 31			\$ 66,792	\$ 72,006

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ (4,516)	\$ 57,028
Investment Income	-	-	1,840	1,919
Total Revenues	-	-	(2,676)	58,947
EXPENDITURES				
Current				
Economic Development	962,700	962,700	608,344	54,360
Total Expenditures	962,700	962,700	608,344	54,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(962,700)	(962,700)	(611,020)	4,587
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(50,000)
Total Other Financing Sources (Uses)	-	-	-	(50,000)
NET CHANGE IN FUND BALANCE	\$ (962,700)	\$ (962,700)	(611,020)	(45,413)
FUND BALANCE, JANUARY 1			936,782	982,195
FUND BALANCE, DECEMBER 31			\$ 325,762	\$ 936,782

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ -	\$ -	\$ 1,975	\$ -
Total Revenues	-	-	1,975	-
EXPENDITURES				
Current				
Economic Development	3,450	4,690	4,684	3,660
Total Expenditures	3,450	4,690	4,684	3,660
NET CHANGE IN FUND BALANCE	<u>\$ (3,450)</u>	<u>\$ (4,690)</u>	(2,709)	(3,660)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(13,584)</u>	<u>(9,924)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (16,293)</u>	<u>\$ (13,584)</u>

(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, 2015

	2005 EDA TIF Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total
ASSETS				
Cash and Investments	\$ -	\$ 67,726	\$ 148,604	\$ 216,330
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	-	-	1,561,937	1,561,937
TOTAL ASSETS	\$ -	\$ 67,726	\$ 1,710,541	\$ 1,778,267
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
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
FUND BALANCES				
Restricted				
Debt Service	-	67,726	160,541	228,267
Total Fund Balances	-	67,726	160,541	228,267
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 67,726	\$ 1,710,541	\$ 1,778,267

(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, 2015

	2005 EDA TIF Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total
REVENUES				
Taxes	\$ -	\$ -	\$ 2,098,066	\$ 2,098,066
Charges for Services	-	-	305,930	305,930
Investment Income	85	-	1,729	1,814
Total Revenues	85	-	2,405,725	2,405,810
EXPENDITURES				
Debt Service				
Principal Retirement	-	-	1,295,000	1,295,000
Interest and Fiscal Charges	-	999,688	1,419,694	2,419,382
Total Expenditures	-	999,688	2,714,694	3,714,382
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	85	(999,688)	(308,969)	(1,308,572)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	999,188	134,000	1,133,188
Transfers (Out)	(35,429)	-	-	(35,429)
Total Other Financing Sources (Uses)	(35,429)	999,188	134,000	1,097,759
NET CHANGE IN FUND BALANCES	(35,344)	(500)	(174,969)	(210,813)
FUND BALANCES, JANUARY 1	35,344	68,226	335,510	439,080
FUND BALANCES, DECEMBER 31	\$ -	\$ 67,726	\$ 160,541	\$ 228,267

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	
REVENUES				
Investment Income	\$ -	\$ -	\$ 85	\$ (532)
Total Revenues	-	-	85	(532)
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	-	-	-	1,000
Total Expenditures	-	-	-	1,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	85	(1,532)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(35,430)	(35,429)	-
Total Other Financing Sources (Uses)	-	(35,430)	(35,429)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (35,430)	(35,344)	(1,532)
FUND BALANCE, JANUARY 1			35,344	36,876
FUND BALANCE, DECEMBER 31			\$ -	\$ 35,344

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	1,332,750	1,332,750	999,688	999,680
Total Expenditures	1,332,750	1,332,750	999,688	999,680
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,332,750)	(1,332,750)	(999,688)	(999,680)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,332,260	1,332,260	999,188	999,190
Total Other Financing Sources (Uses)	1,332,260	1,332,260	999,188	999,190
NET CHANGE IN FUND BALANCE	\$ (490)	\$ (490)	(500)	(490)
FUND BALANCE, JANUARY 1			68,226	68,716
FUND BALANCE, DECEMBER 31			\$ 67,726	\$ 68,226

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 2,082,200	\$ 2,082,200	\$ 2,098,066	\$ 2,063,803
Charges for Services	390,000	390,000	305,930	352,540
Investment Income	50	50	1,729	(29,591)
Total Revenues	2,472,250	2,472,250	2,405,725	2,386,752
EXPENDITURES				
Debt Service				
Principal Retirement	1,295,000	1,295,000	1,295,000	1,235,000
Interest and Fiscal Charges	1,419,700	1,419,700	1,419,694	1,478,356
Total Expenditures	2,714,700	2,714,700	2,714,694	2,713,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(242,450)	(242,450)	(308,969)	(326,604)
OTHER FINANCING SOURCES (USES)				
Transfers 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	\$ (108,450)	\$ (108,450)	(174,969)	(192,604)
FUND BALANCE, JANUARY 1			335,510	528,114
FUND BALANCE, DECEMBER 31			\$ 160,541	\$ 335,510

(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.

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

2015 Capital Projects Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2015B General Obligation bonds.

Road Improvement Fund - to account for financial resources set aside for large road improvements projects for the Village.

NONMAJOR CAPITAL PROJECTS FUNDS (Continued)

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, 2015

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee
ASSETS						
Cash and Investments	\$ -	\$ 247,686	\$ 298,689	\$ 158,148	\$ 290,417	\$ 168,097
Receivables						
Accounts	113,611	-	-	-	-	2,811
Accrued Interest	-	-	-	-	-	-
Other	-	-	12,207	-	178,212	-
Prepaid Items	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	437,503	-
TOTAL ASSETS	\$ 113,611	\$ 247,686	\$ 310,896	\$ 158,148	\$ 906,132	\$ 170,908
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 32,585	\$ -	\$ 221,194	\$ -
Deposits Payable	113,611	-	-	-	137,904	5,700
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	113,611	-	32,585	-	359,098	5,700
FUND BALANCES						
Nonspendable						
Prepaid Items	-	-	-	-	-	-
Assigned						
Capital Projects	-	247,686	278,311	158,148	547,034	165,208
Total Fund Balances	-	247,686	278,311	158,148	547,034	165,208
TOTAL LIABILITIES AND FUND BALANCES	\$ 113,611	\$ 247,686	\$ 310,896	\$ 158,148	\$ 906,132	\$ 170,908

Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2009 Capital Projects	2015 Capital Projects	Road Improvement	Stormwater Management	Total
\$ 54,927	\$ 333,855	\$ 1,173,446	\$ 2,583,304	\$ -	\$ 54,775	\$ 278,964	\$ 797,700	\$ 6,440,008
-	-	-	-	-	-	-	46,115	162,537
-	621	3,300	5,501	-	630	-	-	10,052
4,089	-	-	-	-	-	1,074,915	-	1,269,423
7,833	-	-	-	-	1,145,631	-	-	1,153,464
22,287	-	15,630	-	-	-	-	-	475,420
<u>\$ 89,136</u>	<u>\$ 334,476</u>	<u>\$ 1,192,376</u>	<u>\$ 2,588,805</u>	<u>\$ -</u>	<u>\$ 1,201,036</u>	<u>\$ 1,353,879</u>	<u>\$ 843,815</u>	<u>\$ 9,510,904</u>
\$ 792	\$ -	\$ 74,560	\$ -	\$ -	\$ -	\$ 537,001	\$ 83,800	\$ 949,932
-	-	-	2,154,517	-	-	-	-	2,411,732
-	-	-	-	-	-	789,902	-	789,902
<u>792</u>	<u>-</u>	<u>74,560</u>	<u>2,154,517</u>	<u>-</u>	<u>-</u>	<u>1,326,903</u>	<u>83,800</u>	<u>4,151,566</u>
7,833	-	-	-	-	1,145,631	-	-	1,153,464
80,511	334,476	1,117,816	434,288	-	55,405	26,976	760,015	4,205,874
88,344	334,476	1,117,816	434,288	-	1,201,036	26,976	760,015	5,359,338
<u>\$ 89,136</u>	<u>\$ 334,476</u>	<u>\$ 1,192,376</u>	<u>\$ 2,588,805</u>	<u>\$ -</u>	<u>\$ 1,201,036</u>	<u>\$ 1,353,879</u>	<u>\$ 843,815</u>	<u>\$ 9,510,904</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, 2015

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,496,993	\$ -
Intergovernmental	-	-	-	-	262,169	-
Charges for Services	-	-	-	-	-	-
Investment Income	-	740	750	193	1,058	200
Miscellaneous	-	-	10,810	16,989	-	-
Total Revenues	-	740	11,560	17,182	1,760,220	200
EXPENDITURES						
Capital Outlay	-	-	602	-	425,199	-
Debt Service	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	602	-	425,199	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	740	10,958	17,182	1,335,021	200
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	118,940	-
Transfers (Out)	-	-	-	-	(1,839,860)	-
Bonds Issued, at Par	-	-	-	-	-	-
Premium (Discount) on Bond	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(1,720,920)	-
NET CHANGE IN FUND BALANCES	-	740	10,958	17,182	(385,899)	200
FUND BALANCES, JANUARY 1	-	246,946	267,353	140,966	932,933	165,008
FUND BALANCES, DECEMBER 31	\$ -	\$ 247,686	\$ 278,311	\$ 158,148	\$ 547,034	\$ 165,208

Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2009 Capital Projects	2015 Capital Projects	Road Improvement	Stormwater Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,270,685	\$ -	\$ 3,767,678
-	-	-	-	-	-	576,426	788,812	1,627,407
-	-	-	-	-	-	-	516,844	516,844
73	1,246	4,840	9,869	-	1,067	328	529	20,893
5,187	-	-	-	-	-	-	-	32,986
5,260	1,246	4,840	9,869	-	1,067	2,847,439	1,306,185	5,965,808
554,670	-	327,467	-	-	-	4,656,041	1,209,246	7,173,225
-	-	-	-	-	23,541	-	9,879	33,420
554,670	-	327,467	-	-	23,541	4,656,041	1,219,125	7,206,645
(549,410)	1,246	(322,627)	9,869	-	(22,474)	(1,808,602)	87,060	(1,240,837)
599,535	-	-	-	-	-	1,835,578	-	2,554,053
-	-	(39,740)	-	(3,920)	-	-	-	(1,883,520)
-	-	-	-	-	1,155,000	-	485,000	1,640,000
-	-	-	-	-	68,510	-	27,959	96,469
599,535	-	(39,740)	-	(3,920)	1,223,510	1,835,578	512,959	2,407,002
50,125	1,246	(362,367)	9,869	(3,920)	1,201,036	26,976	600,019	1,166,165
38,219	333,230	1,480,183	424,419	3,920	-	-	159,996	4,193,173
\$ 88,344	\$ 334,476	\$ 1,117,816	\$ 434,288	\$ -	\$ 1,201,036	\$ 26,976	\$ 760,015	\$ 5,359,338

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ 156,982
Investment Income	800	800	-	623
Total Revenues	800	800	-	157,605
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	800	800	-	157,605
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(311,705)
Total Other Financing Sources (Uses)	-	-	-	(311,705)
NET CHANGE IN FUND BALANCE	\$ 800	\$ 800	-	(154,100)
FUND BALANCE, JANUARY 1			-	154,100
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 600	\$ 600	\$ 740	\$ (7,087)
Total Revenues	600	600	740	(7,087)
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 600</u>	<u>\$ 600</u>	740	(7,087)
FUND BALANCE, JANUARY 1			246,946	254,033
FUND BALANCE, DECEMBER 31			<u>\$ 247,686</u>	<u>\$ 246,946</u>

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 94,280
Investment Income	450	450	750	(5,855)
Miscellaneous	-	-	10,810	-
Total Revenues	450	450	11,560	88,425
EXPENDITURES				
Capital Outlay	-	-	602	-
Total Expenditures	-	-	602	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	450	450	10,958	88,425
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(10,000)	(10,000)	-	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (9,550)</u>	<u>\$ (9,550)</u>	10,958	88,425
FUND BALANCE, JANUARY 1			267,353	178,928
FUND BALANCE, DECEMBER 31			<u>\$ 278,311</u>	<u>\$ 267,353</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 TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 200	\$ 200	\$ 193	\$ 162
Miscellaneous	-	-	16,989	-
Total Revenues	200	200	17,182	162
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 200	\$ 200	17,182	162
FUND BALANCE, JANUARY 1			140,966	140,804
FUND BALANCE, DECEMBER 31			\$ 158,148	\$ 140,966

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,496,993	\$ 4,065,523
Intergovernmental	141,500	141,500	262,169	1,937,710
Investment Income	2,000	2,000	1,058	(5,998)
Miscellaneous	120,000	120,000	-	111,649
Total Revenues	1,763,500	1,763,500	1,760,220	6,108,884
EXPENDITURES				
Capital Outlay	910,500	910,500	425,199	6,919,672
Total Expenditures	910,500	910,500	425,199	6,919,672
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	853,000	853,000	1,335,021	(810,788)
OTHER FINANCING SOURCES (USES)				
Transfers In	269,720	269,720	118,940	1,215,193
Transfers (Out)	(1,282,310)	(1,382,310)	(1,839,860)	(123,996)
Total Other Financing Sources (Uses)	(1,012,590)	(1,112,590)	(1,720,920)	1,091,197
NET CHANGE IN FUND BALANCE	\$ (159,590)	\$ (259,590)	(385,899)	280,409
FUND BALANCE, JANUARY 1			932,933	652,524
FUND BALANCE, DECEMBER 31			\$ 547,034	\$ 932,933

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ 4,000
Investment Income	-	-	200	2,117
Total Revenues	-	-	200	6,117
EXPENDITURES				
Capital Outlay	-	-	-	189
Total Expenditures	-	-	-	189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	200	5,928
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(743,940)
Total Other Financing Sources (Uses)	-	-	-	(743,940)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	200	(738,012)
FUND BALANCE, JANUARY 1			165,008	903,020
FUND BALANCE, DECEMBER 31			\$ 165,208	\$ 165,008

(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, 2015

(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 164,960
Investment Income	-	-	73	16
Miscellaneous	-	-	5,187	5,402
Total Revenues	-	-	5,260	170,378
EXPENDITURES				
Capital Outlay	610,490	610,490	554,670	494,365
Total Expenditures	610,490	610,490	554,670	494,365
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(610,490)	(610,490)	(549,410)	(323,987)
OTHER FINANCING SOURCES (USES)				
Transfers In	654,060	654,060	599,535	266,024
Total Other Financing Sources (Uses)	654,060	654,060	599,535	266,024
NET CHANGE IN FUND BALANCE				
	<u>\$ 43,570</u>	<u>\$ 43,570</u>	50,125	(57,963)
FUND BALANCE, JANUARY 1				
			38,219	96,182
FUND BALANCE, DECEMBER 31				
			<u>\$ 88,344</u>	<u>\$ 38,219</u>

(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, 2015
(with comparative actual for 2014)

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 670	\$ 670	\$ 1,246	\$ (2,964)
Total Revenues	<u>670</u>	<u>670</u>	<u>1,246</u>	<u>(2,964)</u>
EXPENDITURES				
Capital Outlay	104,000	104,000	-	8,241
Total Expenditures	<u>104,000</u>	<u>104,000</u>	<u>-</u>	<u>8,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(103,330)</u>	<u>(103,330)</u>	1,246	(11,205)
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	100,000	-	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,330)</u></u>	<u><u>\$ (3,330)</u></u>	1,246	(11,205)
FUND BALANCE, JANUARY 1			<u>333,230</u>	<u>344,435</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 334,476</u></u>	<u><u>\$ 333,230</u></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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 2,000	\$ 2,000	\$ 4,840	\$ 4,944
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>4,840</u>	<u>4,944</u>
EXPENDITURES				
Capital Outlay	356,740	356,740	327,467	651,382
Total Expenditures	<u>356,740</u>	<u>356,740</u>	<u>327,467</u>	<u>651,382</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(354,740)</u>	<u>(354,740)</u>	<u>(322,627)</u>	<u>(646,438)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(39,740)	(39,740)	(39,740)	(171,090)
Total Other Financing Sources (Uses)	<u>(39,740)</u>	<u>(39,740)</u>	<u>(39,740)</u>	<u>(171,090)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (394,480)</u>	<u>\$ (394,480)</u>	(362,367)	(817,528)
FUND BALANCE, JANUARY 1			<u>1,480,183</u>	<u>2,297,711</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,117,816</u>	<u>\$ 1,480,183</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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,709
Investment Income	8,000	8,000	9,869	(15,525)
Miscellaneous	-	-	-	6,582
Total Revenues	8,000	8,000	9,869	(5,234)
EXPENDITURES				
Capital Outlay	-	-	-	10,290
Total Expenditures	-	-	-	10,290
NET CHANGE IN FUND BALANCE	\$ 8,000	\$ 8,000	9,869	(15,524)
FUND BALANCE, JANUARY 1			424,419	439,943
FUND BALANCE, DECEMBER 31			\$ 434,288	\$ 424,419

(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, 2015
(with comparative actual for 2014)

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(3,920)	(3,920)	-
Total Other Financing Sources (Uses)	-	(3,920)	(3,920)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (3,920)	(3,920)	-
FUND BALANCE, JANUARY 1			3,920	3,920
FUND BALANCE, DECEMBER 31			\$ -	\$ 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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 475,000	\$ 515,000	\$ 516,844	\$ 471,954
Intergovernmental	-	788,810	788,812	-
Investment Income	100	100	529	-
Total Revenues	475,100	1,303,910	1,306,185	471,954
EXPENDITURES				
Capital Outlay	260,000	1,209,250	1,209,246	311,958
Debt Service				
Interest and Fiscal Charges	-	-	9,879	-
Total Expenditures	260,000	1,209,250	1,219,125	311,958
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	215,100	94,660	87,060	159,996
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(225,000)	(225,000)	-	-
Bonds Issued, at Par	-	-	485,000	-
Premium (Discount) on Bond	-	-	27,959	-
Total Other Financing Sources (Uses)	(225,000)	(225,000)	512,959	-
NET CHANGE IN FUND BALANCE	\$ (9,900)	\$ (130,340)	600,019	159,996
FUND BALANCE, JANUARY 1			159,996	-
FUND BALANCE, DECEMBER 31			\$ 760,015	\$ 159,996

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ROAD IMPROVEMENT FUND

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 2,340,000	\$ 2,340,000	\$ 2,270,685
Intergovernmental	4,704,000	4,704,000	576,426
Investment Income	2,000	2,000	328
Total Revenues	<u>7,046,000</u>	<u>7,046,000</u>	<u>2,847,439</u>
EXPENDITURES			
Capital Outlay	<u>8,576,310</u>	<u>8,576,310</u>	<u>4,656,041</u>
Total Expenditures	<u>8,576,310</u>	<u>8,576,310</u>	<u>4,656,041</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,530,310)</u>	<u>(1,530,310)</u>	<u>(1,808,602)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>1,307,310</u>	<u>1,407,310</u>	<u>1,835,578</u>
Total Other Financing Sources (Uses)	<u>1,307,310</u>	<u>1,407,310</u>	<u>1,835,578</u>
NET CHANGE IN FUND BALANCE	<u>\$ (223,000)</u>	<u>\$ (123,000)</u>	26,976
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u>\$ 26,976</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2015 CAPITAL PROJECTS FUND

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ -	\$ -	\$ 1,067
Total Revenues	-	-	1,067
EXPENDITURES			
Capital Outlay	-	1,200,000	-
Debt Service			
Interest and Fiscal Charges	-	-	23,541
Total Expenditures	-	1,200,000	23,541
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,200,000)	(22,474)
OTHER FINANCING SOURCES (USES)			
Bonds Issued, at Par	-	1,200,000	1,155,000
Premium (Discount) on Bond	-	-	68,510
Total Other Financing Sources (Uses)	-	1,200,000	1,223,510
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,201,036
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,201,036</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND

December 31, 2015
(with comparative totals for 2014)

	2015	2014
CURRENT ASSETS		
Cash and Investments	\$ 4,503,642	\$ 245,294
Receivables		
Accounts - Billed	1,319,125	1,023,520
Accounts - Unbilled	1,353,422	1,206,158
Accounts - Other Invoices	11,417	12,261
Accrued Interest	6,777	-
Due from Other Governments	109,940	-
Inventories	255,796	203,170
	<hr/>	<hr/>
Total Current Assets	7,560,119	2,690,403
CAPITAL ASSETS		
Not Depreciated	573,824	518,575
Depreciated	59,111,846	58,637,170
Accumulated Depreciation	(29,161,113)	(28,058,812)
	<hr/>	<hr/>
Net Capital Assets	30,524,557	31,096,933
	<hr/>	<hr/>
Total Assets	38,084,676	33,787,336
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	1,253,399	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	1,253,399	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	39,338,075	33,787,336
CURRENT LIABILITIES		
Accounts Payable	1,061,785	773,642
Accrued Payroll	93,524	84,217
Accrued Interest Payable	44,594	27,755
Due to Other Funds	63,330	48,606
Deposits Payable	89,257	55,548
General Obligation Bonds Payable	220,000	-
Compensated Absences Payable	157,926	166,263
	<hr/>	<hr/>
Total Current Liabilities	1,730,416	1,156,031
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	11,109,692	6,599,898
Other Postemployment Benefit Obligations	231,150	239,105
Net Pension Liability	2,882,208	-
Compensated Absences Payable	198,325	235,452
	<hr/>	<hr/>
Total Long-Term Liabilities	14,421,375	7,074,455
	<hr/>	<hr/>
Total Liabilities	16,151,791	8,230,486
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	331,239	-
	<hr/>	<hr/>
Total Deferred Inflows of Resources	331,239	-
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	16,483,030	8,230,486

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND (Continued)

December 31, 2015
(with comparative total for 2014)

	<u>2015</u>	<u>2014</u>
NET POSITION		
Net Investment in Capital Assets	\$ 23,590,360	\$ 24,497,035
Unrestricted	(735,315)	1,059,815
TOTAL NET POSITION	<u>\$ 22,855,045</u>	<u>\$ 25,556,850</u>

(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, 2015
(with comparative actual for 2014)

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 15,247,410	\$ 15,247,410	\$ 16,361,314	\$ 13,980,643
Total Operating Revenues	15,247,410	15,247,410	16,361,314	13,980,643
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	15,606,280	15,606,280	13,738,123	12,746,802
Sewer Division	2,435,590	2,435,590	2,160,183	2,091,154
Total Operating Expenses Excluding Depreciation	18,041,870	18,041,870	15,898,306	14,837,956
OPERATING INCOME (LOSS) BEFORE DEPRECIATION				
	(2,794,460)	(2,794,460)	463,008	(857,313)
Depreciation	-	1,332,100	1,332,040	1,331,894
OPERATING INCOME (LOSS)	(2,794,460)	(4,126,560)	(869,032)	(2,189,207)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	100	100	3,109	121
Interest Expense	-	-	(349,901)	(333,070)
Bonds Issued, at Par	5,000,000	5,000,000	-	-
Amortization Expense	(2,560)	(2,560)	14,746	(2,556)
Gain (Loss) on Sale of Capital Assets	-	-	(28,110)	-
Miscellaneous Revenue	5,000	5,000	104,393	11,963
Total Non-Operating Revenues (Expenses)	5,002,540	5,002,540	(255,763)	(323,542)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS				
	2,208,080	875,980	(1,124,795)	(2,512,749)
TRANSFERS				
Transfers In	481,050	481,050	84,307	-
Transfers (Out)	(596,090)	(596,090)	(111,789)	(139,969)
Total Transfers	(115,040)	(115,040)	(27,482)	(139,969)
CONTRIBUTIONS				
Intergovernmental	-	-	67,425	-
CHANGE IN NET POSITION	\$ 2,093,040	\$ 760,940	(1,084,852)	(2,652,718)
NET POSITION, JANUARY 1			25,556,850	28,209,568
Change in Accounting Principle			(1,616,953)	-
NET POSITION, JANUARY 1, RESTATED			23,939,897	28,209,568
NET POSITION, DECEMBER 31			\$ 22,855,045	\$ 25,556,850

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

SEARS CENTRE OPERATING FUND

December 31, 2015
(with comparative totals for 2014)

	2015	2014
CURRENT ASSETS		
Cash and Investments	\$ 2,989,202	\$ 2,731,259
Receivables, Net, Where Applicable, of Allowances		
Accounts	92,464	163,182
Other	294,490	271,166
Prepaid Items	20,907	35,049
Due From Other Funds	62,756	25,227
	3,459,819	3,225,883
CAPITAL ASSETS		
Not Depreciated	6,000,000	6,000,000
Depreciated	78,544,093	78,592,323
Accumulated Depreciation	(14,252,402)	(11,894,546)
	70,291,691	72,697,777
Net Capital Assets		
	73,751,510	75,923,660
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Refunding	1,202,282	-
	1,202,282	-
Total Deferred Outflows of Resources		
	74,953,792	75,923,660
CURRENT LIABILITIES		
Accounts Payable	663,732	684,330
Events Payable	69,527	48,661
Accrued Interest Payable	142,356	201,189
Due to Other Funds	-	70,191
Unearned Revenue	490,937	568,603
Deposits Payable	210,000	-
General Obligation Bonds Payable	2,040,000	1,485,000
Capital Leases Payable	-	2,683
	3,616,552	3,060,657
Total Current Liabilities		
	42,618,891	43,654,742
LONG-TERM LIABILITIES		
General Obligation Bonds Payable, Net of Premium	42,618,891	43,654,742
	42,618,891	43,654,742
Total Long-Term Liabilities		
	46,235,443	46,715,399
NET POSITION		
Net Investment in Capital Assets	26,835,082	27,555,352
Unrestricted	1,883,267	1,652,909
	\$ 28,718,349	\$ 29,208,261
TOTAL NET POSITION		

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,980,380	\$ 8,120,650	\$ 9,600,669	\$ 11,051,379
Total Operating Revenues	1,980,380	8,120,650	9,600,669	11,051,379
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Sears Centre	2,442,790	8,583,060	10,402,190	11,400,141
Total Operating Expenses Excluding Depreciation	2,442,790	8,583,060	10,402,190	11,400,141
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(462,410)	(462,410)	(801,521)	(348,762)
Depreciation	-	2,401,550	2,401,543	2,384,023
OPERATING INCOME (LOSS)	(462,410)	(2,863,960)	(3,203,064)	(2,732,785)
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	1,976,000	1,976,000	2,303,729	2,082,566
Charges for Services	30,320	30,320	87,642	29,445
Investment Income	3,000	3,000	2,089	(29,104)
Principal Retirement	(1,485,000)	(1,485,000)	-	-
Interest Expense	(2,414,270)	(2,414,270)	(1,476,091)	(2,478,468)
Amortization Expense	-	-	(113,325)	(30,065)
Sale of Fixed Assets	-	-	(47,736)	-
Miscellaneous Revenue	1,050,000	1,050,000	1,123,571	1,171,013
Total Non-Operating Revenues (Expenses)	(839,950)	(839,950)	1,879,879	745,387
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,302,360)	(3,703,910)	(1,323,185)	(1,987,398)
TRANSFERS				
Transfers In	800,000	800,000	800,000	886,653
Total Transfers	800,000	800,000	800,000	886,653
CONTRIBUTIONS				
Intergovernmental	30,000	30,000	33,273	114,980
CHANGE IN NET POSITION	\$ (472,360)	\$ (2,873,910)	(489,912)	(985,765)
NET POSITION, JANUARY 1			29,208,261	30,194,026
NET POSITION, DECEMBER 31			\$ 28,718,349	\$ 29,208,261

(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, 2015

	Information		
	Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 906,601	\$ 2,615,565	\$ 3,522,166
Receivables			
Accrued Interest	-	4,570	4,570
Prepaid Expenses	26,860	-	26,860
Deposits	-	50,000	50,000
Due from Other Funds	33,789	-	33,789
	<hr/>		
Total Current Assets	967,250	2,670,135	3,637,385
CAPITAL ASSETS			
Depreciated	398,493	-	398,493
Accumulated Depreciation	(255,873)	-	(255,873)
	<hr/>		
Net Capital Assets	142,620	-	142,620
	<hr/>		
Total Assets	1,109,870	2,670,135	3,780,005
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	208,900	-	208,900
	<hr/>		
Total Deferred Outflows of Resources	208,900	-	208,900
	<hr/>		
Total Assets and Deferred Outflows of Resources	1,318,770	2,670,135	3,988,905
LIABILITIES			
Current Liabilities			
Accounts Payable	3,431	37,206	40,637
Accrued Payroll	11,410	-	11,410
Claims Payable	-	535,666	535,666
Benefits Payable	-	471,097	471,097
Due to Other Funds	4,840	5,571	10,411
Compensated Absences Payable	24,485	-	24,485
	<hr/>		
Total Current Liabilities	44,166	1,049,540	1,093,706
Long-Term Liabilities			
Net Pension Obligation	480,368	-	480,368
Other Postemployment Benefit Obligation	26,417	-	26,417
	<hr/>		
Total Long-Term Liabilities	506,785	-	506,785
	<hr/>		
Total Liabilities	550,951	1,049,540	1,600,491
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	55,206	-	55,206
	<hr/>		
Total Deferred Inflows of Resources	55,206	-	55,206
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	606,157	1,049,540	1,655,697
NET POSITION			
Net Investment in Capital Assets	142,620	-	142,620
Unrestricted	569,993	1,620,595	2,190,588
	<hr/>		
TOTAL NET POSITION	\$ 712,613	\$ 1,620,595	\$ 2,333,208

(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, 2015

	Information		
	Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,215,360	\$ 1,475,060	\$ 2,690,420
Total Operating Revenues	1,215,360	1,475,060	2,690,420
OPERATING EXPENSES			
Operations	1,138,667	-	1,138,667
Claims and Insurance	-	1,307,757	1,307,757
Depreciation	17,472	-	17,472
Total Operating Expenses	1,156,139	1,307,757	2,463,896
OPERATING INCOME	59,221	167,303	226,524
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous	11,626	1,789	13,415
Investment Income	2,124	8,206	10,330
Total Non-Operating Revenues (Expenses)	13,750	9,995	23,745
INCOME BEFORE TRANSFERS	72,971	177,298	250,269
TRANSFERS			
Transfers In	50,404	-	50,404
Transfers (Out)	-	(300,000)	(300,000)
Total Transfers	50,404	(300,000)	(249,596)
CHANGE IN NET POSITION	123,375	(122,702)	673
NET POSITION, JANUARY 1	858,730	1,743,297	2,602,027
Change in Accounting Principle	(269,492)	-	(269,492)
NET POSITION, JANUARY 1, RESTATED	589,238	1,743,297	2,332,535
NET POSITION, DECEMBER 31	\$ 712,613	\$ 1,620,595	\$ 2,333,208

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 1,221,160	\$ 1,475,060	\$ 2,696,220
Payments to Suppliers	(847,094)	(1,249,327)	(2,096,421)
Payments to Employees	(271,906)	-	(271,906)
Net Cash from Operating Activities	102,160	225,733	327,893
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In (Out)	50,404	(300,000)	(249,596)
Interfund Borrowing (Lending)	21,046	5,571	26,617
Reimbursements and Recoveries	11,626	1,789	13,415
Net Cash from Noncapital Financing Activities	83,076	(292,640)	(209,564)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(13,382)	-	(13,382)
Net Cash from Capital and Related Financing Activities	(13,382)	-	(13,382)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	2,124	7,551	9,675
Net Cash from Investing Activities	2,124	7,551	9,675
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	173,978	(59,356)	114,622
CASH AND CASH EQUIVALENTS, JANUARY 1	732,623	2,674,921	3,407,544
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 906,601	\$ 2,615,565	\$ 3,522,166

(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, 2015

	Information Systems	Insurance	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	\$ 59,221	\$ 167,303	\$ 226,524
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation and Amortization	17,472	-	17,472
Changes in Assets and Liabilities			
Pension Related Items	57,182	-	57,182
Prepaid Expenses	(26,860)	-	(26,860)
Other Receivables	5,800	-	5,800
Accounts Payable	(18,016)	(17,848)	(35,864)
Accrued Payroll	(2,132)	-	(2,132)
Claims Payable	-	(100,123)	(100,123)
Benefits Payable	-	176,401	176,401
Compensated Absences Payable	9,066	-	9,066
Other Postemployment Benefits Payable	427	-	427
NET CASH FROM OPERATING ACTIVITIES	\$ 102,160	\$ 225,733	\$ 327,893

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,215,360	\$ 1,215,360	\$ 1,215,360	\$ 1,223,640
Total Operating Revenues	1,215,360	1,215,360	1,215,360	1,223,640
OPERATING EXPENSES				
Operations	1,584,970	1,584,970	1,138,667	1,049,249
Depreciation	-	-	17,472	18,508
Total Operating Expenses	1,584,970	1,584,970	1,156,139	1,067,757
OPERATING INCOME (LOSS)	(369,610)	(369,610)	59,221	155,883
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	11,626	11,555
Investment Income	1,000	1,000	2,124	(16,923)
Total Non-Operating Revenues (Expenses)	1,000	1,000	13,750	(5,368)
INCOME (LOSS) BEFORE TRANSFERS	(368,610)	(368,610)	72,971	150,515
TRANSFERS				
Transfers In	68,610	68,610	50,404	68,337
Total Transfers	68,610	68,610	50,404	68,337
CHANGE IN NET POSITION	\$ (300,000)	\$ (300,000)	123,375	218,852
NET POSITION, JANUARY 1			858,730	639,878
Change in Accounting Principle			(269,492)	-
NET POSITION, JANUARY 1, RESTATED			589,238	639,878
NET POSITION, DECEMBER 31			\$ 712,613	\$ 858,730

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF NET POSITION - BY PROGRAM

INSURANCE FUND

December 31, 2015
(with comparative totals for 2014)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2015	2014
ASSETS						
Cash and Investments	\$ 740	\$ 481,325	\$ 1,207,447	\$ 926,053	\$ 2,615,565	\$ 2,674,921
Receivables						
Accrued Interest	1	509	1,761	2,299	4,570	3,915
Deposits	-	-	45,000	5,000	50,000	50,000
Total Assets	741	481,834	1,254,208	933,352	2,670,135	2,728,836
LIABILITIES						
Accounts Payable	-	5,166	29,198	2,842	37,206	55,054
Claims Payable	-	-	486,391	49,275	535,666	635,789
Benefits Payable	-	471,097	-	-	471,097	294,696
Due to General Fund	-	5,571	-	-	5,571	-
Total Liabilities	-	481,834	515,589	52,117	1,049,540	985,539
NET POSITION						
Unrestricted	741	-	738,619	881,235	1,620,595	1,743,297
TOTAL NET POSITION	\$ 741	\$ -	\$ 738,619	\$ 881,235	\$ 1,620,595	\$ 1,743,297

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,475,060	\$ 1,475,060	\$ 1,475,060	\$ 1,426,530
Total Operating Revenues	1,475,060	1,475,060	1,475,060	1,426,530
OPERATING EXPENSES				
Claims and Insurance	1,506,560	1,506,560	1,307,757	1,395,962
Total Operating Expenses	1,506,560	1,506,560	1,307,757	1,395,962
OPERATING INCOME	(31,500)	(31,500)	167,303	30,568
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	1,789	28,090
Investment Income	5,000	5,000	8,206	(10,031)
Total Non-Operating Revenues (Expenses)	5,000	5,000	9,995	18,059
INCOME BEFORE TRANSFERS	(26,500)	(26,500)	177,298	48,627
TRANSFERS				
Transfers (Out)	(300,000)	(300,000)	(300,000)	-
Total Transfers	(300,000)	(300,000)	(300,000)	-
CHANGE IN NET POSITION	\$ (326,500)	\$ (326,500)	(122,702)	48,627
NET POSITION, JANUARY 1			1,743,297	1,694,670
NET POSITION, DECEMBER 31			\$ 1,620,595	\$ 1,743,297

(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, 2015
(with comparative actual for 2014)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Eliminations	Totals	
						2015	2014
OPERATING REVENUES							
Charges for Services	\$ 15,218	\$ -	\$ 731,425	\$ 728,417	\$ -	\$ 1,475,060	\$ 1,426,530
Total Operating Revenues	15,218	-	731,425	728,417	-	1,475,060	1,426,530
OPERATING EXPENSES							
Claims and Insurance	15,220	134,877	558,651	599,009	-	1,307,757	1,395,962
Total Operating Expenses	15,220	134,877	558,651	599,009	-	1,307,757	1,395,962
OPERATING INCOME (LOSS)	(2)	(134,877)	172,774	129,408	-	167,303	30,568
NON-OPERATING REVENUES (EXPENSES)							
Miscellaneous	-	-	-	1,789	-	1,789	28,090
Investment Income	2	915	3,161	4,128	-	8,206	(10,031)
Total Non-Operating Revenues (Expenses)	2	915	3,161	5,917	-	9,995	18,059
INCOME (LOSS) BEFORE TRANSFERS	-	(133,962)	175,935	135,325	-	177,298	48,627
TRANSFERS							
Transfers In	-	133,962	-	-	(133,962)	-	-
Transfers (Out)	-	-	-	(433,962)	133,962	(300,000)	-
Total Transfers	-	133,962	-	(433,962)	-	(300,000)	-
CHANGE IN NET POSITION	-	-	175,935	(298,637)	-	(122,702)	48,627
NET POSITION, JANUARY 1	741	-	562,684	1,179,872	-	1,743,297	1,694,670
NET POSITION, DECEMBER 31	\$ 741	\$ -	\$ 738,619	\$ 881,235	\$ -	\$ 1,620,595	\$ 1,743,297

(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 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, 2015

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 662,203	\$ 1,423,554	\$ 2,085,757
Investments, at Fair Value			
U.S. Treasury Securities	7,706,889	6,646,757	14,353,646
U.S. Agency Securities	9,363,882	10,930,700	20,294,582
Corporate Bonds	5,452,898	9,542,221	14,995,119
Municipal Bonds	1,570,317	-	1,570,317
Mutual Funds	40,579,033	28,465,806	69,044,839
Money Market Mutual Funds	498,279	1,833,024	2,331,303
Equities	-	12,007,380	12,007,380
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	176,435	149,675	326,110
Prepaid Expenses	1,045	795	1,840
Due from General Fund	23,272	24,088	47,360
Total Assets	66,034,253	71,024,000	137,058,253
LIABILITIES			
Accounts Payable	19,341	24,475	43,816
Total Liabilities	19,341	24,475	43,816
NET POSITION RESTRICTED FOR PENSIONS	\$ 66,014,912	\$ 70,999,525	\$ 137,014,437

(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, 2015

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 2,670,802	\$ 2,597,016	\$ 5,267,818
Employee Contributions	852,743	863,860	1,716,603
Total Contributions	3,523,545	3,460,876	6,984,421
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	(3,702,156)	(2,044,949)	(5,747,105)
Interest	2,395,943	2,493,974	4,889,917
Total Investment Income	(1,306,213)	449,025	(857,188)
Less Investment Expense	(104,310)	(235,409)	(339,719)
Net Investment Income	(1,410,523)	213,616	(1,196,907)
Total Additions	2,113,022	3,674,492	5,787,514
DEDUCTIONS			
Benefits and Refunds	4,131,392	3,835,382	7,966,774
Miscellaneous	49,601	55,131	104,732
Total Deductions	4,180,993	3,890,513	8,071,506
NET INCREASE (DECREASE)	(2,067,971)	(216,021)	(2,283,992)
NET POSITION RESTRICTED FOR PENSIONS			
January 1	68,082,883	71,215,546	139,298,429
December 31	\$ 66,014,912	\$ 70,999,525	\$ 137,014,437

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,600,630	\$ 2,600,630	\$ 2,654,689	\$ 2,680,626
Intergovernmental	13,400	13,400	16,113	17,818
Employee Contributions	891,410	891,410	852,743	861,085
Other Contributions	-	-	-	165,420
Total Contributions	<u>3,505,440</u>	<u>3,505,440</u>	<u>3,523,545</u>	<u>3,724,949</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(3,702,156)	(495,296)
Interest	1,200,000	1,200,000	2,395,943	2,151,731
Total Investment Income	<u>1,200,000</u>	<u>1,200,000</u>	<u>(1,306,213)</u>	<u>1,656,435</u>
Less Investment Expense	<u>(105,000)</u>	<u>(105,000)</u>	<u>(104,310)</u>	<u>(110,498)</u>
Net Investment Income	<u>1,095,000</u>	<u>1,095,000</u>	<u>(1,410,523)</u>	<u>1,545,937</u>
Total Additions	<u>4,600,440</u>	<u>4,600,440</u>	<u>2,113,022</u>	<u>5,270,886</u>
DEDUCTIONS				
Benefits and Refunds	3,885,230	4,132,430	4,131,392	3,744,605
Miscellaneous	35,860	50,860	49,601	21,217
Total Deductions	<u>3,921,090</u>	<u>4,183,290</u>	<u>4,180,993</u>	<u>3,765,822</u>
NET INCREASE (DECREASE)	<u>\$ 679,350</u>	<u>\$ 417,150</u>	<u>(2,067,971)</u>	<u>1,505,064</u>
NET POSITION RESTRICTED FOR PENSIONS				
January 1			<u>68,082,883</u>	<u>66,577,819</u>
December 31			<u>\$ 66,014,912</u>	<u>\$ 68,082,883</u>

(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, 2015
(with comparative actual for 2014)

	2015			2014
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,522,780	\$ 2,522,780	\$ 2,580,903	\$ 2,502,545
Intergovernmental	13,400	13,400	16,113	17,817
Employee Contributions	874,160	874,160	863,860	827,566
Other Contributions	-	-	-	24,291
Total Contributions	<u>3,410,340</u>	<u>3,410,340</u>	<u>3,460,876</u>	<u>3,372,219</u>
Investment Income				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(2,044,949)	976,734
Interest	1,250,000	1,250,000	2,493,974	2,789,337
Total Investment Income	<u>1,250,000</u>	<u>1,250,000</u>	<u>449,025</u>	<u>3,766,071</u>
Less Investment Expense	<u>(200,000)</u>	<u>(200,000)</u>	<u>(235,409)</u>	<u>(171,255)</u>
Net Investment Income	<u>1,050,000</u>	<u>1,050,000</u>	<u>213,616</u>	<u>3,594,816</u>
Total Additions	<u>4,460,340</u>	<u>4,460,340</u>	<u>3,674,492</u>	<u>6,967,035</u>
DEDUCTIONS				
Benefits and Refunds	3,831,810	3,886,810	3,835,382	3,623,427
Miscellaneous	52,190	52,190	55,131	77,973
Total Deductions	<u>3,884,000</u>	<u>3,939,000</u>	<u>3,890,513</u>	<u>3,701,400</u>
NET INCREASE (DECREASE)	<u>\$ 576,340</u>	<u>\$ 521,340</u>	(216,021)	3,265,635
NET POSITION RESTRICTED FOR PENSIONS				
January 1			<u>71,215,546</u>	<u>67,949,911</u>
December 31			<u>\$ 70,999,525</u>	<u>\$ 71,215,546</u>

(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, 2015

	Balances January 1	Additions	Deletions	Balances December 31
All Funds				
ASSETS				
Cash and Investments	\$ 401,999	\$ 28,169,850	\$ 28,113,310	\$ 458,539
Assets Held by Agents	75,709	202,538	196,097	82,150
Due from Other Entities	183,900	-	183,900	-
TOTAL ASSETS	\$ 661,608	\$ 28,372,388	\$ 28,493,307	\$ 540,689
LIABILITIES				
Accounts Payable	\$ -	\$ 6,903	\$ -	\$ 6,903
Due to Participants	44,609	202,538	196,097	51,050
Advances from Other Funds	31,100	-	-	31,100
Due to Other Governments	-	27,472,563	27,471,253	1,310
Due to General Fund	184,208	-	184,208	-
Due to Other Entities	401,691	690,384	641,749	450,326
TOTAL LIABILITIES	\$ 661,608	\$ 28,372,388	\$ 28,493,307	\$ 540,689
Barrington/Higgins TIF Fund				
ASSETS				
Cash and Investments	\$ 401,691	\$ 690,384	\$ 641,749	\$ 450,326
TOTAL ASSETS	\$ 401,691	\$ 690,384	\$ 641,749	\$ 450,326
LIABILITIES				
Due to Other Entities	\$ 401,691	\$ 690,384	\$ 641,749	\$ 450,326
TOTAL LIABILITIES	\$ 401,691	\$ 690,384	\$ 641,749	\$ 450,326

(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, 2015

	Balances January 1	Additions	Deletions	Balances December 31
EDA Special Tax Allocation Fund				
ASSETS				
Cash and Investments	\$ 308	\$ 27,479,466	\$ 27,471,561	\$ 8,213
Due from Other Entities	183,900	-	183,900	-
TOTAL ASSETS	\$ 184,208	\$ 27,479,466	\$ 27,655,461	\$ 8,213
LIABILITIES				
Accounts Payable	\$ -	\$ 6,903	\$ -	\$ 6,903
Due to General Fund	184,208	-	184,208	-
Due to Other Governments	-	27,472,563	27,471,253	1,310
TOTAL LIABILITIES	\$ 184,208	\$ 27,479,466	\$ 27,655,461	\$ 8,213
 Flexible Spending Account Fund				
ASSETS				
Assets Held by Agents	\$ 75,709	\$ 202,538	\$ 196,097	\$ 82,150
TOTAL ASSETS	\$ 75,709	\$ 202,538	\$ 196,097	\$ 82,150
LIABILITIES				
Due to Participants	\$ 44,609	\$ 202,538	\$ 196,097	\$ 51,050
Advances from Other Funds	31,100	-	-	31,100
TOTAL LIABILITIES	\$ 75,709	\$ 202,538	\$ 196,097	\$ 82,150

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2015

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 & Personal Property	\$ 100,000	\$ 193,000,000	N/A	Affiliated FM	1/1/2017
Mobile Equipment	100,000	1,418,226	N/A	Insurance Co.	"
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	1/1/2017
Employee Benefit Liability	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2017
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	4,000,000	Alteris Public Risk	1/1/2017
Auto Liability	100,000	* 2,000,000	N/A	Alteris Public Risk	1/1/2017
Auto Physical Damage	100,000	ACV + RCV	N/A	"	"
Auto - Hired & Non-owned Liability	100,000	* 2,000,000	N/A	"	"
Employee Dishonesty, Crime	5,000	500,000	N/A	Hanover Insurance Company	1/1/2017
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)	7/1/2016
Boiler and Machinery	100,000	193,000,000	N/A	Affiliated FM Insurance Co.	1/1/2017
Employment Related Practices	50,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2017
Public Officials' Liability	50,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2017
Healthcare/EMT	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2017
Liquor Liability (primary)	N/A	N/A	1,000,000	Lloyds	1/1/2017
Liquor Liability (excess)					
Pollution Legal Liability				Ace	
Underground Storage Tanks	25,000	1,000,000	2,000,000	Insurance Company	1/1/2017
Terrorism Property + Liability					
Property - TIV	100,000	181,214,559	N/A	Hiscox Ins Co.	1/1/2017
General Liability	100,000	1,000,000	5,000,000	"	1/1/2017
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2017
Dan O'Malley, Deputy Village Manager	N/A	3,000	3,000	"	"
Bev Romanoff, Village Clerk	N/A	3,000	3,000	"	"
James Norris, Village Manager	N/A	50,000	50,000	"	"
Stan Helgerson, Treasurer	N/A	150,000	150,000	"	"
Rachel Musiala, Assistant Treasurer	N/A	150,000	150,000	"	"
Anthony Fashoda, Assistant Finance Director	N/A	150,000	150,000	"	"
Police and Fire Commission /Member	N/A	500	2,500	"	"
Excess Workers' Compensation	650,000	Statutory	2,000,000	Safety National	12/31/2016

* 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 BOND SERIES OF 2008A

December 31, 2015

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
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>\$ 25,744,750</u>	<u>\$ 52,389,750</u>		<u>\$ 12,872,375</u>		<u>\$ 12,872,375</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2009A

December 31, 2015

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
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>\$ 26,625,000</u>	<u>\$ 11,385,806</u>	<u>\$ 38,010,806</u>		<u>\$ 5,692,907</u>		<u>\$ 5,692,907</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015A

December 31, 2015

Date of Issue	August 19, 2015
Date of Maturity	December 1, 2026
Authorized Issue	\$ 23,415,000
Denomination of Bonds	\$ 5,000
Interest Rates	2015 1.000%
	2016 1.000%
	2017 1.500%
	2018 2.000%
	2019 2.125%
	2020 2.250%
	2021 3.000%
	2022 3.250%
	2023 3.750%
	2024 4.000%
	2025 4.200%
	2026 4.375%

Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2015	\$ 1,940,000	\$ 694,874	\$ 2,634,874	2016	\$ 347,437	2016	\$ 347,437
2016	1,665,000	675,474	2,340,474	2017	337,737	2017	337,737
2017	1,740,000	650,498	2,390,498	2018	325,249	2018	325,249
2018	1,825,000	615,698	2,440,698	2019	307,849	2019	307,849
2019	1,915,000	576,918	2,491,918	2020	288,459	2020	288,459
2020	1,955,000	533,830	2,488,830	2021	266,915	2021	266,915
2021	2,165,000	475,180	2,640,180	2022	237,590	2022	237,590
2022	2,335,000	404,818	2,739,818	2023	202,409	2023	202,409
2023	2,425,000	317,256	2,742,256	2024	158,628	2024	158,628
2024	2,515,000	220,254	2,735,254	2025	110,127	2025	110,127
2025	2,620,000	114,626	2,734,626	2026	57,313	2026	57,313
	<u>\$ 23,100,000</u>	<u>\$ 5,279,426</u>	<u>\$ 28,379,426</u>		<u>\$ 2,639,713</u>		<u>\$ 2,639,713</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2015B

December 31, 2015

Date of Issue	August 12, 2015
Date of Maturity	December 1, 2029
Authorized Issue	\$ 6,125,000
Denomination of Bonds	\$ 5,000
Interest Rates	2016 2.000%
	2017 2.000%
	2018 2.000%
	2019 3.000%
	2020 3.000%
	2021 4.000%
	2022 4.000%
	2023 3.000%
	2024 4.000%
	2025 4.000%
	2026 4.000%
	2027 4.000%
	2028 4.000%
	2029 4.000%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2015	\$ 315,000	\$ 274,170	\$ 589,170	2016	\$ 168,945	2016	\$ 105,225
2016	385,000	204,150	589,150	2017	102,075	2017	102,075
2017	390,000	196,450	586,450	2018	98,225	2018	98,225
2018	405,000	188,650	593,650	2019	94,325	2019	94,325
2019	410,000	176,500	586,500	2020	88,250	2020	88,250
2020	425,000	164,200	589,200	2021	82,100	2021	82,100
2021	440,000	147,200	587,200	2022	73,600	2022	73,600
2022	460,000	129,600	589,600	2023	64,800	2023	64,800
2023	475,000	115,800	590,800	2024	57,900	2024	57,900
2024	495,000	96,800	591,800	2025	48,400	2025	48,400
2025	515,000	77,000	592,000	2026	38,500	2026	38,500
2026	530,000	56,400	586,400	2027	28,200	2027	28,200
2027	430,000	35,200	465,200	2028	17,600	2028	17,600
2028	450,000	18,000	468,000	2029	9,000	2029	9,000
	<u>\$ 6,125,000</u>	<u>\$ 1,880,120</u>	<u>\$ 8,005,120</u>		<u>\$ 971,920</u>		<u>\$ 908,200</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015C

December 31, 2015

Date of Issue	October 28, 2015
Date of Maturity	December 1, 2033
Authorized Issue	\$ 21,905,000
Denomination of Bonds	\$ 5,000
Interest Rates	2016 1.000%
	2017 1.450%
	2026 4.250%
	2027 4.250%
	2028 4.375%
	2029 4.375%
	2030 4.500%
	2031 5.000%
	2032 5.000%
	2033 5.000%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			Amount
	Principal	Interest	Total	June 1	Amount	Dec. 1	
2015	\$ 100,000	\$ 1,013,392	\$ 1,113,392	2016	\$ 506,696	2016	\$ 506,696
2016	40,000	1,012,392	1,052,392	2017	506,196	2017	506,196
2017	-	1,011,812	1,011,812	2018	505,906	2018	505,906
2018	-	1,011,812	1,011,812	2019	505,906	2019	505,906
2019	-	1,011,812	1,011,812	2020	505,906	2020	505,906
2020	-	1,011,812	1,011,812	2021	505,906	2021	505,906
2021	-	1,011,812	1,011,812	2022	505,906	2022	505,906
2022	-	1,011,812	1,011,812	2023	505,906	2023	505,906
2023	-	1,011,812	1,011,812	2024	505,906	2024	505,906
2024	-	1,011,812	1,011,812	2025	505,906	2025	505,906
2025	110,000	1,011,812	1,121,812	2026	505,906	2026	505,906
2026	2,855,000	1,007,138	3,862,138	2027	503,569	2027	503,569
2027	2,975,000	885,800	3,860,800	2028	442,900	2028	442,900
2028	3,105,000	755,644	3,860,644	2029	377,822	2029	377,822
2029	3,240,000	619,800	3,859,800	2030	309,900	2030	309,900
2030	3,390,000	474,000	3,864,000	2031	237,000	2031	237,000
2031	3,555,000	304,500	3,859,500	2032	152,250	2032	152,250
2032	2,535,000	126,750	2,661,750	2033	63,375	2033	63,375
	<u>\$ 21,905,000</u>	<u>\$ 15,305,724</u>	<u>\$ 37,210,724</u>		<u>\$ 7,652,862</u>		<u>\$ 7,652,862</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, 2015

	Private Interest Financing Note #5	Private Interest Financing Note #6	Developer Project Cost Note #34	Developer Project Cost Note #35	Developer Project Cost Note #36
Date of Issue	Feb. 1, 2003	Feb 1, 2007	Sept. 1, 2002	Sept. 1, 2002	March 1, 2003
Date of Maturity	Sept. 10, 2027				
Original Amount of Note	\$ 4,293,238	\$ 13,147,485	\$ 10,776,023	\$ 222,767	\$ 303,071
Interest Rate	None	None	4.00%	4.00%	4.00%
Interest Dates	None	None	March 1 and September 1	March 1 and September 1	March 1 and September 1
Principal Maturity Dates	March 1 and September 1				
Payable at	Sears Roebuck and Co. Hoffman Estates, IL				
Original Principal Balance	\$ 4,293,238	\$ 13,147,485	\$ 10,776,023	\$ 222,767	\$ 303,071
Accrued Interest	-	-	8,938,363	176,510	227,498
Subtotal	4,293,238	13,147,485	19,714,386	399,277	530,569
Previous Payments	-	-	14,303,213	-	-
ADJUSTED PRINCIPAL BALANCE	\$ 4,293,238	\$ 13,147,485	\$ 5,411,173	\$ 399,277	\$ 530,569

Developer Project Cost Note #38	Developer Project Cost Note #39	Developer Project Cost Note #40	Developer Project Cost Note #41	Developer Project Cost Note #42	Developer Project Cost Note #43	Developer Project Cost Note #44
Sep 1, 2006 Sept. 10, 2027	Mar 1, 2007 Sept. 10, 2027	Sep 1, 2007 Sept. 10, 2027	Nov 12, 2015 Sep 10, 2027	Nov 12, 2015 Sep 10, 2027	Nov 12, 2015 Sep 10, 2027	Nov 12, 2015 Sep 10, 2027
\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 2,988,808	\$ 3,255,687	\$ 3,174,515	\$ 2,936,050
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 1 March 1 and September 1 Sears Roebuck and Co. Hoffman Estates, IL
\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 2,988,808	\$ 3,255,687	\$ 3,174,515	\$ 2,936,050
664,590	55,565	29,878	16,377	17,839	17,395	16,088
2,015,997	176,224	99,244	3,005,185	3,273,526	3,191,910	2,952,138
-	-	-	-	-	-	-
\$ 2,015,997	\$ 176,224	\$ 99,244	\$ 3,005,185	\$ 3,273,526	\$ 3,191,910	\$ 2,952,138

(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

December 31, 2015

	Developer Project Cost Note #45	Developer Project Cost Note #46	Developer Project Cost Note #47	Developer Project Cost Note #48	Developer Project Cost Note #49
Date of Issue	Nov 12, 2015				
Date of Maturity	Sep 10, 2027				
Original Amount of Note	\$ 3,108,160	\$ 2,513,463	\$ 2,772,320	\$ 2,622,795	\$ 2,670,765
Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%
Interest Dates	March 1 and September 1				
Principal Maturity Dates	March 1 and September 1				
Payable at	Sears Roebuck and Co. Hoffman Estates, IL				
Original Principal Balance	\$ 3,108,160	\$ 2,513,463	\$ 2,772,320	\$ 2,622,795	\$ 2,670,765
Accrued Interest	17,031	13,772	15,191	14,371	14,634
Subtotal	3,125,191	2,527,235	2,787,511	2,637,166	2,685,399
Previous Payments	-	-	-	-	-
ADJUSTED PRINCIPAL BALANCE	\$ 3,125,191	\$ 2,527,235	\$ 2,787,511	\$ 2,637,166	\$ 2,685,399

VOHE Obligation #2	VOHE Obligation #3	VOHE Obligation #4	VOHE Obligation #5	VOHE Obligation #6	Total
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	\$ 123,393,413
1,648,075	1,773,170	2,047,041	3,087,004	2,836,586	21,626,978
11,350,707	12,212,268	14,098,487	21,260,971	19,536,277	145,020,391
-	-	-	-	-	14,303,213
\$ 11,350,707	\$ 12,212,268	\$ 14,098,487	\$ 21,260,971	\$ 19,536,277	\$ 130,717,178

(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(s)</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.	167-182
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	183-189
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.	190-194
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.	195-197
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.	198-199

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

Fiscal Year	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958
Restricted	34,581,385	34,874,359	37,276,155	25,487,777
Unrestricted	(202,902,550)	(187,818,909)	(182,324,268)	(118,128,995)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (82,380,022)	\$ (60,366,222)	\$ (44,758,600)	\$ 11,949,740
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680
Restricted	-	-	-	-
Unrestricted	9,228,469	9,457,205	8,404,821	7,775,663
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638
Restricted	34,581,385	34,874,359	37,276,155	25,487,777
Unrestricted	(193,674,081)	(178,361,704)	(173,919,447)	(110,353,332)
TOTAL PRIMARY GOVERNMENT	\$ (48,779,797)	\$ (25,888,428)	\$ (10,085,824)	\$ 76,965,083

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155
11,808,484	12,287,308	8,430,181	8,705,357	6,556,733	4,878,627
(84,178,176)	(68,641,607)	(52,629,530)	(40,661,610)	(98,826,179)	(191,469,562)
\$ 25,065,045	\$ 40,636,947	\$ 53,101,252	\$ 67,464,906	\$ 7,595,145	\$ (87,550,780)
\$ 57,818,793	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442
-	-	-	-	-	-
4,738,255	4,448,586	3,224,063	4,286,249	2,712,724	1,147,952
\$ 62,557,048	\$ 61,737,184	\$ 59,512,073	\$ 58,403,594	\$ 54,765,111	\$ 51,573,394
\$ 155,253,530	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597
11,808,484	12,287,308	8,430,181	8,705,357	6,556,733	4,878,627
(79,439,921)	(64,193,021)	(49,405,467)	(36,375,361)	(96,113,455)	(190,321,610)
\$ 87,622,093	\$ 102,374,131	\$ 112,613,325	\$ 125,868,500	\$ 62,360,256	\$ (35,977,386)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958
Restricted	6,839,425	6,013,855	8,028,531	6,734,090
Unrestricted	(34,503,578)	(33,037,782)	(38,677,026)	7,684,075
TOTAL GOVERNMENTAL ACTIVITIES	\$ 58,276,990	\$ 65,554,401	\$ 69,641,018	\$ 119,009,123
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680
Restricted	-	-	-	-
Unrestricted	9,228,469	9,457,205	8,404,821	7,775,663
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638
Restricted	6,839,425	6,013,855	8,028,531	6,734,090
Unrestricted	(25,275,109)	(23,580,577)	(30,272,205)	15,459,738
TOTAL PRIMARY GOVERNMENT	\$ 91,877,215	\$ 100,032,195	\$ 104,313,794	\$ 184,024,466

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155
5,201,282	5,412,848	3,634,187	8,705,357	3,194,819	1,454,219
11,536,691	14,898,200	17,139,574	16,002,826	14,108,152	(60,752,384)
\$ 114,172,710	\$ 117,302,294	\$ 118,074,362	\$ 124,129,342	\$ 117,167,562	\$ 39,741,990
\$ 57,838,788	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442
-	-	-	-	-	-
4,718,260	4,448,586	3,224,063	4,286,249	2,712,724	1,147,952
\$ 62,557,048	\$ 61,737,184	\$ 59,512,073	\$ 58,403,594	\$ 54,765,111	\$ 51,573,394
\$ 155,273,525	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597
5,201,282	5,412,848	3,634,187	8,705,357	3,194,819	1,454,219
16,254,951	19,346,786	20,363,637	20,289,075	16,820,876	(59,604,432)
\$ 176,729,758	\$ 179,039,478	\$ 177,586,435	\$ 182,532,936	\$ 171,932,673	\$ 91,315,384

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General Government	\$ 10,482,846	\$ 6,900,227	\$ 7,649,033	\$ 2,140,888
Public Safety	27,142,353	29,298,255	32,630,767	36,731,733
Higways and Streets	6,140,084	10,578,402	12,635,002	11,426,047
Sanitation	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,774,857	1,741,403	1,959,118	1,820,973
Culture and Recreation	239,480	251,527	277,806	234,883
Economic Development	52,011,995	16,627,938	2,156,338	4,948,669
Interest	11,696,149	9,576,815	9,560,104	6,776,076
Total Governmental Activities Expenses	<u>110,352,064</u>	<u>76,101,328</u>	<u>68,058,418</u>	<u>65,270,009</u>
Business-Type Activities				
Water/Sewer	11,054,468	11,453,322	12,364,630	12,965,546
Sears Centre	-	-	-	4,800,908
Total Business-Type Activities Expenses	<u>11,054,468</u>	<u>11,453,322</u>	<u>12,364,630</u>	<u>17,766,454</u>
TOTAL GOVERNMENT EXPENSES	<u>\$ 121,406,532</u>	<u>\$ 87,554,650</u>	<u>\$ 80,423,048</u>	<u>\$ 83,036,463</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,133,556	\$ 1,333,707	\$ 1,361,435	\$ 2,867,632
Public Safety	2,183,630	2,959,938	3,154,367	2,811,303
Higways and Streets	882,063	1,212,692	586,879	152,321
Sanitation	896,554	878,948	1,009,579	1,096,277
Health and Welfare	1,616,373	2,250,535	860,461	537,732
Culture and Recreation	571,287	593,476	579,111	530,737
Economic Development	20,107,123	19,807,712	4,036,017	165,424
Operating Grants and Contributions	1,822,158	2,129,235	1,959,997	2,436,373
Capital Grants and Contributions	-	3,928,216	7,097,285	4,040,726
Total Governmental Activities Program Revenues	<u>29,212,744</u>	<u>35,094,459</u>	<u>20,645,131</u>	<u>14,638,525</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	9,386,132	10,378,340	9,989,993	9,843,473
Sears Centre	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	1,448,966	2,146,311	1,397,019
Sears Centre	-	-	-	83,960,100
Total Business-Type Activities Program Revenues	<u>9,386,132</u>	<u>11,827,306</u>	<u>12,136,304</u>	<u>95,200,592</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 38,598,876</u>	<u>\$ 46,921,765</u>	<u>\$ 32,781,435</u>	<u>\$ 109,839,117</u>
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (81,139,320)	\$ (41,006,869)	\$ (47,413,287)	\$ (50,631,484)
Business-Type Activities	<u>(1,668,336)</u>	<u>373,984</u>	<u>(228,326)</u>	<u>77,434,138</u>
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	<u>\$ (82,807,656)</u>	<u>\$ (40,632,885)</u>	<u>\$ (47,641,613)</u>	<u>\$ 26,802,654</u>

	2010	2011	2012	2013	2014	2015
\$	6,793,067	\$ 7,040,328	\$ 6,784,096	\$ 10,593,969	\$ 6,025,628	\$ 6,456,831
	36,228,810	33,040,212	33,240,928	34,713,320	35,325,151	40,952,859
	9,238,037	9,460,214	9,997,154	9,043,957	16,710,043	13,335,647
	1,114,830	1,115,901	1,213,277	1,211,351	1,638,771	3,647,121
	1,712,597	1,655,456	1,744,262	1,643,956	1,614,867	1,837,446
	237,733	241,334	339,529	360,479	355,894	331,264
	1,989,694	2,009,349	3,086,713	2,435,172	81,666,884	29,166,157
	6,721,799	5,503,426	4,974,048	3,866,269	6,427,621	6,356,004
	64,036,567	60,066,220	61,380,007	63,868,473	149,764,859	102,083,329
	11,981,864	13,204,142	14,419,572	15,096,017	16,505,476	17,565,501
	8,623,330	7,666,340	7,262,839	7,188,970	16,292,697	14,393,149
	20,605,194	20,870,482	21,682,411	22,284,987	32,798,173	31,958,650
\$	84,641,761	\$ 80,936,702	\$ 83,062,418	\$ 86,153,460	\$ 182,563,032	\$ 134,041,979
\$	2,960,974	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798	\$ 3,604,847
	2,869,878	2,946,067	3,041,099	3,494,101	3,931,959	4,456,892
	153,363	220,572	113,699	1,801,285	307,528	587,515
	1,072,654	1,124,851	1,129,240	1,167,784	1,744,029	3,693,214
	590,515	1,343,752	953,523	738,546	507,061	1,263,886
	521,449	548,461	623,134	709,863	668,132	661,951
	173,414	231,994	147,275	149,861	161,943	216,237
	2,566,593	3,581,885	2,696,996	2,562,477	4,088,264	1,908,481
	899,366	4,322,051	3,219,627	3,525,568	266,395	991,147
	11,808,206	17,492,351	15,087,162	17,599,980	15,321,109	17,384,170
	10,367,612	10,604,162	13,480,853	13,792,658	13,980,643	16,361,314
	2,090,426	2,450,294	1,943,834	2,003,572	11,080,824	9,688,311
	-	-	-	-	-	-
	145,117	1,529,016	1,350,599	84,406	-	67,425
	-	4,950	-	20,490	114,980	33,273
	12,603,155	14,588,422	16,775,286	15,901,126	25,176,447	26,150,323
\$	24,411,361	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106	\$ 40,497,556	\$ 43,534,493
\$	(52,228,361)	\$ (42,573,869)	\$ (46,292,845)	\$ (46,268,493)	\$ (134,443,750)	\$ (84,699,159)
	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)	(7,621,726)	(5,808,327)
\$	(60,230,400)	\$ (48,855,929)	\$ (51,199,970)	\$ (52,652,354)	\$ (142,065,476)	\$ (90,507,486)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 42,130,319	\$ 35,690,272	\$ 36,232,247	\$ 33,379,672
Sales	6,332,164	6,619,848	6,990,526	5,993,252
Income and Local Use	4,809,651	5,147,174	5,529,993	5,314,607
Telecommunications	3,753,103	3,378,962	3,404,303	3,360,522
Real Estate Transfer	1,111,758	1,323,132	755,637	510,990
Home Rule Sales	3,268,927	3,476,984	3,938,726	3,472,774
Other	3,141,679	3,901,359	3,840,774	3,407,216
Investment Earnings	4,312,040	2,450,774	1,768,185	1,147,987
Miscellaneous	788,180	723,047	576,648	648,653
Gain on Sale of Capital Assets	-	-	-	167,872
Contributions	1,158,480	-	-	-
Transfers In (Out)	2,630	9,850	(16,130)	49,936,278
	70,808,931	62,721,402	63,020,909	107,339,823
Total Governmental Activities				
Business-Type Activities				
Taxes				
Other	-	-	-	42,580
Investment Earnings	395,450	419,999	325,328	164,920
Miscellaneous	39,832	75,251	74,250	2,619,463
Gain on Sale of Capital Assets	-	18,185	7,600	17,744
Contributions	1,654,795	-	-	-
Transfers In (Out)	(2,630)	(9,850)	16,130	(49,936,278)
	2,087,447	503,585	423,308	(47,091,571)
Total Business-Type Activities				
TOTAL PRIMARY GOVERNMENT	\$ 72,896,378	\$ 63,224,987	\$ 63,444,217	\$ 60,248,252
CHANGE IN NET POSITION				
Governmental Activities	\$ (10,330,389)	\$ 21,714,533	\$ 15,607,622	\$ 56,708,339
Business-Type Activities	419,111	877,569	194,982	30,342,567
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (9,911,278)	\$ 22,592,102	\$ 15,802,604	\$ 87,050,906

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	44,460,848	\$ 38,455,279	\$ 37,109,465	\$ 36,803,822	\$ 48,756,911	\$ 35,909,050
	6,023,007	5,951,289	6,432,977	7,306,806	7,980,411	8,220,338
	4,305,515	4,913,556	5,416,250	5,931,409	5,911,120	6,757,353
	2,928,445	2,741,011	2,896,031	2,441,097	2,296,238	2,052,086
	406,333	366,253	419,814	917,245	685,054	925,104
	3,397,574	3,312,721	3,547,063	3,777,094	3,835,430	3,883,502
	2,197,886	1,375,898	1,615,860	2,544,559	6,121,814	6,108,606
	211,216	72,689	44,671	32,737	(234,463)	64,493
	1,119,747	3,250,112	1,520,890	3,267,367	1,917,202	2,348,456
	-	-	-	-	-	-
	-	-	-	-	-	-
	293,095	(2,293,237)	162,839	(2,389,989)	(746,684)	(772,518)
	65,343,666	58,145,571	59,165,860	60,632,147	76,523,033	65,496,470
	1,154,561	2,100,316	2,121,999	1,826,801	2,082,566	2,303,729
	18,470	5,426	3,866	912	(28,983)	5,198
	4,663,808	1,063,217	1,306,800	1,057,680	1,182,976	1,152,118
	-	-	-	-	-	-
	-	-	-	-	-	-
	(293,095)	2,293,237	(162,839)	2,389,989	746,684	772,518
	5,543,744	5,462,196	3,269,826	5,275,382	3,983,243	4,233,563
\$	70,887,410	\$ 63,607,767	\$ 62,435,686	\$ 65,907,529	\$ 80,506,276	\$ 69,730,033
\$	13,115,305	\$ 15,571,702	\$ 12,873,015	\$ 14,363,654	\$ (57,920,717)	\$ (19,202,689)
	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)	(1,574,764)
\$	10,657,010	\$ 14,751,838	\$ 11,235,716	\$ 13,255,175	\$ (61,559,200)	\$ (20,777,453)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General Government	\$ 10,482,846	\$ 6,900,227	\$ 7,429,416	\$ 1,599,021
Public Safety	27,142,353	29,298,255	29,333,107	33,108,122
Higways and Streets	4,555,019	10,113,187	12,059,057	11,187,206
Sanitation	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,774,857	1,741,403	1,959,118	1,820,973
Culture and Recreation	239,480	251,527	277,806	234,883
Economic Development	52,011,995	2,008,387	1,991,344	4,334,569
Interest	3,895,783	3,695,876	4,322,420	2,318,891
Total Governmental Activities Expenses	<u>100,966,633</u>	<u>55,135,623</u>	<u>58,562,518</u>	<u>55,794,405</u>
Business-Type Activities				
Water/Sewer	11,054,468	11,453,322	12,364,630	12,965,546
Sears Centre	-	-	-	4,800,908
Total Business-Type Activities Expenses	<u>11,054,468</u>	<u>11,453,322</u>	<u>12,364,630</u>	<u>17,766,454</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 112,021,101</u>	<u>\$ 66,588,945</u>	<u>\$ 70,927,148</u>	<u>\$ 73,560,859</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,133,556	\$ 1,333,707	\$ 1,361,435	\$ 2,867,632
Public Safety	2,183,630	2,959,938	3,154,367	2,811,303
Higways and Streets	728,344	1,035,978	537,754	152,321
Sanitation	896,554	878,948	1,009,579	1,096,277
Health and Welfare	1,616,373	2,250,535	860,461	537,732
Culture and Recreation	571,287	593,476	579,111	530,737
Economic Development	1,514,531	3,108,021	4,036,017	156,391
Operating Grants and Contributions	1,822,158	2,129,235	1,959,997	2,436,373
Capital Grants and Contributions	-	3,928,216	7,097,285	4,040,726
Total Governmental Activities Program Revenues	<u>10,466,433</u>	<u>18,218,054</u>	<u>20,596,006</u>	<u>14,629,492</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	9,386,132	10,378,340	9,989,993	9,843,473
Sears Centre	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	1,448,966	2,146,311	1,397,019
Sears Centre	-	-	-	83,960,100
Total Business-Type Activities Program Revenues	<u>9,386,132</u>	<u>11,827,306</u>	<u>12,136,304</u>	<u>95,200,592</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 19,852,565</u>	<u>\$ 30,045,360</u>	<u>\$ 32,732,310</u>	<u>\$ 109,830,084</u>
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (90,500,200)	\$ (36,917,569)	\$ (37,966,512)	\$ (41,164,913)
Business-type Activities	<u>(1,668,336)</u>	<u>373,984</u>	<u>(228,326)</u>	<u>77,434,138</u>
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	<u>\$ (92,168,536)</u>	<u>\$ (36,543,585)</u>	<u>\$ (38,194,838)</u>	<u>\$ 36,269,225</u>

	2010	2011	2012	2013	2014	2015
\$	6,448,895	\$ 6,697,689	\$ 6,434,941	\$ 10,273,677	\$ 6,025,628	\$ 6,456,831
	32,607,837	29,181,960	29,418,704	30,876,317	34,945,772	40,607,398
	9,026,571	9,303,991	9,799,549	8,892,032	16,710,043	13,335,647
	1,114,830	1,115,901	1,213,277	1,211,351	1,638,771	3,647,121
	1,712,597	1,655,456	1,744,262	1,643,956	1,614,867	1,837,446
	237,733	241,334	339,529	360,479	355,894	331,264
	1,989,694	1,918,198	2,633,690	2,290,749	2,901,575	3,100,630
	2,807,720	2,994,525	2,847,779	2,791,679	2,420,719	2,394,826
	55,945,877	53,109,054	54,431,731	58,340,240	66,613,269	71,711,163
	11,981,864	13,204,142	14,419,572	15,096,017	16,505,476	17,565,501
	8,623,330	7,666,340	7,262,839	7,188,970	16,292,697	14,393,149
	20,605,194	20,870,482	21,682,411	22,284,987	32,798,173	31,958,650
\$	76,551,071	\$ 73,979,536	\$ 76,114,142	\$ 80,625,227	\$ 99,411,442	\$ 103,669,813
\$	2,960,974	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798	3,604,847
	2,869,878	2,946,067	3,041,099	3,494,101	3,931,959	4,456,892
	153,363	220,572	113,699	1,801,285	307,528	587,515
	1,072,654	1,124,851	1,129,240	1,167,784	1,744,029	3,693,214
	590,515	1,343,752	953,523	738,546	507,061	1,263,886
	521,449	548,461	623,134	709,863	668,132	661,951
	167,380	231,994	147,275	149,861	161,943	216,237
	2,566,593	3,581,885	2,696,996	2,562,477	4,088,264	1,908,481
	899,366	4,322,051	3,219,627	3,525,568	266,395	991,147
	11,802,172	17,492,351	15,087,162	17,599,980	15,321,109	17,384,170
	10,367,612	10,604,162	13,480,853	13,792,658	\$ 13,980,643	16,361,314
	2,090,426	2,450,294	1,943,834	2,003,572	11,080,824	9,688,311
	-	-	-	-	-	-
	145,117	1,529,016	1,350,599	84,406	-	67,425
	-	4,950	-	20,490	114,980	33,273
	12,603,155	14,588,422	16,775,286	15,901,126	25,176,447	26,150,323
\$	24,405,327	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106	\$ 40,497,556	\$ 43,534,493
\$	(44,143,705)	\$ (35,616,703)	\$ (39,344,569)	\$ (40,740,260)	\$ (51,292,160)	\$ (54,326,993)
	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)	(7,621,726)	(5,808,327)
\$	(52,145,744)	\$ (41,898,763)	\$ (44,251,694)	\$ (47,124,121)	\$ (58,913,886)	\$ (60,135,320)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 17,842,815	\$ 17,979,463	\$ 15,911,586	\$ 17,192,444
Sales	6,332,164	6,619,848	6,990,526	5,993,252
Income and Local Use	4,809,651	5,147,174	5,529,993	5,314,607
Telecommunications	3,753,103	3,378,962	3,404,303	3,360,522
Real Estate Transfer	1,111,758	1,323,132	755,637	510,990
Home Rule Sales	3,268,927	3,476,984	3,938,726	3,472,774
Other	3,141,679	3,901,359	3,840,774	3,407,216
Investment Earnings	3,271,265	1,663,534	1,141,282	539,884
Miscellaneous	788,180	723,047	556,431	637,178
Gain on Sale of Capital Assets	-	-	-	167,872
Contributions	1,158,480	-	-	-
Transfers In (Out)	2,630	9,850	(16,130)	49,936,278
Total Governmental Activities	45,480,652	44,223,353	42,053,128	90,533,017
Business-Type Activities				
Taxes				
Other	-	-	-	42,580
Investment Earnings	395,450	419,999	325,328	164,920
Miscellaneous	39,832	75,251	74,250	2,619,463
Gain on Sale of Capital Assets	-	18,185	7,600	17,744
Contributions	1,654,795	-	-	-
Transfers In (Out)	(2,630)	(9,850)	16,130	(49,936,278)
Total Business-Type Activities	2,087,447	503,585	423,308	(47,091,571)
TOTAL PRIMARY GOVERNMENT	\$ 47,568,099	\$ 44,726,938	\$ 42,476,436	\$ 43,441,446
CHANGE IN NET POSITION				
Governmental Activities	\$ (45,019,548)	\$ 7,305,784	\$ 4,086,616	\$ 49,368,104
Business-Type Activities	419,111	877,569	194,982	30,342,567
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (44,600,437)	\$ 8,183,353	\$ 4,281,598	\$ 79,710,671

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	18,489,403	\$ 18,423,634	\$ 18,274,812	\$ 18,169,718	\$ 23,237,428	\$ 23,688,156
	6,023,007	5,951,289	6,432,977	7,306,806	7,980,411	8,220,338
	4,305,515	4,913,556	5,416,250	5,931,409	5,911,120	6,757,353
	2,928,445	2,741,011	2,896,031	2,441,097	2,296,238	2,052,086
	406,333	366,253	419,814	917,245	685,054	925,104
	3,397,574	3,312,721	3,547,063	3,777,094	3,835,430	3,883,502
	2,197,886	1,375,898	1,615,860	2,544,559	6,121,814	6,108,606
	154,620	67,938	39,357	31,592	(169,486)	64,493
	1,079,364	3,229,174	1,520,751	3,264,517	1,870,656	1,833,048
	-	-	-	-	-	-
	-	-	-	-	-	-
	325,145	(1,870,187)	597,165	(2,305,477)	(772,494)	(688,029)
	39,307,292	38,511,287	40,760,080	42,078,560	50,996,171	52,844,657
	1,154,561	2,100,316	2,121,999	1,826,801	2,082,566	2,303,729
	18,470	5,426	3,866	912	(28,983)	5,198
	4,663,808	1,063,217	1,306,800	1,057,680	1,182,976	1,152,118
	-	-	-	-	-	-
	-	-	-	-	-	-
	(293,095)	2,293,237	(162,839)	2,389,989	746,684	772,518
	5,543,744	5,462,196	3,269,826	5,275,382	3,983,243	4,233,563
\$	44,851,036	\$ 43,973,483	\$ 44,029,906	\$ 47,353,942	\$ 54,979,414	\$ 57,078,220
\$	(4,836,413)	\$ 2,894,584	\$ 1,415,511	\$ 1,338,300	\$ (295,989)	\$ (1,482,336)
	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)	(1,574,764)
\$	(7,294,708)	\$ 2,074,720	\$ (221,788)	\$ 229,821	\$ (3,934,472)	\$ (3,057,100)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	709,834	405,464	469,637	1,182,766 ^a
Assigned	-	-	-	-
Unrestricted	14,302,062	13,608,472	12,370,115	9,886,577
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 15,011,896	\$ 14,013,936	\$ 12,839,752	\$ 11,069,343
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	35,135,031	34,890,240	39,988,262	39,570,177
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unrestricted, Reported in				
Special Revenue Funds	558,736	325,332	74,992	23,761
Debt Service Funds	-	-	-	(195,401)
Capital Project Funds	7,371,999	8,808,993	8,044,568	6,094,625
Permanent Funds	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 43,065,766	\$ 44,024,565	\$ 48,107,822	\$ 45,493,162

Notes:

^a 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.

^b 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.

^c The increase in unassigned fund balance in the General Fund is due to revenues exceeding expenditures in 2014.

^d 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.

^e The decrease in assigned fund balance in the Other Governmental Funds for 2014 is due to capital projects spending.

^f The increase in unassigned fund balance in the General Fund is due to revenues exceeding expenditures in 2015.

^g The increase in nonspendable fund balance in Other Governmental Funds for 2015 is due to prepaid items for Capital Projects.

^h The decrease in restricted fund balance in Other Governmental Funds for 2015 is due to the spending of MFT funds on road revitalization, and EDA note payment, as well as TIF district development .

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

Data Source

Audited Financial Statements

2010	2011*	2012	2013	2014	2015
\$ -	\$ 1,148,877	\$ 1,360,549	\$ 294,059	\$ 230,761	\$ 209,139
934,184	177,139	186,289	183,933	181,216	173,576
-	876,935	1,083,418	3,165,374	2,537,181	2,799,639
10,455,842	-	-	-	-	-
-	10,739,736	12,060,851	11,563,246	13,469,497 ^c	19,477,539 ^f
<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>	<u>\$ 22,659,893</u>
\$ -	\$ 66,688	\$ 57,648	\$ 184,664	\$ 21,262	\$ 1,153,464 ^g
16,639,130 ^b	12,110,169	8,243,892	8,521,424	6,375,517 ^d	4,705,051 ^h
-	7,487,942	7,446,603	5,365,498	4,167,991 ^e	4,205,874
-	-	(4,124)	(98,405)	(13,584)	(16,293)
(2,976)	-	-	-	-	-
(33,545)	-	-	-	-	-
6,278,772	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 10,048,096</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
REVENUES				
Taxes	\$ 52,805,630	\$ 47,135,668	\$ 47,532,198	\$ 43,308,604
Licenses and Permits	1,974,164	2,637,624	1,313,427	1,103,880
Intergovernmental	13,484,480	14,496,249	15,090,587	13,697,905
Charges for Services	23,798,042	23,441,228	5,641,614	5,906,749
Fines and Forfeitures	973,637	1,347,750	1,682,621	1,140,814
Investment Income	4,312,040	2,450,774	1,768,185	1,124,845
Miscellaneous	1,812,212	3,630,999	4,647,638	539,553
Total Revenues	99,160,205	95,140,292	77,676,270	66,822,350
EXPENDITURES				
General Government	5,323,531	6,069,730	6,037,060	6,165,984
Public Safety	26,703,338	29,753,748	30,904,952	30,847,281
Highways and Streets	5,869,622	6,731,571	7,657,433	6,806,901
Sanitation	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,800,992	1,898,681	1,945,636	1,783,070
Culture and Recreation	241,172	289,403	276,335	367,578
Economic Development	1,611,713	1,596,225	2,116,346	5,037,128
Capital Outlay	56,236,459	20,642,131	19,130,399	20,339,153
Debt Service				
Principal	33,760,000	36,565,000	19,445,496	25,081,363
Interest and Other Charges	6,115,032	5,512,536	5,884,186	3,238,030
Total Expenditures	138,526,159	110,185,786	94,588,093	100,857,228
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(39,365,954)	(15,045,494)	(16,911,823)	(34,034,878)
OTHER FINANCIAL SOURCES (USES)				
Transfers In	5,518,910	5,073,630	5,557,908	8,562,880
Transfers (Out)	(5,564,264)	(5,109,848)	(5,637,447)	(10,697,971)
Sale of Capital Assets	6,839	123,733	85,058	167,872
Bonds Issued, at Par	-	-	19,983,750	30,355,000
Notes Issued, At Par	-	14,619,551	69,366	-
Payment to Escrow Agent	-	-	-	-
Premium (Discount) on Issuance of Bonds	-	-	(237,739)	1,262,028
Total Other Financing Sources (Uses)	(38,515)	14,707,066	19,820,896	29,649,809
NET CHANGE IN FUND BALANCES	\$ (39,404,469)	\$ (338,428)	\$ 2,909,073	\$ (4,385,069)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	48.85%	47.74%	31.92%	46.95%

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 52,737,336	\$ 45,643,831	\$ 44,912,765	\$ 45,783,285	\$ 61,147,865	\$ 48,144,836
1,276,000	2,049,297	1,682,898	1,493,182	1,291,098	2,080,207
15,057,588	14,606,305	15,123,272	16,116,827	19,919,884	19,354,335
6,125,486	6,703,490	6,538,068	8,481,038	7,479,744	10,034,296
1,029,384	1,965,165	1,148,229	1,556,969	1,871,677	2,271,097
208,281	71,019	42,287	30,060	(234,463)	64,493
1,263,575	3,494,374	1,526,653	3,446,127	1,240,648	1,687,579
77,697,650	74,533,481	70,974,172	76,907,488	92,716,453	83,636,843
5,603,242	5,638,169	5,615,811	5,846,890	5,874,247	5,732,993
32,010,274	32,067,394	32,290,740	33,487,343	33,816,834	33,838,561
5,125,998	5,200,961	5,164,896	5,572,599	9,644,226	8,873,822
1,114,830	1,115,901	1,213,277	1,211,351	1,332,980	2,437,875
1,680,372	1,661,144	1,687,017	1,670,982	1,609,731	1,789,257
248,571	216,819	319,509	336,655	336,225	297,900
1,979,069	1,999,468	3,071,913	2,418,635	81,651,001	29,042,476
12,266,812	4,313,811	4,865,388	6,928,824	8,396,097	7,173,225
37,301,764	18,598,968	16,053,442	15,374,258	27,606,103	13,515,894
2,892,464	3,015,117	2,911,079	2,852,106	2,479,036	2,452,802
100,223,396	73,827,752	73,193,072	75,699,643	172,746,480	105,154,805
(22,525,746)	705,729	(2,218,900)	1,207,845	(80,030,027)	(21,517,962)
4,536,704	5,786,586	5,607,877	4,761,322	3,588,403	3,991,161
(4,302,056)	(8,156,236)	(5,561,337)	(7,224,500)	(4,403,424)	(4,514,083)
-	-	-	-	-	-
-	-	-	-	-	1,640,000
-	-	-	-	78,635,096	26,042,563
-	-	-	-	-	-
-	-	-	-	-	96,469
234,648	(2,369,650)	46,540	(2,463,178)	77,820,075	27,256,110
\$ (22,291,098)	\$ (1,663,921)	\$ (2,172,360)	\$ (1,255,333)	\$ (2,209,952)	\$ 5,738,148
22.42%	31.92%	28.08%	24.95%	17.88%	15.96%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	TIF Property	Total Taxable Assessed Value	Total Direct Tax Rate (A)	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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	869,329,555	357,774,907	40,837,927	89,684	291,210,042	1,559,242,115	1.443	4,677,726,345	33.333%
2015	(B)								

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

(B) 2015 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

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE DIRECT RATES (A)										
General	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	0.906	(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	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	0.125	
Police Pension	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	0.209	
Firefighters' Pension	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	0.203	
Total Direct Rates	0.909	0.820	0.820	0.888	0.987	1.116	1.224	1.456	1.443	
OVERLAPPING RATES										
School District #54	3.104	2.582	2.559	2.592	2.996	3.196	3.578	4.148	4.168	
Palatine Twp. H.S. #211	2.261	1.972	1.928	1.916	2.204	2.482	2.772	3.197	3.213	
Junior College District #512	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	
Forest Preserve District of Cook County	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	
Sub. T.B. Sanitarium	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Schaumburg Township Library District	0.287	0.256	0.254	0.258	0.295	0.321	0.331	0.384	0.386	
Township of Schaumburg (All Funds)	0.104	0.089	0.089	0.092	0.110	0.125	0.137	0.161	0.163	
Metropolitan Sanitary District of Greater Chicago	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	
Northwest Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	
Hoffman Estates Park District	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	0.673	
Consolidated Elections	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	0.000	
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL TAX RATE PER \$100 of ASSESSED VALUATION	8.285	7.181	7.046	7.150	8.109	8.970	9.975	11.549	11.577	
SHARE of TOTAL TAX RATE LEVIED by the VILLAGE	11.0%	11.4%	11.6%	12.4%	12.2%	12.4%	12.3%	12.6%	12.5%	

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

(B) 2015 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

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE DIRECT RATES (A)										
General	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	0.906	(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	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	0.125	
Police Pension	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	0.209	
Firefighters' Pension	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	0.203	
Total Direct Rates	0.909	0.820	0.820	0.888	0.987	1.116	1.224	1.456	1.443	
OVERLAPPING RATES										
Unit School District #220	3.460	3.148	2.982	3.036	3.343	3.788	4.292	4.807	4.953	
Junior College District #512	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	
Forest Preserve District of Cook County	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	
Sub. T.B. Sanitarium	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.180	0.166	0.157	0.157	0.172	0.195	0.223	0.248	0.258	
Township of Barrington (All Funds)	0.027	0.023	0.022	0.022	0.023	0.026	0.029	0.033	0.033	
Metropolitan Sanitary District of Greater Chicago	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	
Northwest Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	
Hoffman Estates Park District	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	0.673	
Consolidated Elections	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	0.000	
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	
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	0.065	0.053	0.052	0.078	0.080	0.088	0.136	0.092	0.088	
TOTAL TAX RATE PER \$100 of ASSESSED VALUATION	6.261	5.672	5.429	5.585	6.122	6.943	7.837	8.839	8.979	
SHARE of TOTAL TAX RATE LEVIED by the VILLAGE	14.5%	14.5%	15.1%	15.9%	16.1%	16.1%	15.6%	16.5%	16.1%	

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

(B) 2015 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

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE DIRECT RATES (A)										
General	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	0.906	(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	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	0.125	
Police Pension	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	0.209	
Firefighters' Pension	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	0.203	
Total Direct Rates	0.909	0.820	0.820	0.888	0.987	1.116	1.224	1.456	1.443	
OVERLAPPING RATES										
School District #15	2.763	2.435	2.385	2.307	2.603	2.943	3.269	3.849	3.868	
Palatine Twp. H.S. #211	2.261	1.972	1.928	1.916	2.204	2.482	2.772	3.197	3.213	
Junior College District #512	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	
Forest Preserve District of Cook County	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	
Sub. T.B. Sanitarium	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Palatine Public Library	0.280	0.246	0.240	0.229	0.198	0.222	0.248	0.293	0.295	
Township of Palatine (All Funds)	0.120	0.107	0.106	0.103	0.119	0.135	0.145	0.167	0.166	
Metropolitan Sanitary District of Greater Chicago	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	
Northwest Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	
Hoffman Estates Park District	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	0.673	
Consolidated Elections	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	0.000	
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL TAX RATE PER \$100 of ASSESSED VALUATION	7.953	7.042	6.875	6.847	7.628	8.628	9.591	11.165	11.189	
SHARE of TOTAL TAX RATE LEVIED by the VILLAGE	11.4%	11.6%	11.9%	13.0%	12.9%	12.9%	12.8%	13.0%	12.9%	

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

(B) 2015 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE DIRECT RATES (A)										
General	0.628	0.566	0.565	0.576	0.645	0.762	0.831	0.907	0.906	(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	0.104	0.091	0.084	0.083	0.091	0.102	0.111	0.126	0.125	
Police Pension	0.102	0.094	0.095	0.124	0.134	0.145	0.166	0.219	0.209	
Firefighters' Pension	0.075	0.069	0.075	0.105	0.116	0.107	0.116	0.204	0.203	
Total Direct Rates	0.909	0.820	0.820	0.888	0.987	1.116	1.224	1.456	1.443	
OVERLAPPING RATES										
Unit School District #220	3.460	3.148	2.982	3.036	3.343	3.788	4.292	4.807	4.953	
Junior College District #512	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	
Forest Preserve District of Cook County	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	
Sub. T.B. Sanitarium	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library District	0.310	0.367	0.357	0.350	0.394	0.449	0.515	0.631	0.632	
Township of Hanover (All Funds)	0.250	0.224	0.223	0.218	0.248	0.286	0.324	0.391	0.393	
Metropolitan Sanitary District of Greater Chicago	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	
Northwest Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	
Hoffman Estates Park District	0.477	0.420	0.414	0.413	0.465	0.521	0.585	0.669	0.673	
Consolidated Elections	0.000	0.012	0.000	0.021	0.000	0.025	0.000	0.031	0.000	
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	
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	0.037	0.033	0.033	0.033	0.038	0.044	0.050	0.061	0.061	
Lake County Tax Obj Ct Ord-220	0.065	0.053	0.052	0.078	0.080	0.088	0.136	0.092	0.088	
TOTAL TAX RATE PER \$100 of ASSESSED VALUATION	6.651	6.107	5.863	6.007	6.607	7.501	8.474	9.641	9.774	
SHARE of TOTAL TAX RATE LEVIED by the VILLAGE	13.7%	13.4%	14.0%	14.8%	14.9%	14.9%	14.4%	15.1%	14.8%	

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

(B) 2015 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

Taxpayer	2014 Tax Levy			2005 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Sears Roebuck & Co.	\$ 134,629,623	1	8.63%	\$ 272,865,095	1	14.90%
AT&T Lease & SBC Ameritech	95,410,668	2	6.12%	153,055,402	2	8.36%
Poplar Creek Crossing	18,259,499	3	1.17%			
Property Tax Advisors				41,874,531	3	2.29%
Lincoln Property	17,353,086	4	1.11%			
Stonegate Properties	14,713,993	5	0.94%	21,121,179	4	1.15%
Cabelas	14,598,525	6	0.94%			
TransAmerica	12,340,022	7	0.79%	17,129,635	7	0.94%
American Heritage	11,869,000	8	0.76%	19,128,349	6	1.04%
Alexian Brothers Health System	10,702,175	9	0.69%	20,614,530	5	1.13%
The John Buck Company				14,952,968	8	0.82%
Park Place Apartments				14,903,134	9	0.81%
BVF II Park Place LLC	10,542,210	10	0.68%			
Autumn Chase Apartments				11,839,073	10	0.65%
	<u>\$ 340,418,801</u>		<u>21.83%</u>	<u>\$ 587,483,896</u>		<u>32.09%</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
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%	91,986	16,590,718	96.81%
2011	17,340,949	17,020,527	98.15%	60,873	17,081,400	98.50%
2012	17,442,448	16,907,162	96.93%	82,132	16,989,294	97.40%
2013	18,286,478	17,680,341	96.69%	255,271	17,935,612	98.08%
2014	18,286,479	17,926,138	98.03%	-	17,926,138	98.03%
2015	19,161,057	(A)				

(A) Collections for the 2015 tax levy year will not be received until fiscal year 2016.

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	Unamortized Premium (Discount)**	TIF Bonds Payable	TIF Notes Payable	General Obligation Bonds	Unamortized Premium (Discount)**	Capital Leases			
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	11.1%	3,730
2012	50,338,750	-	-	73,353,944	54,681,250	-	-	178,373,944	10.2%	3,437
2013	49,138,750	717,393	-	60,249,276	53,336,250	(214,231)	7,283	163,234,721	9.4%	3,145
2014	47,903,750	717,393	-	118,365,117	51,921,250	(181,610)	2,683	218,728,583	12.6%	4,215
2015	48,248,750	755,003	-	136,147,964	56,151,250	(162,667)	-	241,140,300	12.9%	4,647

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 195 for personal income and population data.

** Unamortized premium (discount) reported beginning in 2013.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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	90,705,000	4,206,373	86,498,627	1.20%	1,710.37
2009	116,140,000	4,354,605	111,785,395	1.59%	2,210.38
2010	111,610,000	2,581,577	109,028,423	1.70%	2,100.94
2011	107,770,000	1,542,308	106,227,692	1.89%	2,046.97
2012	105,020,000	853,148	104,166,852	2.00%	2,007.26
2013	102,978,162	633,706	102,344,456	2.22%	1,972.14
2014	100,360,783	439,080	99,921,703	2.14%	1,925.46
2015	104,992,336	228,267	104,764,069	2.00%	2,018.77

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 183 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2015

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village (A)	The Village's Share of Debt
Village of Hoffman Estates	\$ 185,151,717	100.000%	\$ 185,151,717
Dundee Township	3,505,000	0.107%	3,750
Dundee Township Park District	1,889,000	0.107%	2,021
Hoffman Estates Park District	9,905,000	93.600%	9,271,080
Palatine Park District	9,375,000	2.972%	278,625
South Barrington Park District	-	0.028%	-
Schools			
District No. 211	6,230,000	12.871%	801,863
District No. 15	18,405,549	8.744%	1,609,381
District No. 220	47,755,000	9.111%	4,350,958
District No. 300	280,341,266	1.457%	4,084,572
District No. 46	319,635,109	3.062%	9,787,227
Junior College District No. 512	158,810,000	6.337%	10,063,790
Junior College District No. 509	181,805,261	2.023%	3,677,920
Metropolitan Water Reclamation District	2,655,364,695	1.010%	26,819,183
Cook County Including Forest Preserve District	3,478,111,750	0.990%	34,433,306
Kane County Including Forest Preserve District	143,034,648	0.013%	18,595
Gail Borden Library District	14,025,000	5.386%	755,387
Poplar Creek Library District	18,615,000	5.958%	1,109,082
	<u>7,346,807,278</u>		<u>107,066,740</u>
	<u>\$ 7,531,958,995</u>		<u>\$ 292,218,457</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, 2015

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 ^a	Incremental Property Taxes	Debt Service		Coverage
					Principal	Interest			Principal	Interest	
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 ^b	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	14,412,963	(14,328,247)	(84,716)	-	-	-	N/A	10,973,414	10,973,414	-	1.00
2015	14,608,387	(14,539,087)	(69,300)	-	-	-	N/A	12,220,894	12,220,894	-	1.00

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

^a In the years where debt service coverage fell below 1.0, Sears paid the shortfall.

^b 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

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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
2015	51,895	1,868,998,425	36,015	4.4

Data Sources

(1) U.S. Department of Commerce, Bureau of the Census

(2) Illinois Bureau of Employment Security

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings	5,600	1	10.8%	5,700	1	11.3%
AT&T (Ameritech)				4,000	2	7.9%
St. Alexius Medical Center	1,900	2	3.7%	1,831	3	3.6%
GE Capital Services	800	3	1.5%	800	4	1.6%
CDK Global	800	4	1.5%			
Automated Data Processing				760	5	1.5%
Alexian Brothers Behavioral Health Hospital	650	5	1.3%			
Siemens Medical Systems	500	6	1.0%	650	6	1.3%
Career Education Corporation				650	7	1.3%
Liberty Mutual	400	7	0.8%			
FANUC America	370	8	0.7%			
Village of Hoffman Estates	362	9	0.7%	388	8	0.8%
Leopardo Companies, Inc.				365	9	0.7%
Clair's	<u>350</u>	10	0.7%	<u>300</u>	10	0.6%
Total	<u><u>11,732</u></u>			<u><u>15,444</u></u>		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Administration										
Management Services	26	29	29	27	25	24	25	24	25	26
Finance	15	16	16	15	14	14	14	14	15	15
Public Safety										
Police										
Officers	97	99	101	96	92	92	91	92	89	89
Civilians	24	25	25	23	23	20	20	20	20	20
Fire										
Firefighters and officers	100	103	113	102	101	94	94	99	96	96
Civilians	5	4	3	3	3	3	3	3	3	4
Highways and Streets										
Administration	3	4	3	3	3	3	3	3	2	2
Engineering	11	12	11	9	8	9	9	9	10	9
Street Maintenance	72	73	75	71	71	66	66	66	71	72
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	24	24	25	19	19	18	18	18	18	20
Culture and Recreation	2	1	2	2	2	2	2	2	1	1
Economic Development	9	10	9	8	7	7	7	8	8	8
TOTAL FULL-TIME EQUIVALENT EMPLOYEES	388	399	413	377	368	350	350	357	358	362

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY										
Police										
Physical Arrests	2,838	2,418	2,360	2,259	1,985	1,661	1,407	1,713	1,666	1,413
Parking Violations	8,750	8,503	9,608	8,336	3,138	2,262	2,613	4,147	4,023	2,549
Traffic Violations	18,834	12,641	18,700	18,111	20,638	17,614	15,175	19,186	19,673	14,606
Fire										
Emergency Responses	4,984	5,276	5,414	5,272	5,653	5,419	5,415	4,012	4,161	4,186
Fire/Miscellaneous Responses	1,751	1,721	1,956	1,670	1,678	1,802	1,645	1,372	1,588	1,615
Inspections	3,415	3,136	3,282	2,006	1,835	2,130	2,844	2,283	1,879	1,904
PUBLIC WORKS										
Vehicles Maintained by Dept	191	201	230	223	227	225	225	225	225	228
Street Reconstruction (Miles)	1.8	2.0	0.5	0.3	0.3	1.0	1.4	1.4	2.8	2.4
Street Resurfacing (Miles)	5.2	3.4	4.3	4.8	1.3	1.6	2.4	-	4.3	3.5
WATER										
New Connections	200	227	54	16	12	12	10	16	5	42
Water Main Breaks	41	66	53	42	63	65	112	65	61	75
Average Daily Consumption	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	4,451,000
Peak Daily Consumption	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	6,362,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY										
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	47	47	51	51	53	54	53	56	54	51
Fire										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire Engines	9	10	12	11	11	11	11	11	12	11
PUBLIC WORKS										
Miles of Streets	145	157	158	158	158	158	158	158	160	160
Streetlights	2,261	2,261	2,261	2,388	2,388	2,464	2,512	2,512	2,529	2,529
Traffic Signals	3	3	3	3	3	3	3	3	3	3
WATER										
Water Mains (Miles)	226	228	232	232	233	235	247	257	243	243
Fire Hydrants	2,815	2,854	2,926	2,827	2,827	3,076	3,084	3,092	3,091	3,091
Storage Capacity (Gallons)	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	11,820,000
WATERWASTE										
Sanitary Sewers (Miles)	175	176	179	176	179	201	201	201	205	205
Storm Sewers (Miles)	N/A	N/A	10	11	11	145	145	156	161	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, 2015

"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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assets						
Cash and Investments	\$6,034,917	\$7,892,228	\$11,370,920	\$15,278,521	\$13,028,953	\$18,376,003
Receivables:						
Property Taxes	18,284,432	15,734,333	15,625,569	16,481,760	16,492,676	17,472,029
Accounts	214,524	164,719	157,192	168,009	169,360	403,893
Accrued Interest	-	187	5,431	1,769	8,745	10,199
Other	1,138,499	1,752,822	1,904,501	2,441,989	2,473,565	2,817,140
Prepaid Items	120,934	115,656	129,796	122,778	63,473	53,471
Inventory	161,322	156,286	147,335	140,181	136,188	124,568
Due from Other Governments	4,993,233	4,848,393	4,939,041	4,926,237	4,866,541	5,105,238
Due from Other Funds	317,618	432,505	365,152	189,746	90,459	406,727
Due from Fiduciary Funds	882,861	721,814	630,223	-	184,209	-
Advance to Other Funds	550,180	600,000	-	-	-	-
Advance to Fiduciary Funds	-	31,100	31,100	31,100	31,100	31,100
Total Assets	<u>\$32,698,520</u>	<u>\$32,450,043</u>	<u>\$35,306,260</u>	<u>\$39,782,090</u>	<u>\$37,545,269</u>	<u>\$44,800,368</u>
Liabilities						
Accounts Payable	\$1,285,449	\$1,246,047	\$1,597,577	\$1,641,295	\$1,587,540	\$1,286,761
Accrued Payroll	467,968	459,475	537,830	866,017	816,559	921,669
Current Compensated Absences	216,739	-	-	-	-	-
Unearned Revenues	16,500,482	16,668,859	78,156	78,641	122,237	115,098
Due to Other Funds	220,600	87,034	444,434	20,700	86,666	62,756
Due to Fiduciary Funds	934,134	62,748	130,597	3,069,764	1,319	47,360
Deposits Payable	1,622,394	983,193	1,065,823	1,056,312	802,816	1,123,953
Deferred Inflows of Resources	-	-	16,760,736	17,842,749	17,709,477	18,582,878
Total Liabilities	<u>\$21,247,766</u>	<u>\$19,507,356</u>	<u>\$20,615,153</u>	<u>\$24,575,478</u>	<u>\$21,126,614</u>	<u>\$22,140,475</u>
Fund Balances						
Nonspendable for Prepaid Items	\$120,934	\$115,656	\$129,796	\$122,778	\$63,473	\$53,471
Nonspendable for Inventory	161,322	156,286	147,335	140,181	136,188	124,568
Nonspendable for Insurance Deposits	551,851	876,935	1,083,418	1,582,687	-	-
Nonspendable for Noncurrent Receivables	-	-	-	-	31,100	31,100
Restricted for Public Safety	98,502	91,786	99,590	98,179	116,197	107,404
Restricted for Employee Loan Program	71,927	85,353	86,699	85,754	65,019	66,172
Assigned for Employee Health	-	-	-	-	1,502,681	2,207,549
Assigned for Subsequent Budget	-	-	-	-	1,034,500	592,090
Unassigned	10,446,218	11,616,671	13,144,269	13,177,033	13,469,497	19,477,539
Total Equity and Credits	<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>	<u>\$22,659,893</u>
Total Liabilities, Equity and Other Credits	<u>\$32,698,520</u>	<u>\$32,450,043</u>	<u>\$35,306,260</u>	<u>\$39,782,090</u>	<u>\$37,545,269</u>	<u>\$44,800,368</u>

Sources: Comprehensive Annual Financial Reports, FY 2010 - 2015

Village of Hoffman Estates
General Fund Revenues & Expenditures
Fiscal Years Ended December 31

	2010	2011	2012	2013	2014	2015	Budget 2016
Revenues:							
Taxes	\$23,526,451	\$23,543,577	\$24,231,961	\$24,417,385	\$29,447,436	\$30,056,223	\$30,638,350
Licenses and Permits	1,276,000	2,049,297	1,682,898	1,493,182	1,291,098	2,080,207	1,141,000
Intergovernmental	12,101,914	12,019,865	12,856,322	14,386,548	15,207,160	15,796,499	15,307,880
Charges for Services	4,830,580	6,269,750	6,329,978	6,460,905	6,846,808	9,010,169	8,788,970
Fines and Forfeits	884,908	806,084	905,297	1,323,962	1,709,421	2,035,952	1,823,000
Investment Income	37,508	23,016	16,089	15,720	(110,607)	29,996	30,150
Miscellaneous	501,131	3,334,574	788,354	1,282,025	1,019,777	1,652,542	542,460
Total Revenues	<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>\$60,661,588</u>	<u>\$58,271,810</u>
Expenditures:							
General Government	\$5,259,070	\$5,295,530	\$5,432,808	\$5,526,598	\$5,874,247	\$5,732,993	\$6,605,490
Public Safety	28,239,314	28,034,071	27,926,905	29,391,729	33,248,630	33,300,683	35,187,400
Highways and Streets	4,896,159	4,961,989	4,903,380	5,349,853	7,362,411	6,628,993	7,848,520
Sanitation	-	1,115,901	1,213,277	1,211,351	1,332,980	2,437,875	2,900,810
Health and Welfare	1,680,372	1,661,144	1,687,017	1,670,982	1,609,731	1,789,257	2,000,330
Culture and Recreation	248,571	216,819	319,509	336,655	336,225	297,900	341,820
Economic Development	1,783,336	1,792,813	1,850,716	2,167,472	2,462,040	2,060,375	2,304,620
Miscellaneous	-	-	-	-	-	-	-
Total Expenditures	<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>\$52,248,076</u>	<u>\$57,188,990</u>
Excess (Deficiency) of Revenues Over Exp	\$1,051,670	\$4,967,896	\$3,477,287	\$3,725,087	\$3,184,829	\$8,413,512	\$1,082,820
Other Financing Sources (Uses)	<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>(\$2,172,274)</u>	<u>(\$3,762,700)</u>
Net Change in Fund Balance	320,683	1,491,933	1,748,420	515,505	1,212,043	6,241,238	(2,679,880)
Fund Balance, January 1	<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>	<u>\$22,659,893</u>
Ending Fund Balance	<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>\$22,659,893</u></u>	<u><u>\$19,980,013</u></u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2010 - 2015; Budget, Fiscal Year 2016

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

	2010	2011	2012	2013	2014	2015
Governmental Fund Types:						
General Fund	\$11,390,026	\$12,942,687	\$14,691,107	\$15,206,612	\$16,418,655	\$22,659,893
Special Revenue Funds:						
Motor Fuel Tax Fund	198,055	1,423,852	1,386,956	1,984,638	1,468,693	531,906
Com. Development Block Grant Fund	1	1	1	1	2,281	1
Asset Seizure Fund	158,675	154,917	110,857	128,855	126,185	127,915
Econ. Dev. Area Admin.	2,297,881	1,578,070	1,136,075	1,200,413	822,188	514,545
E911	370,297	84,434	81,780	78,141	72,006	66,792
Roselle Rd TIF	1,414,888	1,876,819	994,710	982,195	936,782	325,762
Municipal Waste	60,728	-	-	-	-	-
Higgins/Hassell Road TIF	-	-	-	(9,924)	(13,584)	(16,293)
Total Special Revenue	\$4,500,525	\$5,118,093	\$3,710,379	\$4,364,319	\$3,414,551	\$1,550,628
Debt Service Funds	\$2,621,337	\$1,542,308	\$853,148	\$633,706	\$439,080	\$228,267
Capital Project Funds	15,759,519	13,004,398	11,180,492	8,975,156	6,697,555	8,269,201
Total Governmental	\$34,271,407	\$32,607,486	\$30,435,126	\$29,179,793	\$26,969,841	\$32,707,989
Proprietary Fund Types:						
Waterworks and Sewerage	\$30,849,097	\$29,769,678	\$29,828,640	\$28,209,568	\$25,556,850	\$22,855,045
Sears Centre	31,707,951	31,967,506	29,683,433	30,194,026	29,208,261	28,718,349
Insurance	326,833	1,028,441	1,303,876	1,694,670	1,743,297	1,620,595
Information Systems	514,530	642,127	698,037	639,878	858,730	712,613
Total Proprietary	\$63,398,411	\$63,407,752	\$61,513,986	\$60,738,142	\$57,367,138	\$53,906,602
Fiduciary Fund Types:						
Expendable Trust Funds	-	-	-	-	-	-
Pension Trust:						
Police Pension	\$52,092,944	\$52,085,622	\$58,167,708	\$66,577,819	\$68,082,883	\$66,014,912
Firefighters' Pension	54,429,934	54,918,658	59,649,651	67,949,911	71,215,546	70,999,525
Total Fiduciary	\$106,522,878	\$107,004,280	\$117,817,359	\$134,527,730	\$139,298,429	\$137,014,437
<i>Total All Funds (Memo Only)</i>	\$204,192,696	\$203,019,518	\$209,766,471	\$224,445,665	\$223,635,408	\$223,629,028

Sources Comprehensive Annual Financial Reports, FY 2010 - 2015

Village of Hoffman Estates
Combined Statement - Cash and Investments - All Funds

As of December 31

	2010	2011	2012	2013	2014	2015
General Fund	\$6,014,780	\$7,892,228	\$11,370,920	\$15,278,521	\$13,028,953	\$18,376,003
Special Revenue Funds	5,788,453	5,481,475	4,251,158	4,503,811	3,569,749	2,025,586
Debt Service - GO Bonds	2,650,611	1,376,749	816,498	548,560	352,759	216,330
Debt Service - EDA Related	39,760	38,317	36,861	36,876	35,344	0
Total Debt Service Funds	\$2,690,371	\$1,415,066	\$853,359	\$585,436	\$388,103	\$216,330
Capital Project Funds	\$11,691,292	\$9,875,080	\$9,163,928	\$10,105,115	\$6,207,585	\$6,440,008
Capital Projects - EDA, Series 1991	4,238,130	4,189,109	3,451,564	3,480,334	2,504,382	2,909,863
Total Capital Project Funds	\$15,929,422	\$14,064,189	\$12,615,492	\$13,585,449	\$8,711,967	\$9,349,871
Waterworks and Sewerage	\$5,119,462	\$2,427,840	\$1,315,923	\$1,268,610	\$245,294	\$4,503,642
Sears Centre	2,772,582	4,319,654	2,281,964	2,735,416	2,731,259	2,989,202
Total Enterprise Funds	\$7,892,044	\$6,747,494	\$3,597,887	\$4,004,026	\$2,976,553	\$7,492,844
Insurance	\$1,834,891	\$1,874,941	\$2,131,445	\$2,496,362	\$2,674,921	\$2,615,565
Information Systems	302,410	484,889	589,363	664,825	732,623	906,601
Total Internal Service Funds	\$2,137,301	\$2,359,830	\$2,720,808	\$3,161,187	\$3,407,544	\$3,522,166
Pension Funds	\$3,893,073	\$1,887,547	\$1,588,874	\$1,691,146	\$1,059,541	\$2,085,757
All Other Funds	18,960,647	15,559,991	15,213,746	12,306,468	401,999	458,539
Total	\$63,306,091	\$55,407,820	\$52,212,244	\$55,116,044	\$33,544,409	\$43,527,096

Sources Comprehensive Annual Financial Reports, FY 2010 - 2015

Village of Hoffman Estates
General Fund - Major Sources of Revenue
Fiscal Years Ended December 31

Revenues	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property Taxes	\$10,636,766	\$11,002,303	\$11,645,093	\$11,518,518	\$16,062,567	\$16,393,056
Sales Tax	6,026,619	5,957,084	6,396,370	7,131,620	7,980,411	8,220,338
Home Rule Sales tax	3,406,116	3,319,905	3,529,589	3,694,907	3,835,430	3,883,502
Local Use Tax	665,122	751,257	810,403	877,758	996,557	1,145,993
State Income Tax	4,350,948	4,154,694	4,600,918	5,004,310	4,914,563	5,611,360
Licenses and Permits	1,276,000	1,781,831	1,605,297	1,416,469	1,209,617	1,996,964
Charges for Services	4,830,580	6,345,366	6,213,449	6,515,916	6,906,562	8,503,649
Fines and Forfeits	884,908	776,084	877,407	1,297,773	1,679,421	2,005,951
Investment Income	37,508	23,010	16,089	15,722	-110,607	29,996
Hotel Tax	1,005,562	1,064,607	1,209,627	1,161,494	1,306,995	1,426,413
Real Estate Transfer Tax	406,333	366,253	419,814	917,245	685,054	925,104
Telecommunications Tax	2,919,649	2,760,859	2,885,633	2,495,732	2,296,238	2,052,086
All Other	7,308,502	10,122,910	6,688,350	7,524,680	7,822,281	8,771,100
Total Revenue.....	<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>	<u>\$60,965,512</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2015

	<u>Outstanding</u> <u>Bonds</u>	<u>Applicable to Village</u> <u>Percentage</u>	<u>Amount</u>
Direct Debt			
General Obligation Bonds Outstanding	\$185,151,717	100.0%	\$185,151,717
Overlapping Debt			
Cook County	\$3,478,111,750	0.990%	\$34,433,306
Metropolitan Water Reclamation District	2,655,364,695	1.010%	26,819,183
Kane County	143,034,648	0.013%	18,595
Dundee Township	3,505,000	0.107%	3,750
Dundee Township Park District	1,889,000	0.107%	2,021
Hoffman Estates Park District	9,905,000	93.600%	9,271,080
Palatine Park District	9,375,000	2.972%	278,625
South Barrington Park District	-	0.028%	-
Gail Borden Public Library District	14,025,000	5.386%	755,387
Poplar Creek Library District	18,615,000	5.958%	1,109,082
School District #15	18,405,549	8.744%	1,609,381
Community Unit School District #46	319,635,109	3.062%	9,787,227
Community Unit School District #220	47,755,000	9.111%	4,350,958
Community Unit School District #300	280,341,266	1.457%	4,084,572
High School District #211	6,230,000	12.871%	801,863
Community College #509	181,805,261	2.023%	3,677,920
Community College #512	158,810,000	6.337%	<u>10,063,790</u>
			\$107,066,741
Total Direct and Overlapping General Obligation Bonded Debt			\$292,218,458

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2015

Year Ended (December 1)	Series 2008A & 2009A Bonds			Series 2015A Bonds			Series 2015B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2016	1,360,000	2,689,931	4,049,931	1,940,000	694,874	2,634,874	315,000	274,170	589,170
2017	1,410,000	2,635,531	4,045,531	1,665,000	675,474	2,340,474	385,000	204,150	589,150
2018	1,485,000	2,565,031	4,050,031	1,740,000	650,499	2,390,499	390,000	196,450	586,450
2019	1,555,000	2,490,781	4,045,781	1,825,000	615,699	2,440,699	405,000	188,650	593,650
2020	1,640,000	2,409,144	4,049,144	1,915,000	576,918	2,491,918	410,000	176,500	586,500
2021	1,725,000	2,323,044	4,048,044	1,955,000	533,830	2,488,830	425,000	164,200	589,200
2022	1,815,000	2,232,481	4,047,481	2,165,000	475,180	2,640,180	440,000	147,200	587,200
2023	1,910,000	2,137,194	4,047,194	2,335,000	404,818	2,739,818	460,000	129,600	589,600
2024	2,010,000	2,036,919	4,046,919	2,425,000	317,255	2,742,255	475,000	115,800	590,800
2025	2,115,000	1,931,394	4,046,394	2,515,000	220,255	2,735,255	495,000	96,800	591,800
2026	2,225,000	1,820,356	4,045,356	2,620,000	114,625	2,734,625	515,000	77,000	592,000
2027	2,335,000	1,710,219	4,045,219	-	-	-	530,000	56,400	586,400
2028	2,455,000	1,590,550	4,045,550	-	-	-	430,000	35,200	465,200
2029	2,585,000	1,464,731	4,049,731	-	-	-	450,000	18,000	468,000
2030	2,415,000	1,332,250	3,747,250	-	-	-	-	-	-
2031	2,540,000	1,211,500	3,751,500	-	-	-	-	-	-
2032	2,665,000	1,084,500	3,749,500	-	-	-	-	-	-
2033	2,795,000	951,250	3,746,250	-	-	-	-	-	-
2034	2,935,000	811,500	3,746,500	-	-	-	-	-	-
2035	3,085,000	664,750	3,749,750	-	-	-	-	-	-
2036	3,240,000	510,500	3,750,500	-	-	-	-	-	-
2037	3,400,000	348,500	3,748,500	-	-	-	-	-	-
2038	3,570,000	178,500	3,748,500	-	-	-	-	-	-
	<u>\$53,270,000</u>	<u>\$37,130,556</u>	<u>\$90,400,556</u>	<u>\$23,100,000</u>	<u>\$5,279,427</u>	<u>\$28,379,427</u>	<u>\$6,125,000</u>	<u>\$1,880,120</u>	<u>\$8,005,120</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2015

Year Ended (December 1)	Series 2015C Bonds			Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2016	100,000	1,013,393	1,113,393	3,715,000	4,672,368	8,387,368
2017	40,000	1,012,393	1,052,393	3,500,000	4,527,548	8,027,548
2018	-	1,011,813	1,011,813	3,615,000	4,423,793	8,038,793
2019	-	1,011,813	1,011,813	3,785,000	4,306,943	8,091,943
2020	-	1,011,813	1,011,813	3,965,000	4,174,375	8,139,375
2021	-	1,011,813	1,011,813	4,105,000	4,032,887	8,137,887
2022	-	1,011,813	1,011,813	4,420,000	3,866,674	8,286,674
2023	-	1,011,813	1,011,813	4,705,000	3,683,425	8,388,425
2024	-	1,011,813	1,011,813	4,910,000	3,481,787	8,391,787
2025	-	1,011,813	1,011,813	5,125,000	3,260,262	8,385,262
2026	110,000	1,011,813	1,121,813	5,470,000	3,023,794	8,493,794
2027	2,855,000	1,007,138	3,862,138	5,720,000	2,773,757	8,493,757
2028	2,975,000	885,800	3,860,800	5,860,000	2,511,550	8,371,550
2029	3,105,000	755,644	3,860,644	6,140,000	2,238,375	8,378,375
2030	3,240,000	619,800	3,859,800	5,655,000	1,952,050	7,607,050
2031	3,390,000	474,000	3,864,000	5,930,000	1,685,500	7,615,500
2032	3,555,000	304,500	3,859,500	6,220,000	1,389,000	7,609,000
2033	2,535,000	126,750	2,661,750	5,330,000	1,078,000	6,408,000
2034	-	-	-	2,935,000	811,500	3,746,500
2035	-	-	-	3,085,000	664,750	3,749,750
2036	-	-	-	3,240,000	510,500	3,750,500
2037	-	-	-	3,400,000	348,500	3,748,500
2038	-	-	-	3,570,000	178,500	3,748,500
	<u>\$21,905,000</u>	<u>\$15,305,735</u>	<u>\$37,210,735</u>	<u>\$104,400,000</u>	<u>\$59,595,838</u>	<u>163,995,838</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2013 v.</u> <u>2014</u>	<u>2014 v.</u> <u>2015</u>
January	October	\$ 499,781	\$ 477,448	\$ 488,836	\$ 567,170	\$ 619,702	\$ 690,471	9%	11%
February	November	493,847	533,111	519,381	543,698	637,364	703,304	17%	10%
March	December	576,980	567,696	610,243	660,488	708,217	759,870	7%	7%
April	January	417,113	413,811	446,201	511,352	552,833	625,945	8%	13%
May	February	475,153	490,093	481,233	491,260	564,731	636,691	15%	13%
June	March	484,646	555,394	511,652	601,655	696,379	696,765	16%	0%
July	April	460,764	491,400	544,604	562,580	658,113	660,897	17%	0%
August	May	498,893	469,329	535,285	582,458	696,080	689,914	20%	-1%
September	June	570,797	528,513	522,335	559,356	669,646	739,532	20%	10%
October	July	508,110	463,544	529,665	619,615	666,102	694,684	8%	4%
November	August	494,385	475,886	545,005	672,434	702,393	676,143	4%	-4%
December	September	529,219	493,201	559,279	613,356	687,533	686,451	12%	0%
Year Totals		\$ 6,009,688	\$ 5,959,426	\$ 6,293,719	\$ 6,985,422	\$ 7,859,093	\$ 8,260,667	13%	5%

Village Home-Rule Sales Tax History by Month - Cash Basis

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2013 v.</u> <u>2014</u>	<u>2014 v.</u> <u>2015</u>
January	October	\$ 285,698	\$ 277,562	\$ 291,338	\$ 295,032	\$ 307,526	\$ 322,359	4%	5%
February	November	297,208	301,088	268,583	305,988	317,362	338,435	4%	7%
March	December	361,813	344,625	355,945	383,623	376,319	381,857	-2%	1%
April	January	231,066	228,719	252,071	266,407	262,216	305,139	-2%	16%
May	February	268,550	262,809	273,430	272,471	282,254	300,617	4%	7%
June	March	273,585	299,150	282,686	318,355	322,997	322,770	1%	0%
July	April	274,366	274,031	332,830	282,979	309,399	290,790	9%	-6%
August	May	277,551	280,136	286,100	304,288	323,203	317,104	6%	-2%
September	June	287,434	304,288	287,149	311,744	350,513	367,835	12%	5%
October	July	291,181	243,665	279,815	295,042	313,422	313,928	6%	0%
November	August	269,544	247,418	286,293	322,952	319,890	307,860	-1%	-4%
December	September	292,375	275,143	292,250	312,158	329,814	318,883	6%	-3%
Year Totals		\$ 3,410,371	\$ 3,338,634	\$ 3,488,490	\$ 3,671,039	\$ 3,814,915	\$ 3,887,577	4%	2%

Source: Village Finance Department