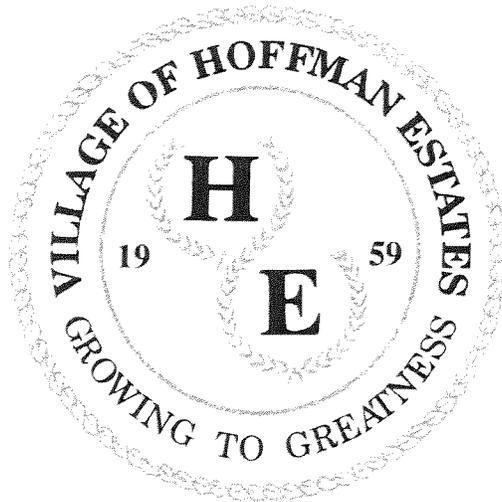


**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2009**



**VILLAGE OF HOFFMAN ESTATES,
ILLINOIS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
December 31, 2009

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

FINANCIAL STATEMENTS
December 31, 2009

CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

Principal Officials	i
Organization Chart	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal	iv-xi

FINANCIAL SECTION

Independent Auditor's Report	1
General Purpose External Financial Statements	
Management's Discussion and Analysis.....	MD&A 1 - 17
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Governmental Funds	
Balance Sheet	5
Reconciliation of Governmental Funds Balance Sheet	
to Statement of Net Assets	6
Statement of Revenues, Expenditures and Changes in Fund Balances	7
Reconciliation of Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to	
the Statement of Activities	8
Proprietary Funds	
Statement of Net Assets	9
Statement of Revenues, Expenses and Changes in Net Assets	10
Statement of Cash Flows	11

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

General Purpose External Financial Statements (Continued)

Fiduciary Funds	
Statement of Fiduciary Net Assets	12
Statement of Changes in Plan Net Assets – Pension Trust Funds	13
Notes to Financial Statements	14
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – General Fund and Major Special Revenue Fund	64
Notes to Required Supplementary Information	65
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	66
Police Pension Fund	67
Firefighters’ Pension Fund	67
Other Post-Employment Benefit Plan	68
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	69
Police Pension Fund	70
Firefighters’ Pension Fund	70
Other Post-Employment Benefit Plan	71
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
Comparative Balance Sheet – General Fund	72
Schedule of Expenditures – Budget and Actual – General Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual	
EDA General Account.....	75
2005 EDA TIF Refunding Bond Fund	76
2009 Capital Projects Fund	77
Nonmajor Governmental Funds	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79
Nonmajor Special Revenue Funds	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

Combining and Individual Fund Financial
Statements and Schedules (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
Motor Fuel Tax Fund	84
Community Development Block Grant Fund	85
Asset Seizure Fund	86
Economic Development Area (EDA) Administration Fund	87
Emergency 911 Fund.....	88
Municipal Waste System Fund	89
Roselle Road TIF Fund	90
Nonmajor Debt Service Funds	
Combining Balance Sheet	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	93
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
1997A General Obligation Debt Service Fund	95
2001 General Obligation Refunding Bond Fund	96
2003 General Obligation Refunding Bond Fund	97
2004 General Obligation Refunding Bond Fund	98
2008A General Obligation Debt Service Fund	99
2009A General Obligation Debt Service Fund	100
Nonmajor Capital Projects Funds	
Combining Balance Sheet	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103
Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	
Central Area Road Improvement Impact Fee Fund	105
Central Road Corridor Improvement Fund	106
General Traffic Improvement Fund	107
EDA Series 1991 Project Fund	108
Western Area Traffic Improvement Fund	109
Capital Improvements Fund	110
Arena Reserve Fund	111
Western Area Road Improvement Impact Fee Fund	112
Capital Vehicle and Equipment Fund	113
Hoffman Boulevard Bridge Fund	114
Capital Replacement Fund	115
Western Corridor Fund	116
2008 Capital Projects Fund	117

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

Combining and Individual Fund Financial Statements And Schedules (Continued)	
Major Enterprise Funds	
Statement of Net Assets - Waterworks and Sewerage Fund	118
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Waterworks and Sewerage Fund	119
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Sears Centre Operating Fund	120
Internal Service Funds	
Combining Statement of Net Assets	121
Combining Statement of Revenues, Expenses and Changes in Net Assets	122
Combining Statement of Cash Flows.....	123
Information Systems Fund	
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual	124
Insurance Fund	
Schedule of Net Assets - by Program	125
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual	126
Schedule of Revenues, Expenses and Changes in Net Assets - by Program	127
Fiduciary Funds	
Combining Statement of Plan Net Assets - Pension Trust Funds	128
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	129
Schedule of Changes in Plan Net Assets - Budget and Actual	
Police Pension Fund	130
Firefighters' Pension Fund	131
Combining Statement of Changes in Assets and Liabilities - Agency Funds	132
Supplemental Data	
Schedule of Insurance in Force	134
Long-Term Debt Requirements	
General Obligation Bond Series of 1997A	135
General Obligation Refunding Bond Series of 2001	136
General Obligation Refunding Bond Series of 2003	137
General Obligation Refunding Bond Series of 2004	138
General Obligation Taxable Bond Series of 2005A	139
Tax Increment Revenue Refunding Bond Series of 2005	140
General Obligation Taxable Bond Series of 2008A	141
General Obligation Taxable Bond Series of 2009A	142

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

Supplemental Data (Continued)

Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes	143
Economic Development Project Area Schedule of Indenture Flow of Funds	149

STATISTICAL SECTION (UNAUDITED)

Statistical Section Index

Financial Trends

Net Assets by Component	152
Net Assets by Component Excluding EDA TIF Activity	153
Change in Net Assets	154
Change in Net Assets Excluding EDA TIF Activity	157
Fund Balances of Governmental Funds	160
Changes in Fund Balances of Governmental Funds.....	161

Revenue Capacity

Assessed and Actual Value of Taxable Property	162
Property Tax Rates - Direct and Overlapping Governments	
Schaumburg Township	163
Barrington Township	164
Palatine Township	165
Hanover Township	166
Principal Property Taxpayers	167
Property Tax Levies and Collections	168

Debt Capacity

Ratios of Outstanding Debt by Type.....	169
Ratios of Net General Bonded Debt Outstanding.....	170
Direct and Overlapping Governmental Activities Debt	171
Schedule of Legal Debt Margin.....	172
Pledged-Revenue Coverage	173

Demographic and Economic Information

Demographic and Economic Information.....	174
Principal Employers	175
Full-Time Equivalent Employees	176

Operating Information

Operating Indicators.....	177
Capital Assets Statistics.....	178

Continuing Disclosure - Annual Financial Information	179
--	-----

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2009

LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Cary J. Collins

Karen V. Mills

Jacquelyn Green

Anna Newell

Raymond M. Kincaid

Gary J. Pilafas

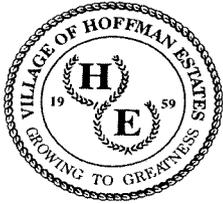
Bev Romanoff, Village Clerk

ADMINISTRATIVE

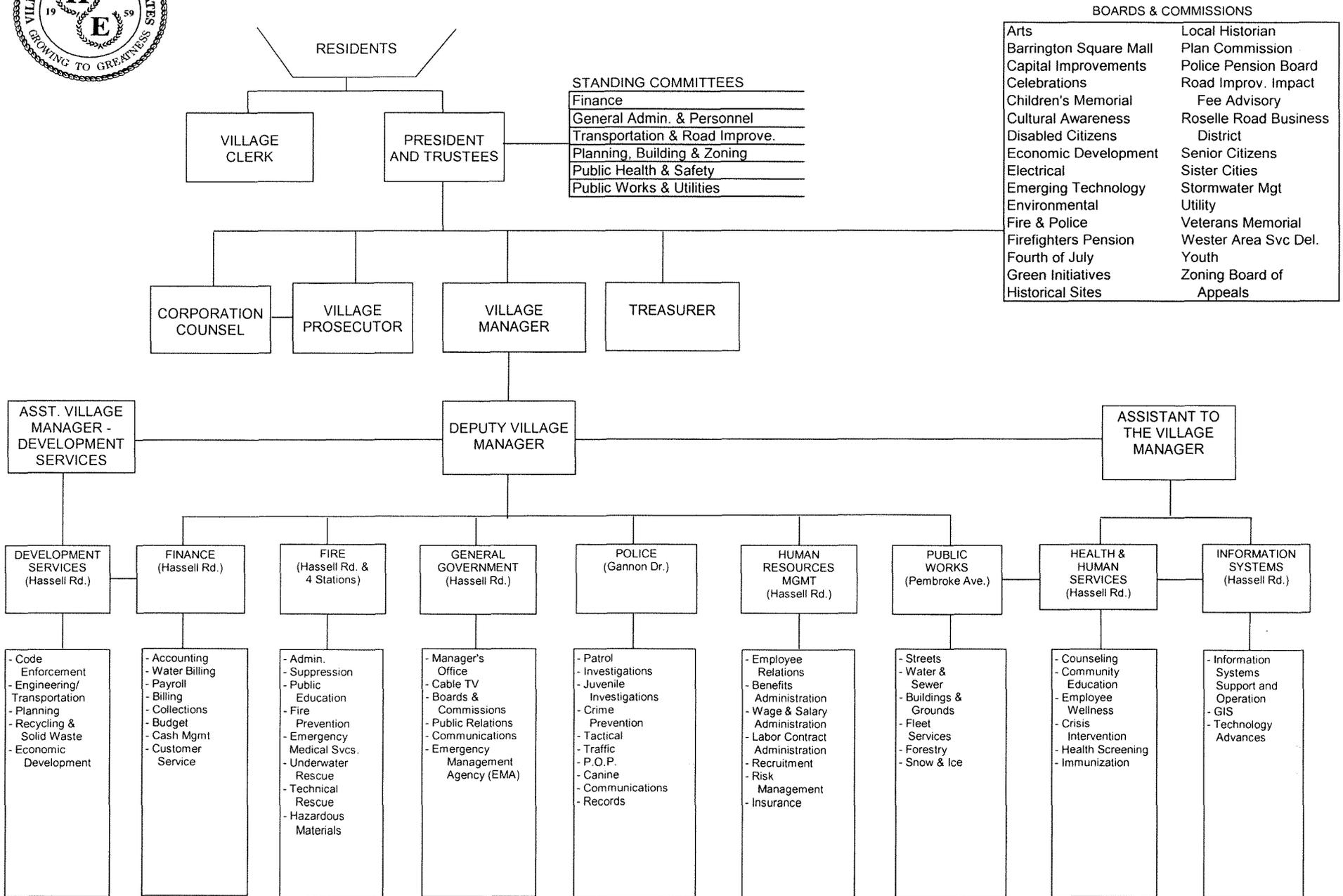
James H. Norris, Village Manager

FINANCE DEPARTMENT

Michael DuCharme, Director of Finance



Village of Hoffman Estates, Illinois



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Hoffman Estates
Illinois

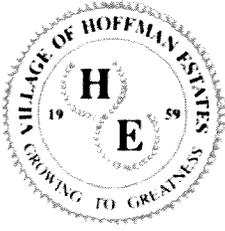
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



HOFFMAN ESTATES

May 14, 2010

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, 2009.

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 Crowe Horwath 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 unqualified ("clean") opinion, meaning that the financial statements fairly present the Village's financial position at December 31, 2009, 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 complement 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 a 2003 Partial Special Census were received in December 2003 and estimated the Village's total population at 50,573. However, due to continued growth in the western area of the Village, the population is now estimated to be at 52,520. This figure represents an increase of 1,947 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 districts have been reported as blended funds in the Village's financial statements, as they are not legally separate. No other legally separate entity qualifies as a component unit of the Village.

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

Local Economy

The 2009 Chicagoland economy mirrored the national economic downturn. There are some signs of a recovery, but they are coming very slowly. Interest in the Prairie Stone Economic Development Area continues as this 780 acre development approaches buildout. The 11,000 seat Sears Centre Arena, a multi-purpose indoor entertainment and sports facility, and Cabela's 185,000 square foot retail store (a purveyor of outdoor sporting goods and apparel) anchor the emerging Entertainment District within Prairie Stone. Development and redevelopment continues in other portions of the Village as well. The Village opened two new American corporate headquarters for international companies, with a third under construction in 2009.

Mori Seiki (a worldwide toolmaker) celebrated the grand opening of their 102,000 square foot building in early November with a three day open house demonstrating their tools and drawing approximately 3,000 buyers, suppliers and partners from around the world. Hoffman Estates is

fortunate to have a company regarded as one of the world's leading global producers and distributors of machine tools. Believing in the total package, Mori Seiki has 100 technical centers around the world offering 24/7, 365 days/year service support. BIG Kaiser moved into their 32,000 square foot facility in mid-December, 2009. In part, BIG Kaiser, another precision toolmaker, decided to relocate in Hoffman Estates to be near Mori Seiki, one of their major business partners.

JCL Bioassay broke ground in June for their 22,200 square foot laboratory and office building in the Prairie Stone Business Park. JCL expects to be open in spring 2010, bringing 55 employees to Prairie Stone. JCL performs quality control testing of pharmaceutical products. The Village welcomes this new biotech company to the impressive variety of companies in the business park. Two new companies moved into the Prairie Stone Corporate Center, including Daiichi Sankyo, a Japanese pharmaceutical company (occupying 10,000 square feet) and World Color, a printing company (occupying 3,500 square feet).

Retail: At State Routes 72 and 59, the 42 acre, 400,000 square foot Poplar Creek Crossing Shopping Center, a traditional style retail development anchored by a Target store, opened in 2007, with PetSmart, Office Max, TJ Maxx, Kirkland, Michaels and Lane Bryant filling out the "in line" center. Additional retailers, restaurants and service providers occupy outlot buildings.

The national downturn in the retail sector influenced local decisions, with no major new retail store openings in 2009. However, two new restaurants were approved in 2009. Rookies, an independent chain, signed a lease for a northern section of Poplar Creek Crossing Shopping Center, just east of Fifth Third Bank. The Saddle Room (and its Off Track Betting component) was approved for a prime location in Prairie Stone Business Park between the Sears Centre Arena and Cabela's. Construction should commence in early 2010.

To better identify and brand the emerging Entertainment District, including the two anchors - Cabela's and Sears Centre Arena, the Village approved a new logo using the name "Poplar Creek at 59/90" with the goal of providing the highway coordinates for a destination of entertainment, shopping and fun. The Village also partnered with Cabela's to erect a digital billboard (with "Poplar Creek at 59/90" on the marquee) on I-90 to promote the Cabela's store and the surrounding Entertainment District. To better assist consumers in locating Entertainment District tenants, the Village installed nine wayfinding signs. These signs are located just inside the three gateways to Poplar Creek at 59/90 (Hoffman Boulevard, Beverly Road and Higgins Road).

The Village worked with Barrington Square Mall ownership on a rehabilitation of the shopping center. A resolution to establish a TIF district was approved contingent upon a major anchor tenant and an upswing in the economy. The owners demolished the vacant former Menards store (over 100,000 square feet) to prepare the site for new development.

Roselle Road Business Improvement District: A priority of the Village during the past several years has been to redevelop and revitalize the Roselle Road Business Improvement District (BID). To bring about this change, the Village Board passed an ordinance establishing a Tax Increment Financing District (TIF) in May, 2003. During 2005, the Golf Center Shopping

Center completed a major remodeling with site and building upgrades in 2008. The estimated total cost was \$2 million, with no public dollars expended from the TIF fund.

The Village finalized redevelopment activity with the Hoffman Plaza Shopping Center (across the street from Golf Center) and Jewel Food Stores (the major tenant) for a similar upgrade of the center and a complete remodeling of Jewel. The total cost was \$7 million. The Village used \$2.7 million in TIF funds to leverage private reinvestment.

During 2009, the Village was able to work with the owners of the former Shell gas station at Roselle and Higgins Roads to demolish the vacant and dilapidated building. The property is now on the market. The Village investigated a purchase of the property with the intent of a gateway to the Roselle Road shopping district, but was outbid by an investor in the private sector.

Progress is slow but steady regarding a new stoplight on Roselle Road (between Higgins and Golf Roads). Both Cook County and the Illinois Department of Transportation have verbally approved the traffic signal, and the Village awaits written approval before proceeding. The stoplight would offer better traffic safety and improve the cross access between Hoffman Plaza and Golf Center Shopping Centers.

Sears Centre Arena: The Village of Hoffman Estates acquired title to the Sears Centre Arena in late December, 2009 through a Deed in Lieu of Foreclosure process. Global Spectrum is currently under contract with the Village to manage the Sears Centre Arena. Global Spectrum manages 33 arenas across the country and Canada, and brings not only their professional management expertise, but also relationships with concert and event promoters, to bring more events to the Sears Centre Arena in the future. Because the entertainment industry schedules events with a long lead time, the impact of Global Spectrum's relationships and additional new events on the Sears Centre Arena calendar will not be realized until late 2010 and into 2011.

Economic Development Area – Prairie Stone: In 1989, Sears, Roebuck and Co. announced its decision to move its Merchandise Group activities from its downtown Chicago location in the Willis Tower to Hoffman Estates. Sears acquired 786 acres of land located along the northern right-of-way of Interstate 90 between Illinois Route 59 and Beverly Road within the Village. To accommodate Sears' move to the Village, the Illinois legislature adopted the Economic Development Area Tax Increment Allocation Act (P.A. 86-0038), which provided a funding vehicle for land acquisition and other development costs defined in the Act with incremental revenues from an Economic Development Area (EDA) used to pay those costs. The EDA has been zoned for up to 12 million gross square feet of office, light industrial, hotels and retail development. The project area has been delineated into two sites, Phase I and Phase II.

The Phase I site consists of 200 acres for the Sears Home Office Complex and related developments. The Sears Holdings Office Complex occupies approximately 115 acres and consists of seven office buildings ranging from 4 to 6 stories in height, a conference center, an exposition center, a fitness center, a cafeteria and a daycare center, with over 2.3 million square feet of gross building area and 2.1 million square feet of net rentable building area. Sears employs 5,000-6,000 people at the Sears Complex. Parking for approximately 4,700 cars is provided in surface parking lots and 3 multi-level parking ramps. The remaining 85 acres of the

Phase I site are expected to be used for future development of either Sears related businesses or independent development. Currently, Sears leases approximately 200,000 square feet to other companies who are tenants of the Phase I site Building E.

The Phase II site, which has been zoned for up to 9 million gross square feet, consists of 586 acres. Development of the vacant acreage as a planned and controlled business park, primarily for corporate users, certain retail amenities and hotel uses, is to be phased to meet market demands. Built space currently totals 2.4 million square feet in 32 buildings.

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, amended in 1978, and revised in 1989. The plan is updated periodically and reviewed often. 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 Board has established guidelines for budgetary and planning purposes of the amount of unreserved, undesignated fund balance in the General Fund that should be kept as a reserve. This policy stated:

“The Village will strive to maintain an unallocated/unreserved 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. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board.”

The Village exceeded this requirement up until fiscal year 2009. At year-end 2009, the State of Illinois was holding in excess of three months of income tax distributions, resulting in lower than expected revenue recognition for the year. Because of this, the Village Board amended its Fund Balance Policy in early 2010 to now require an 18% minimum. As of December 31, 2009, General Fund unreserved fund balance is 21.5 percent of budgeted operating expenditures.

Relevant Financial Policies

Revenue Recognition. One of the Village's financial policies that had a significant impact on the 2009 financial statements was its revenue recognition policy. As is stated in the Notes to the Financial Statements, the Village's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

This basis of accounting calls for revenues to be 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.

Due to the economic downturn in the State of Illinois, the State has been delaying the remittance of the Village's income tax revenues. Because on our revenue recognition policy and the 60 day requirement, the Village was unable to record two months of tax revenues in fiscal year 2009, adding approximately \$700,000 to the shortfall in the General Fund.

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 were:

Short-Term Goals:

- Complete the remodeling of the Village Hall and the relocation of fire station 24; complete the design and begin construction of a new police building.
- Develop an economic development marketing plan in conjunction with the Economic Development Commission that is focused on encouraging consumers to shop, dine and be entertained at establishments within the Village. Work with external consultants to create an additional Village-wide marketing plan to promote all aspects of the Village of Hoffman Estates.
- Promote awareness of the Village of Hoffman Estates Emergency Operations Plan through continued training of Village personnel, creation of a citizen corps and outreach to residents, the business community and surrounding municipalities through regular drills and the dissemination of pertinent information.
- Continue to increase communication with Village residents and businesses through the televising of Village Board and Committee meetings, enhanced Web site/electronic communication, additional public meetings, the Citizen, and the implementation of eGov applications.
- Advocate for both the Suburban Transit Access Route (STAR) Line and a full Tollway interchange at Barrington Road and responsible uses for the Elgin, Joliet & Eastern (EJ&E) rail line in partnership with Canadian National (CN).
- Foster increased intergovernmental cooperation and communication through the hosting of an intergovernmental forum. Specifically, coordinate with Cook County Highway

Department for the Shoe Factory Road, Rohrssen Road, Beverly Road reconstruction project.

- Promote and celebrate the 50th Anniversary of the incorporation of the Village of Hoffman Estates through monthly activities, commemorative items, a history of the Village and banners placed throughout the Village.
- Improve the safety and efficiency of intersections throughout the Village by installing red-light camera enforcement and light-emitting diode (LED) traffic signals.
- Work in concert with the owners of the Hoffman Plaza shopping center and the Jewel-Osco to redevelop the center utilizing the Roselle/Golf roads tax increment financing (TIF) district funds.

Ongoing Goals:

- Contribute to the health of the environment by promoting “Green” activities throughout the Village, including Leadership in Energy and Environmental Design (LEED)-certified public and private buildings; increased recycling through the commercial and residential solid waste programs; Solid Waste Agency of Northern Cook County (SWANCC)-sponsored recycling programs for compact fluorescent lamp (CFL) bulbs, medical waste and document destruction; participation in the Metropolitan Mayors Caucus’ Clean Air Counts initiative; addition of alternative fuel and hybrid vehicles to the Village fleet; and, creation of a paperless business environment in the Village.
- Foster programs and opportunities that encourage all cultural and ethnic populations in the Village to engage the community. Utilize the adopted Hoffman Estates Diversity Program to assist in diversification of the Village workforce.
- Continue redevelopment of the Golf/Higgins/Roselle roads area through utilization of the tax increment financing (TIF) district, including the establishment of a traffic signal connecting Golf Center with Hoffman Plaza, and installation of streetscape enhancements.
- Work with area agencies, including neighboring municipalities, Cook County and the Cook County Forest Preserve District, to help create and provide interconnection to an integrated pathing system for biking, walking and other outdoor activities.
- Evaluate the Village’s budget to identify funding for key infrastructure improvements, including additional funding for the street program, Barrington Road Tollway interchange, future Suburban Transit Access Route (STAR) Line stations and integrated pathing system.
- Provide excellent public safety services ensuring the health, safety and welfare of Village residents and businesses. Annually evaluate public safety staffing levels based on demands and the continued growth of the Village.

- Promote the redevelopment of the Barrington Square shopping center by working with the mall owners to find appropriate uses and tenants.
- Work with the Emerging Technologies Commission to create a wireless environment in the Village that can be used internally for training, distance-learning opportunities and field applications by Village personnel, and externally for residents and businesses to affordably access the Internet anywhere in the Village. Additionally, partner with the Northern Illinois University (NIU)-Net and its partners to create the Northwest Municipal Broadband Authority.

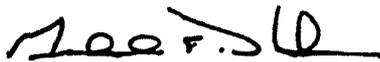
Awards and Acknowledgements

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, 2008. This was the twenty-sixth 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.

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,



Michael F. DuCharme
Director of Finance/Village Treasurer



Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

The Honorable Village President and
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, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

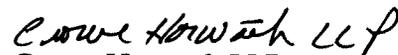
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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 as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, schedules of funding progress and employer contributions for pensions and other post employment benefits and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic 2009 financial statements taken as a whole. The combining and individual fund financial statements and schedules and supplemental data including the introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village. The 2009 individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole. The 2008 individual fund financial schedules were subjected to the auditing procedures applied by other auditors whose report dated March 13, 2009 expressed an opinion that such information was fairly stated in all material respects in relation to the 2008 basic financial statements taken as a whole. The information contained in the other supplementary information section, including the introductory section and statistical section, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the other supplementary information section.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2010 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provision 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Crowe Horwath LLP

Oak Brook, Illinois
June 3, 2010

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2009

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, 2009. 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 3).

Overview of the Financial Statements

This discussion and analysis are intended to service 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 assets* presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 3 through 4 of this report.

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

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.

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 31 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, 2005 EDA TIF Refunding Bond Fund, and 2009 Capital Project Fund, all of which are considered to be major funds. Data from the other 27 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 Project Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds. A budgetary comparison statement has been provided for the General Fund and the EDA General Account to demonstrate compliance with this budget as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

The basic governmental fund financial statements can be found on pages 5 through 8 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

(See independent auditor's report.)

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

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 9 through 11 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 12 and 13 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 63 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 64 through 71 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 72 through 150 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

(See independent auditor's report.)

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

providing the best means of analyzing its financial condition and position as of December 31, 2009.

Net Assets. The table on the following page reflects the condensed Statement of Net Assets.

Table 1
Statement of Net Assets
As of December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2008	2009	2008	2009	2008	2009
Current and Other Assets	\$ 92,357,410	\$ 88,820,911	\$ 16,279,810	\$ 11,835,625	\$ 108,637,220	\$ 100,656,536
Capital Assets	125,550,313	144,150,830	26,267,955	112,766,613	151,818,268	256,917,443
Total Assets	217,907,723	232,971,741	42,547,765	124,602,238	260,455,488	357,573,979
Long-Term Liabilities	235,215,226	192,427,190	6,946,733	58,450,415	242,161,959	250,877,605
Other Liabilities	27,451,097	28,594,811	928,256	1,136,480	28,379,353	29,731,291
Total Liabilities	262,666,323	221,022,001	7,874,989	59,586,895	270,541,312	280,608,896
Net Assets:						
Invested in Capital Assets,						
Net of Debt	100,289,513	104,590,958	26,267,955	57,239,680	126,557,468	161,830,638
Restricted	37,276,155	25,487,777	-	-	37,276,155	25,487,777
Unrestricted	(182,324,268)	(118,128,995)	8,404,821	7,775,663	(173,919,447)	(110,353,332)
Total Net Assets	\$ (44,758,600)	\$ 11,949,740	\$ 34,672,776	\$ 65,015,343	\$ (10,085,824)	\$ 76,965,083

The deficit in unrestricted net assets is primarily the result of the Village sponsoring one of the largest economic development area (EDA) tax increment financing (TIF) districts in the State of Illinois to induce the relocation of the headquarters of a major retailer to the Village and keeping the jobs within the State. As part of the inducement, the Village issued \$65,400,000 Senior Lien Tax Increment Revenue Bonds, Series 2005, \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$102,297,531 (as of December 31, 2009). 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 TIF to pay the debt as of the end of the useful life of the EDA in 2012, 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 TIF.

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

(See independent auditor's report.)

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

Table 1-a
Statement of Net Assets Excluding EDA TIF Activity
As of December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
Current and Other Assets	\$ 62,026,800	\$ 69,299,601	\$ 16,279,810	\$ 11,835,625	\$ 78,306,610	\$ 81,135,226
Capital Assets	125,550,313	144,150,830	26,267,955	112,766,613	151,818,268	256,917,443
Total Assets	187,577,113	213,450,431	42,547,765	124,602,238	230,124,878	338,052,669
Long-Term Liabilities	90,923,496	66,329,659	6,946,733	58,450,415	97,870,229	124,780,074
Other Liabilities	27,012,599	28,111,649	928,256	1,136,480	27,940,855	29,248,129
Total Liabilities	117,936,095	94,441,308	7,874,989	59,586,895	125,811,084	154,028,203
Net Assets:						
Invested in Capital Assets,						
Net of Debt	100,289,513	104,590,958	26,267,955	57,239,680	126,557,468	161,830,638
Restricted	8,028,531	6,734,090	-	-	8,028,531	6,734,090
Unrestricted	(38,677,026)	7,684,075	8,404,821	7,775,663	(30,272,205)	15,459,738
Total Net Assets	\$ 69,641,018	\$ 119,009,123	\$ 34,672,776	\$ 65,015,343	\$ 104,313,794	\$ 184,024,466

As you can see, the governmental activities no longer shows a deficit in unrestricted net assets when the EDA financial information is excluded. The deficit in 2008 was due to the Village's issuance of the General Obligation Taxable Bond Series of 2005A. As an inducement to construct an entertainment and sports arena within Hoffman Estates, the Village issued \$54,935,000 in taxable bonds. Like the EDA bonds and notes, these bonds did not produce a capital asset that was owned by the Village at the time and the bonds were required to be reported as a liability of the Village. However, during 2009, the Village took over ownership of the arena and was able to record the value of the asset to offset the liability; both are recorded as a business-type activity for fiscal year 2009.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Hoffman Estates (excluding EDA TIF activity), assets exceeded liabilities by \$184,024,466 as of December 31, 2009. The increase in net assets from 2008 shows that the Village's overall financial position has improved. The largest portion of the Village's net assets 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.

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

Table 2
Net Assets Invested in Capital Assets, Net of Related Debt
As of December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
Capital Assets	\$ 125,550,313	\$ 144,150,830	\$ 26,267,955	\$ 112,766,613	\$ 151,818,268	\$ 256,917,443
Less Outstanding Related Debt:						
1997A G.O. Bonds	(1,970,000)	(1,515,000)	-	-	(1,970,000)	(1,515,000)
2001 G.O. Bonds	(3,230,000)	(1,610,000)	-	-	(3,230,000)	(1,610,000)
2003 G.O. Bonds	(2,485,000)	(1,595,000)	-	-	(2,485,000)	(1,595,000)
2004 G.O. Bonds	(3,545,000)	(2,710,000)	-	-	(3,545,000)	(2,710,000)
2005A G.O. Bonds	-	-	-	(51,710,000)	-	(51,710,000)
2008 G.O. Bonds	(19,983,750)	(19,983,750)	-	(6,661,250)	(19,983,750)	(26,645,000)
2009 G.O. Bonds	-	(30,355,000)	-	-	-	(30,355,000)
Less Outstanding Premiums	(87,438)	(1,266,283)	-	-	(87,438)	(1,266,283)
Plus Outstanding Discounts	230,070	222,400	-	344,714	230,070	567,114
Plus Unamortized Loss on Refunding	298,684	81,479	-	-	298,684	81,479
Plus Unspent Bond Proceeds	5,511,634	19,171,282	-	2,499,603	5,511,634	21,670,885
Total	100,289,513	104,590,958	26,267,955	57,239,680	126,557,468	161,830,638

The second portion of the Village's net assets in the amount of \$15,459,738 represents funds that are unrestricted and can be used for Village services. The final portion of the Village's net assets in the amount of \$6,734,090 represents resources that are subject to external restrictions on how they may be used.

For more detailed information, see the Statement of Net Assets on page 3.

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

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

Table 3
Changes in Net Assets
For the Fiscal Year Ended December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 11,587,849	\$ 8,161,426	\$ 9,989,993	\$ 9,843,473	\$ 21,577,842	\$ 18,004,899
Operating Grants	1,959,997	2,436,373	-	-	1,959,997	2,436,373
Capital Grants/Contributions	7,097,285	4,040,726	2,146,311	85,357,119	9,243,596	89,397,845
General Revenues:						
Property Taxes	36,232,247	33,379,672	-	-	36,232,247	33,379,672
Other Taxes	24,459,959	22,059,361	-	42,580	24,459,959	22,101,941
Other	2,344,833	1,964,513	407,178	2,802,127	2,752,011	4,766,640
Total Revenues	83,682,170	72,042,071	12,543,482	98,045,299	96,225,652	170,087,370
EXPENSES						
General Government	7,649,033	2,140,888	-	-	7,649,033	2,140,888
Public Safety	32,630,767	36,731,733	-	-	32,630,767	36,731,733
Highways and Streets	12,635,002	11,426,047	-	-	12,635,002	11,426,047
Sanitation	1,190,250	1,190,740	-	-	1,190,250	1,190,740
Health and Welfare	1,959,118	1,820,973	-	-	1,959,118	1,820,973
Culture and Recreation	277,806	234,883	-	-	277,806	234,883
Economic Development	2,156,338	4,948,669	-	-	2,156,338	4,948,669
Water and Sewer	-	-	12,364,630	12,965,546	12,364,630	12,965,546
Sears Centre	-	-	-	4,800,908	-	4,800,908
Interest on Long-Term Debt	9,560,104	6,776,076	-	-	9,560,104	6,776,076
Total Expenses	68,058,418	65,270,009	12,364,630	17,766,454	80,423,048	83,036,463
<i>Excess (Deficiency)</i>						
<i>Before Transfers</i>	15,623,752	6,772,062	178,852	80,278,845	15,802,604	87,050,907
Transfers In (Out)	(16,130)	49,936,278	16,130	(49,936,278)	-	-
Change in Net Assets	\$ 15,607,622	\$ 56,708,340	\$ 194,982	\$ 30,342,567	\$ 15,802,604	\$ 87,050,907
<i>Net Assets (Deficit),</i>						
<i>January 1</i>	\$ (60,366,222)	\$ (44,758,600)	\$ 34,477,794	\$ 34,672,776	\$ (25,888,428)	\$ (10,085,824)
<i>Net Assets (Deficit),</i>						
<i>December 31</i>	\$ (44,758,600)	\$ 11,949,740	\$ 34,672,776	\$ 65,015,343	\$ (10,085,824)	\$ 76,965,083

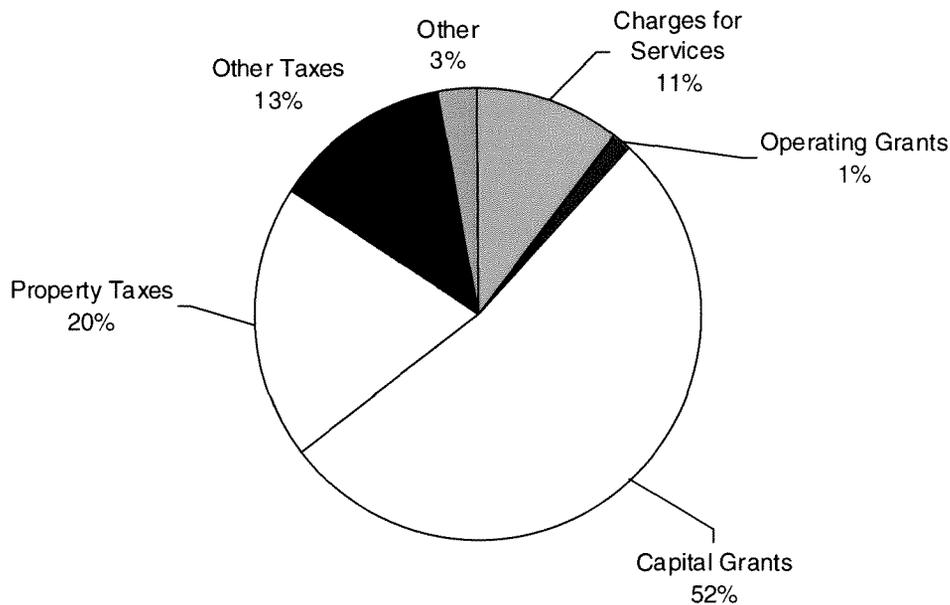
For the fiscal year ended December 31, 2009, revenues from governmental activities totaled \$72.0 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$33 million. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

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

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is a 10 percent tax, 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 2009, state-shared sales tax revenues were \$5,993,252 compared to \$6,990,526 in 2008. Home-rule sales tax revenues also decreased from \$3,938,726 to \$3,472,774 between the two years, due to a decrease in the overall economy.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2009



Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2008 and 2009, the Village's income and local use tax revenues decreased from \$5,529,993 to \$5,314,607. It should be noted that the reason for the decrease is that the state is two months behind in their payments owed to the Village.

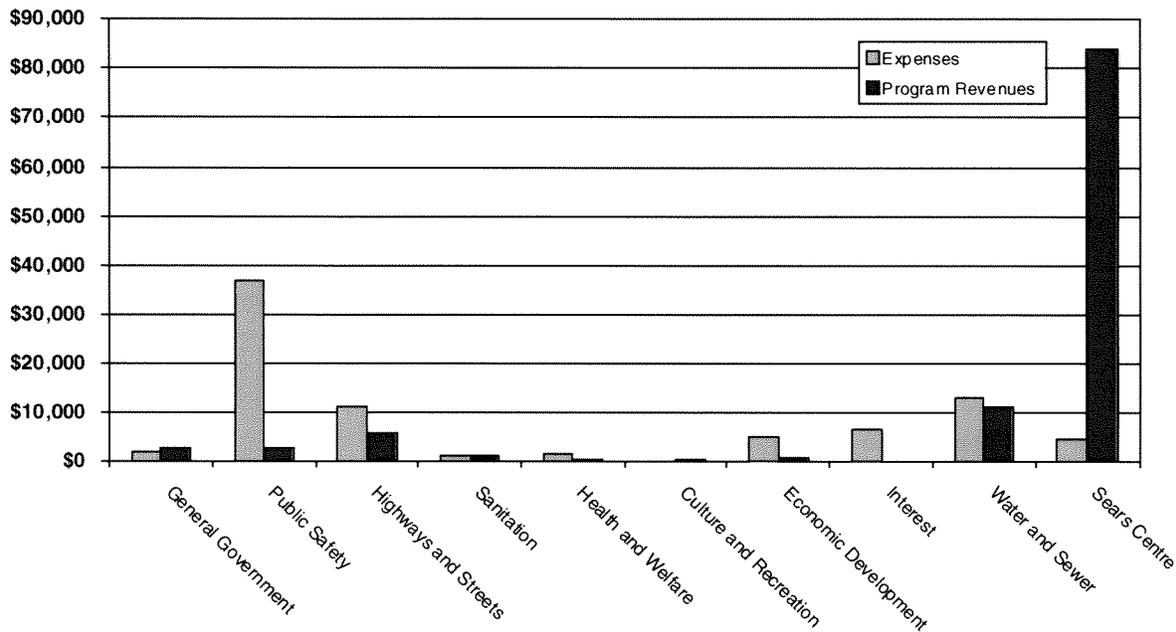
A major revenue component of the "charges for services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$9,843,473 in 2009 compared to \$9,989,993 in 2008. The minor decrease in these revenues is due to a slight decrease in both commercial and residential water consumption between 2008 and 2009. There was a 5.8 percent rate increase on December 1, 2008 and another similar increase on December 1, 2009.

(See independent auditor's report.)

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

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.

Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2009
(Dollars in Thousands)



The large amount of program revenues related to the Sears Centre are primarily due to the recording of the contribution of the arena assets when the Village took over ownership in late 2009.

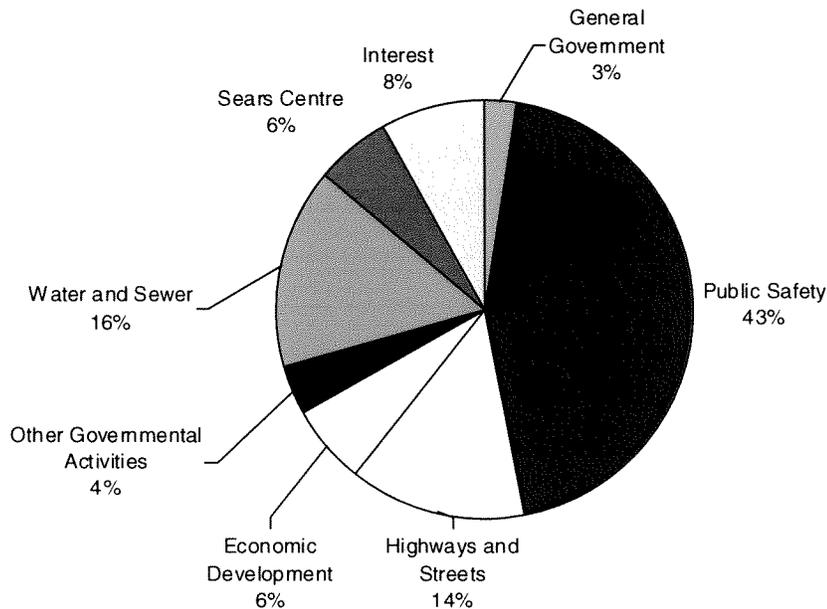
Village expenses amounted to \$83.0 million in 2009. Accounting for the largest share of the total expenses are public safety expenses related to the operations of the Police and Fire Departments. In 2009, due to strained financial resources, no new personnel was added to any Village department.

With historically low unemployment levels and 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 the economy and the need for a budget reduction in 2009, the annual funding of the Village's performance based employee compensation package was reduced, with only an average 2.7 percent increase given to non-union employees. All Department Directors voluntarily gave up all of their 2009 increase due to the shortfall. All of the collective bargaining agreements specified salary increases for the

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

unions during 2009. 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, 2009



Once again, it needs to be mentioned that the inclusion of the EDA TIF debt distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$16,187,228, which represents general revenue to the governmental activities. There is also some miscellaneous and investment income in the amount of \$619,578. On the expense side, the Village recognized interest expense of \$4,457,185 related to the Senior Lien Bonds as well as \$5,018,419 of general government, public safety and infrastructure improvements for the EDA. Removing this activity from the governmental activities results in the following positive picture:

(See independent auditor's report.)

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

Table 3-a
Changes in Net Assets Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 11,538,724	\$ 8,152,393	\$ 9,989,993	\$ 9,843,473	\$ 21,528,717	\$ 17,995,866
Operating Grants	1,959,997	2,436,373	-	-	1,959,997	2,436,373
Capital Grants/Contributions	7,097,285	4,040,726	2,146,311	85,357,119	9,243,596	89,397,845
General Revenues:						
Property Taxes	15,911,586	17,192,444	-	-	15,911,586	17,192,444
Other Taxes	24,459,959	22,059,361	-	42,580	24,459,959	22,101,941
Other	1,697,713	1,344,934	407,178	2,802,127	2,104,891	4,147,061
Total Revenues	62,665,264	55,226,231	12,543,482	98,045,299	75,208,746	153,271,530
EXPENSES						
General Government	7,429,416	1,599,021	-	-	7,429,416	1,599,021
Public Safety	29,333,107	33,108,122	-	-	29,333,107	33,108,122
Highways and Streets	12,059,057	11,187,206	-	-	12,059,057	11,187,206
Sanitation	1,190,250	1,190,740	-	-	1,190,250	1,190,740
Health and Welfare	1,959,118	1,820,973	-	-	1,959,118	1,820,973
Culture and Recreation	277,806	234,883	-	-	277,806	234,883
Economic Development	1,991,344	4,334,569	-	-	1,991,344	4,334,569
Water and Sewer	-	-	12,364,630	12,965,546	12,364,630	12,965,546
Sears Centre	-	-	-	4,800,908	-	4,800,908
Interest on Long-Term Debt	4,322,420	2,318,891	-	-	4,322,420	2,318,891
Total Expenses	58,562,518	55,794,405	12,364,630	17,766,454	70,927,148	73,560,859
Excess (Deficiency)						
Before Transfers	4,102,746	(568,174)	178,852	80,278,845	4,281,598	79,710,671
Transfers In (Out)	(16,130)	49,936,278	16,130	(49,936,278)	-	-
Change in Net Assets	\$ 4,086,616	\$ 49,368,104	\$ 194,982	\$ 30,342,567	\$ 4,281,598	\$ 79,710,671

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, 2009, the governmental funds reported combined ending fund balances of over \$56 million. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,886,577, while total fund balance equaled \$11,069,343. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the

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

fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21.5 percent of budgeted General Fund expenditures, while total fund balance represents 24.0 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2009

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			2009	2008
<i>REVENUES AND SALE OF CAPITAL ASSETS</i>				
Taxes	\$24,034,113	\$22,717,013	\$22,629,437	\$22,702,394
Inter-Governmental	13,887,630	13,887,630	11,670,548	13,474,956
Other	7,881,850	7,881,850	6,866,267	8,296,650
Total Revenues	45,803,593	44,486,493	41,166,252	44,474,000
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(44,551,223)	(44,810,943)	(41,696,280)	(43,244,975)
Transfers Out	(1,245,200)	(1,245,200)	(1,240,381)	(2,403,209)
Total Expenditures and Transfers	(45,796,423)	(46,056,143)	(42,936,661)	(45,648,184)
Change in Fund Balance	\$7,170	(\$1,569,650)	(\$1,770,409)	(\$1,174,184)

As 2009 got underway, it became clear that revenues were continuing to fall short of projections, which was also a problem for the Village in fiscal year 2008. The national, regional and local economic downturn has had a tremendous impact on Hoffman Estates' overall budget over the last two fiscal years. Over the past 18 months, Village revenues have dropped almost \$7 million. Those revenues are economy or consumption driven, like sales tax, food & beverage tax, hotel tax, development fees, real estate transfer tax, and building permits all saw significant decreases.

At mid-year, a budget reduction plan was implemented in the amount of almost \$1.7 million. This was on top of a \$4.4 million budget reduction plan that was implemented in 2008. Even with this significant budget reduction plan, the fund balance of the Village's General Fund decreased by \$1,770,409 during the current fiscal year.

The Village had to amend its fund balance policy due to the year-end results of fiscal year 2009. The old policy stated that the Village would strive to maintain an unallocated/unreserved 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. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as

(See independent auditor's report.)

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

needed based on the annual recommendation of the Village Manager and approval by the Village Board. In early 2010, the Village Board decreased the required minimum from 25% to 18%.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2009. This fund is used to account EDA Revenue Note payments that are made when surplus revenues are available related to the EDA. Since this fund has revenues matching the expenditures, there is no fund balance as of December 31, 2009.

The 2005 EDA TIF Refunding Bond Fund has a total fund balance of \$13,789,074. Almost all of this fund balance is reserved for the payment of debt service. This amount includes a debt service reserve investment contract in the amount of \$12,098,000, which will only be utilized in the event of default or, if no default ever occurs, for the final bond and interest payment in 2010. This fund contributed to the combined fund balance of the governmental funds with a decrease of \$10,509,736 which was primarily principal retirement.

The 2009 Capital Project Fund has a total fund balance of \$13,138,294. All of this fund balance is reserved for capital development. This fund is used to account for bond proceeds of the Village's 2009A General Obligation Bonds, which are being used for the construction of a new police station as well as some road improvements. The 2009 Capital Project Fund contributed to the combined fund balance of the governmental funds with an increase of \$13,138,294 since it is a new fund for 2009.

With respect to the business-type activities, the Waterworks and Sewerage Fund recorded a decrease in net assets in the amount of \$2,509,870, which was significantly lower than the \$7.5 million decrease that was originally projected. This more positive outcome is due to significant reductions of budgeted projects which were unable to be completed during 2009. Unrestricted net assets of the Waterworks and Sewerage Fund at the end of the year amounted to \$7,346,082.

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, 2009 this fund had unrestricted net assets in the amount of \$429,581.

The Village Board amended the fiscal year 2009 budget once. This budget amendment was primarily for the following purposes related to the General Fund:

- The Legal Division within the General Government Department had to increase their budget for outside legal expenses in the amount of \$160,000.
- The Public Works Department had to increase their overtime budget by \$65,000 due to more than expected snow and ice events in 2009.

Of the total budgeted expense increases of \$71,796,930, \$52,855,420 was funded by a contribution of assets when the Village took over ownership of the Sears Centre Arena; \$10,181,400 represented EDA incremental property taxes to pay outstanding EDA revenue notes; and \$4,055,470 was to be funded from available fund balance in various funds;

(See independent auditor's report.)

\$4,369,300 was related to the new 2009 bond issue; and the remaining increases were funded out of miscellaneous increases in various revenues.

Capital Asset and Debt Administration

Capital Assets. The Village's investment in capital assets for both its governmental and business type activities as of December 31, 2009 amounted to \$256,917,443 (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 increased 69.2 percent from 2008 primarily due to the addition of the Sears Centre arena building and equipment.

Major capital asset events during 2009 included the following:

- The appraised value of the Sears Centre Arena and all of the equipment in the building as well as the land was capitalized in the amount of \$83,960,100.
- A new fire station was constructed during 2009 for \$6,534,294 and the Village Hall was remodeled for \$5,585,000. Related to the remodeling of the Village Hall, new audio/video equipment was purchased for \$141,687.
- Five streets were reconstructed as part of the 2009 Street Revitalization Program. This resulted in \$565,352 being added to infrastructure assets.
- The White Oaks, Unit 5 and Haverford Place subdivisions were accepted into the Village, adding \$3,259,094 to land right of way and infrastructure assets and \$1,271,870 to water main and sanitary sewer assets.
- Six transmission antennas were purchased in the amount of \$142,333 and installed on top of water towers to allow wireless communication between the laptop computers in police and fire vehicles to the Village network.
- Two new public information messaging signs were purchased for \$122,680.
- The Police Department purchased three new vehicles, totaling \$75,070.
- The Fire Department purchased one new ambulances for \$185,070.
- The Public Works Department purchased nine new vehicles for a total of \$385,035.
- Construction in Progress was recorded for the construction of a new police station for \$16,097,141 and the construction of a new water tower for \$2,176,606.

(See independent auditor's report.)

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

The schedule below reflects the Village's capital asset balances as of December 31, 2009.

Table 5
Capital Assets
As of December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
Land and Land Right of Way	\$ 45,378,685	\$ 46,820,770	\$ 474,000	\$ 6,499,000	\$ 45,852,685	\$ 53,319,770
Plant System and Equipment	-	-	45,355,143	46,759,726	45,355,143	46,759,726
Buildings and Improvements	17,977,298	29,351,655	-	72,643,000	17,977,298	101,994,655
Machinery, Vehicles and Equipment	11,907,218	12,005,382	1,800,539	7,106,945	13,707,757	19,112,327
Infrastructure	93,921,472	96,951,397	-	-	93,921,472	96,951,397
Construction in Progress	10,460,263	16,097,141	-	2,176,607	10,460,263	18,273,748
Less:						
Accumulated Depreciation	(54,094,623)	(57,075,515)	(21,361,727)	(22,418,665)	(75,456,350)	(79,494,180)
Total	125,550,313	144,150,830	26,267,955	112,766,613	151,818,268	256,917,443

Additional information on the Village's capital assets can be found in note 4 on pages 29 and 30 of this report.

Long-Term Debt. The table below summarizes the Village's bonded and similar indebtedness.

Table 6
Bonded and Similar Indebtedness
As of December 31, 2009

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
General Obligation Bonds	\$ 84,043,750	\$ 57,768,750	\$ 6,661,250	\$ 58,371,250	\$ 90,705,000	\$ 116,140,000
TIF Revenue Bonds	34,900,000	23,800,000	-	-	34,900,000	23,800,000
TIF Revenue Notes	112,976,570	105,882,371	-	-	112,976,570	105,882,371
Total	\$ 231,920,320	\$ 187,451,121	\$ 6,661,250	\$ 58,371,250	\$ 238,581,570	\$ 245,822,371

At the end of the current fiscal year, the Village had total debt outstanding of \$245,822,371 (excluding compensated absences, Net Pension Obligation, and Net Other Post-Employment Benefit Obligations). Of this amount, \$116,140,000 comprises general obligation bonds backed by the full faith and credit of the Village. The Village also issues bonds and notes where the Village pledges incremental tax income derived from a separately created tax increment financing district. These bonds and notes are not obligations of the Village and are secured only by the incremental revenues generated by the EDA TIF district.

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

In 2009, the Village's total long-term debt increased by \$8,715,646 which was 3.6 percent. During 2009, the Village issued the 2009A General Obligation bonds in the amount of \$30,355,000 to fund, as was mentioned previously, the construction of a new police station and some Village road improvements.

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 and Poor's. Moody's reported that the high-grade Aa2 rating reflects the long-term trend of growth expected in the Village's large economic base, the tax base concentration created by the presence of two large corporate office complexes, sound and well-managed financial operations that derive flexibility from home rule status and an above average debt burden that remains manageable.

Additional information on the Village's long-term debt can be found in note 5 on pages 31 through 41 of this report.

Economic Factors and Next Year's Budgets and Rates

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. However, both of the pension fund levies, which are actuarially determined, are going up significantly due to unparalleled declines in pension fund reserves due to investment losses in those funds. 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 Village is actively engaged in working towards public pension reform. The Village will reach out to its residents to contact their state senators and representatives to urge their support in an attempt to control these escalating costs.

The 2000 census found that the median household income was \$73,685 and the median home value was \$181,700. The Village undertook a special census in 2003. The census found that the population of Hoffman Estates was 50,573, which was an increase from the 2000 census figure of 49,495. Putting the increased population on record 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 2010 fiscal year.

(See independent auditor's report.)

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

During the current fiscal year, unreserved fund balance in the General Fund decreased from \$12,370,115 to \$9,886,577 primarily due to the revenue shortfalls that were explained previously. The Village is planning on utilizing \$1,065,740 of this fund balance in the 2010 fiscal year budget.

The water and sewer rates were increased in December 2008 by an average of 5.8 percent for all customers, and again in December 2009 by the same amount. These rate increases were necessary in order to fund future water and sewer system improvements. This rate is expected to continue to minimally increase every year to fund improvements that must be made to the water and sewer systems.

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 Michael F. DuCharme, Director of Finance/Village Treasurer, Village of Hoffman Estates, 1900 Hassell Road, Hoffman Estates, IL 60169.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 59,805,482	\$ 10,460,941	\$ 70,266,423
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property taxes	18,798,977	-	18,798,977
Accounts	173,442	1,670,962	1,844,404
Accrued Interest	148,072	13,210	161,282
Other	1,857,062	46,840	1,903,902
Deposits	59,200	-	59,200
Prepaid Expenses	72,456	-	72,456
Inventory	194,019	241,250	435,269
Due from Other Governments	4,852,176	-	4,852,176
Internal Balances	1,341,518	(1,341,518)	-
Due from Fiduciary Funds	252,745	-	252,745
Advance to Fiduciary Funds	34,000	-	34,000
Net Pension Asset	346,216	-	346,216
Capital Assets			
Not Depreciated	62,917,911	8,675,607	71,593,518
Depreciated (Net of Accumulated Depreciation)	81,232,919	104,091,006	185,323,925
Deferred Charges	885,546	743,940	1,629,486
TOTAL ASSETS	232,971,741	124,602,238	357,573,979
LIABILITIES			
Accounts Payable	5,060,053	770,925	5,830,978
Accrued Payroll	728,933	35,229	764,162
Accrued Interest Payable	279,757	273,060	552,817
Claims Payable	887,164	-	887,164
Benefits Payable	63,984	-	63,984
Unearned Revenues	18,609,219	20,000	18,629,219
Deposits Payable	2,965,701	37,266	3,002,967
Long-Term Liabilities			
Due Within One Year	28,555,900	1,301,146	29,857,046
Due in More than One Year	163,871,290	57,149,269	221,020,559
TOTAL LIABILITIES	221,022,001	59,586,895	280,608,896
NET ASSETS			
Invested in capital assets, net of related debt	104,590,958	57,239,680	161,830,638
Restricted for:			
Highways and Streets	91,469	-	91,469
Emergency Equipment	888,747	-	888,747
Public Safety	279,653	-	279,653
Economic Development	5,502,664	-	5,502,664
Bridge Maintenance and Repairs	387,164	-	387,164
Debt service	18,338,080	-	18,338,080
Unrestricted (Deficit)	(118,128,995)	7,775,663	(110,353,332)
TOTAL NET ASSETS	\$ 11,949,740	\$ 65,015,343	\$ 76,965,083

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,140,888	\$ 2,867,632	\$ -	\$ -	\$ 726,744		\$ 726,744
Public Safety	36,731,733	2,811,303	183,067	14,547	(33,722,816)		(33,722,816)
Highways and Streets	11,426,047	152,321	1,641,567	4,026,179	(5,605,980)		(5,605,980)
Sanitation	1,190,740	1,096,277	-	-	(94,463)		(94,463)
Health and Welfare	1,820,973	537,732	-	-	(1,283,241)		(1,283,241)
Culture and Recreation	234,883	530,737	-	-	295,854		295,854
Economic Development	4,948,669	165,424	611,739	-	(4,171,506)		(4,171,506)
Interest	6,776,076	-	-	-	(6,776,076)		(6,776,076)
Total Governmental Activities	65,270,009	8,161,426	2,436,373	4,040,726	(50,631,484)		(50,631,484)
Business-Type Activities:							
Waterworks and Sewerage	12,965,546	9,843,473	-	1,397,019	-	\$ (1,725,054)	(1,725,054)
Sears Centre	4,800,908	-	-	83,960,100	-	79,159,192	79,159,192
Total Business-Type Activities	17,766,454	9,843,473	-	85,357,119	-	77,434,138	77,434,138
Total Primary Government	\$ 83,036,463	\$ 18,004,899	\$ 2,436,373	\$ 89,397,845	(50,631,484)	77,434,138	26,802,654
General Revenues:							
Taxes:							
Property					33,379,672	-	33,379,672
Sales					5,993,252	-	5,993,252
Home Rule Sales					3,472,774	-	3,472,774
Real Estate Transfer					510,990	-	510,990
Income and Local Use					5,314,607	-	5,314,607
Hotel/Motel					923,549	-	923,549
Telecommunications					3,360,522	-	3,360,522
Food and Beverage					1,738,630	-	1,738,630
Entertainment					445,520	42,580	488,100
Replacement					266,456	-	266,456
Other					33,061	-	33,061
Investment Income					1,147,987	164,920	1,312,907
Miscellaneous					648,654	2,619,463	3,268,117
Gain on disposal of capital assets					167,872	17,744	185,616
Transfers In (Out)					49,936,278	(49,936,278)	-
Total General Revenues and Transfers					107,339,824	(47,091,571)	60,248,253
Change in Net Assets					56,708,340	30,342,567	87,050,907
Net Assets (Deficit), Beginning of Year					(44,758,600)	34,672,776	(10,085,824)
Net Assets, End of Year					\$ 11,949,740	\$ 65,015,343	\$ 76,965,083

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	Major Governmental Funds					Total
	General	EDA General Account	2005 EDA TIF Refunding Bond	2009 Capital Projects	Other Governmental Funds	
ASSETS						
Cash and Investments	\$ 7,596,239	\$ -	\$ 13,833,257	\$ 15,535,760	\$ 20,878,743	\$ 57,843,999
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):						
Property Taxes	16,194,251	-	-	-	2,604,726	18,798,977
Accounts	170,362	-	-	-	3,080	173,442
Accrued Interest	322	-	-	67,404	80,294	148,020
Other	789,802	-	-	-	1,067,260	1,857,062
Prepaid Items	1,386	-	1,000	-	70,070	72,456
Inventory	194,019	-	-	-	-	194,019
Due from Other Governments	4,748,143	-	-	-	104,033	4,852,176
Due from Other Funds	931,939	-	-	-	546,985	1,478,924
Due from Fiduciary Funds	252,745	-	-	-	-	252,745
Advances to Other Funds	796,291	-	-	-	1,000,000	1,796,291
TOTAL ASSETS	\$ 31,675,499	\$ -	\$ 13,834,257	\$ 15,603,164	\$ 26,355,191	\$ 87,468,111
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 1,486,298	\$ -	\$ 45,183	\$ 2,464,870	\$ 818,496	\$ 4,814,847
Accrued Payroll	642,542	-	-	-	79,095	721,637
Deferred Revenues	17,124,924	-	-	-	3,669,558	20,794,482
Due to Other Funds	-	-	-	-	1,608,939	1,608,939
Deposits Payable	1,352,392	-	-	-	1,613,309	2,965,701
TOTAL LIABILITIES	20,606,156	-	45,183	2,464,870	7,789,397	30,905,606
FUND BALANCES						
Reserved for:						
Prepays Items	1,386	-	1,000	-	70,070	72,456
Inventories	194,019	-	-	-	-	194,019
Advances to Other Funds	796,291	-	-	-	1,000,000	1,796,291
Employee Loan Program	64,106	-	-	-	-	64,106
Highways & Streets	-	-	-	-	91,469	91,469
Emergency Equipment	-	-	-	-	888,747	888,747
Public Safety	126,964	-	-	-	152,689	279,653
Economic Development	-	-	-	-	5,502,664	5,502,664
Bridge Maintenance & Repairs	-	-	-	-	387,164	387,164
Debt Service	-	-	13,788,074	-	4,550,006	18,338,080
Capital Developments	-	-	-	13,138,294	-	13,138,294
Unreserved:						
Designated for Compensated Absences						
General Fund	2,426,816	-	-	-	-	2,426,816
Special Revenue Funds	-	-	-	-	24,465	24,465
Designated for Capital Projects	-	-	-	-	6,251,395	6,251,395
Undesignated - Special Revenue Funds	-	-	-	-	(704)	(704)
Undesignated - Capital Projects Funds	-	-	-	-	(156,770)	(156,770)
Undesignated - General Fund	7,459,761	-	-	-	-	7,459,761
Undesignated - Debt Service Funds	-	-	-	-	(195,401)	(195,401)
TOTAL FUND BALANCES	11,069,343	-	13,789,074	13,138,294	18,565,794	56,562,505
TOTAL LIABILITIES AND FUND BALANCE	\$ 31,675,499	\$ -	\$ 13,834,257	\$ 15,603,164	\$ 26,355,191	\$ 87,468,111

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
December 31, 2009

Total Fund Balances - Governmental Funds \$ 56,562,505

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds:

Capital assets	\$	201,226,343	
Accumulated depreciation		(57,075,513)	
Net capital assets		<u>144,150,830</u>	
Less Capital Assets of Internal Service Funds Included Below		<u>(304,286)</u>	143,846,544

Net Pension Asset is Reported as an Asset on the Statement of Net Assets 346,216

Unamortized Loss on Refunding is Shown as a Deferred Charge on the Statement of Net Assets 173,663

Unamortized Bond Issuance Costs are Shown as a Deferred Charge on the Statement of Net Assets 711,883

Long-Term Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Governmental Funds:

Compensated Absences		(2,441,697)	
Plus Compensated Absences of Internal Service Funds Included Above		18,064	
Net Other Post-Employment Benefit Obligation		(1,237,913)	
Plus Net Other Post-Employment Benefit Obligation of Internal Service Funds Included Above		8,927	
Net Pension Obligation		(221,470)	
Termination Benefits Payable		(31,108)	
Unamortized Bond Premium/Discount		(1,043,881)	
General Obligation Bonds Payable		(57,768,750)	
Tax Increment Financing Bonds Payable		(23,800,000)	
Tax Increment Financing Notes Payable		<u>(105,882,371)</u>	(192,400,199)

Accrued Interest on Long-Term Liabilities is Shown as a Liability on the Statement of Net Assets (279,757)

Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue on the Statement of Net Assets 2,185,263

The Net Assets of the Internal Service Funds are Included in the Governmental Activities in the Statement of Net Assets 803,622

Net Assets of Governmental Activities \$ 11,949,740

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2009

	Major Governmental Funds					Total
	General	EDA General Account	2005 EDA TIF Refunding Bond	2009 Capital Projects	Other Governmental Funds	
REVENUES						
Taxes	\$ 22,629,437	\$ 10,181,363	\$ 999,974	\$ -	\$ 9,497,830	\$ 43,308,604
Licenses and Permits	1,103,880	-	-	-	-	1,103,880
Intergovernmental	11,670,548	-	-	-	2,027,357	13,697,905
Charges for Services	4,483,868	-	-	-	1,422,881	5,906,749
Fines and Forfeits	966,369	-	-	-	174,445	1,140,814
Interest Income	56,881	-	597,828	170,246	299,890	1,124,845
Miscellaneous	246,975	-	-	-	292,578	539,553
TOTAL REVENUES	41,157,958	10,181,363	1,597,802	170,246	13,714,981	66,822,350
EXPENDITURES						
Current:						
General Government	5,352,058	-	-	272,059	541,867	6,165,984
Public Safety	26,913,669	-	-	-	3,933,612	30,847,281
Highways and Streets	5,471,434	-	-	-	1,335,467	6,806,901
Sanitation	-	-	-	-	1,190,740	1,190,740
Health and Welfare	1,783,070	-	-	-	-	1,783,070
Culture and Recreation	367,578	-	-	-	-	367,578
Economic Development	1,808,471	-	-	-	3,228,657	5,037,128
Capital Outlay	-	-	-	13,136,199	7,202,954	20,339,153
Debt Service						
Principal Retirement	-	10,181,363	11,100,000	-	3,800,000	25,081,363
Interest and Fiscal Charges	-	-	1,007,538	-	2,230,492	3,238,030
TOTAL EXPENDITURES	41,696,280	10,181,363	12,107,538	13,408,258	23,463,789	100,857,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	(538,322)	-	(10,509,736)	(13,238,012)	(9,748,808)	(34,034,878)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	8,562,880	8,562,880
Transfers (Out)	(1,240,381)	-	-	(5,240,722)	(4,216,868)	(10,697,971)
Bonds Issued, at Par	-	-	-	30,355,000	-	30,355,000
Discount on Issuance of Bonds	-	-	-	1,262,028	-	1,262,028
Sale of Capital Assets	8,294	-	-	-	159,578	167,872
TOTAL OTHER FINANCING SOURCES (USES)	(1,232,087)	-	-	26,376,306	4,505,590	29,649,809
Net Change in Fund Balances	(1,770,409)	-	(10,509,736)	13,138,294	(5,243,218)	(4,385,069)
Fund Balances at Beginning of Year	12,839,752	-	24,298,810	-	23,809,012	60,947,574
Fund Balances at End of Year	\$ 11,069,343	\$ -	\$ 13,789,074	\$ 13,138,294	\$ 18,565,794	\$ 56,562,505

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
Year Ended December 31, 2009

Net Change in Total Fund Balances - Governmental Funds		\$ (4,385,069)
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		19,152,743
Contributions of Capital Assets are Reported Only in the Statement of Activities		4,026,179
Sale of Capital Assets are Reported as a Proceed in the Governmental Funds but as a Gain (Loss) from Sale on the Statement of Activities		(527,733)
The Repayment of 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		25,081,363
Certain Items are Reported as Interest Expense on the Statement of Activities:		
Accretion of Interest on Bonds	\$ (3,318,485)	
Change in Accrued Interest Payable	97,591	
Amortization of Certain Deferred Charges	<u>(317,152)</u>	
		(3,538,046)
Depreciation Expense Does not Require the Use of Current Financial Resources, and Therefore, is not Reported as Expenditures in the Governmental Funds		(4,256,555)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Fund Statements		1,002,527
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 Assets		
General Obligation Bonds Payable	(30,355,000)	
Discount on Issuance of Bonds	(1,262,028)	
Bond Issuance Costs	<u>272,059</u>	
		(31,344,969)
Some Expenses Reported in the Statement of Activities do not Require the Use of Current Resources and, Therefore, are not Reported in the Governmental Funds:		
Change in Termination Benefits	848	
Change in Net Other Post-Employment Benefit Obligations	(209,433)	
Change in Net Pension Asset	(22,913)	
Change in Net Pension Obligation	56,724	
Change in Compensated Absences	<u>4,061</u>	
		(170,713)
General Obligation Bonds Series 2005A was Transferred from Governmental Activities to Business-Type Activities During the Year. This is Shown as a Transfer in the Statement of Activities, but it is Not reported as a Transfer in the Governmental Funds		52,000,718
The Change in Net Assets of Certain Activities of Internal Service Funds (Excluding Depreciation Included Above) is in Governmental Funds		<u>(332,106)</u>
Change in Net Assets of Governmental Activities		<u>\$ 56,708,339</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

	Business-type Activities - Enterprise Funds			Governmental
	Major Funds		Total	Activities
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
ASSETS				
Current				
Cash and Investments	\$ 8,679,680	\$ 1,781,261	\$ 10,460,941	\$ 1,961,483
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Accounts	1,670,962	-	1,670,962	-
Accrued Interest	13,196	14	13,210	52
Other	5,832	41,008	46,840	-
Deposits	-	-	-	59,200
Inventories	241,250	-	241,250	-
Due from Other Funds	555,767	12,484	568,251	11,777
Deferred Charges	59,977	683,963	743,940	-
Total Current Assets	11,226,664	2,518,730	13,745,394	2,032,512
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,675,607	6,000,000	8,675,607	-
Capital Assets Being Depreciated	48,549,571	77,960,100	126,509,671	429,925
Accumulated Depreciation	(22,320,841)	(97,824)	(22,418,665)	(125,639)
Total Noncurrent Assets	28,904,337	83,862,276	112,766,613	304,286
TOTAL ASSETS	40,131,001	86,381,006	126,512,007	2,336,798
LIABILITIES				
Current Liabilities				
Accounts Payable	691,095	79,830	770,925	245,206
Accrued Payroll	35,229	-	35,229	7,296
Accrued Interest Payable	46,032	227,028	273,060	-
Deferred Revenues	-	20,000	20,000	-
Claims Payable	-	-	-	887,164
Benefits Payable	-	-	-	63,984
Due to Other Funds	147,478	-	147,478	302,535
Advances	-	1,762,291	1,762,291	-
Deposits Payable	37,266	-	37,266	-
Long-term Obligations, Due within One Year:				
General Obligation Bonds Payable	-	1,175,000	1,175,000	-
Compensated Absences Payable	126,146	-	126,146	18,064
Total Current Liabilities	1,083,246	3,264,149	4,347,395	1,524,249
NonCurrent Liabilities				
General Obligation Bonds Payable	6,661,250	50,535,000	57,196,250	-
Compensated Absences Payable	199,533	-	199,533	-
Other Post-Employment Benefit Obligations	98,200	-	98,200	8,927
Unamortized Discount on Bonds	(74,134)	(270,580)	(344,714)	-
Total Noncurrent Liabilities	6,884,849	50,264,420	57,149,269	8,927
TOTAL LIABILITIES	7,968,095	53,528,569	61,496,664	1,533,176
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	24,816,824	32,422,856	57,239,680	304,286
Unrestricted	7,346,082	429,581	7,775,663	499,336
TOTAL NET ASSETS	\$ 32,162,906	\$ 32,852,437	\$ 65,015,343	\$ 803,622

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
OPERATING REVENUES				
Charges for Services	\$ 9,844,267	\$ -	\$ 9,844,267	\$ 2,442,820
Total Operating Revenues	<u>9,844,267</u>	<u>-</u>	<u>9,844,267</u>	<u>2,442,820</u>
OPERATING EXPENSES				
Operations	-	-	-	1,199,257
Claims and Insurance	-	-	-	1,669,462
Water Division	9,432,836	-	9,432,836	-
Sewer Division	1,873,525	-	1,873,525	-
Sears Centre	-	1,820,459	1,820,459	-
Depreciation	1,083,399	97,824	1,181,223	34,596
Total Operating expenses	<u>12,389,760</u>	<u>1,918,283</u>	<u>14,308,043</u>	<u>2,903,315</u>
Operating Income (Loss)	<u>(2,545,493)</u>	<u>(1,918,283)</u>	<u>(4,463,776)</u>	<u>(460,495)</u>
NONOPERATING INCOME (EXPENSES)				
Entertainment Tax	-	42,580	42,580	-
Interest Income	160,182	4,738	164,920	23,142
Interest Expense	(571,161)	(2,776,565)	(3,347,726)	-
Amortization Expense	(4,625)	(106,060)	(110,685)	-
Gain on Sale of Capital Assets	16,950	-	16,950	-
Miscellaneous Revenue	21,083	2,598,380	2,619,463	-
Total Nonoperating Income (expenses)	<u>(377,571)</u>	<u>(236,927)</u>	<u>(614,498)</u>	<u>23,142</u>
Income (Loss) before Transfers and Contributions	<u>(2,923,064)</u>	<u>(2,155,210)</u>	<u>(5,078,274)</u>	<u>(437,353)</u>
TRANSFERS				
Transfers In	222,975	3,048,265	3,271,240	70,651
Transfers (Out)	(1,206,800)	(52,000,718)	(53,207,518)	-
TOTAL TRANSFERS	<u>(983,825)</u>	<u>(48,952,453)</u>	<u>(49,936,278)</u>	<u>70,651</u>
CONTRIBUTIONS	<u>1,397,019</u>	<u>83,960,100</u>	<u>85,357,119</u>	<u>-</u>
Change in Net Assets	(2,509,870)	32,852,437	30,342,567	(366,702)
Net Assets at Beginning of Year	<u>34,672,776</u>	<u>-</u>	<u>34,672,776</u>	<u>1,170,324</u>
Net Assets at End of Year	<u>\$ 32,162,906</u>	<u>\$ 32,852,437</u>	<u>\$ 65,015,343</u>	<u>\$ 803,622</u>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds			Governmental
	Major Funds			Activities
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers and Users	\$ 9,835,752	\$ (41,008)	\$ 9,794,744	\$ -
Cash Received from Interfund Services Transactions	-	-	-	2,442,820
Cash Payments to Suppliers	(8,355,275)	(1,720,629)	(10,075,904)	(2,436,781)
Cash Payments for Interfund Services Transactions	(196,200)	-	(196,200)	-
Cash Payments to Employees	(2,805,788)	-	(2,805,788)	(522,940)
Net Cash Provided By (Used In) Operating Activities	<u>(1,521,511)</u>	<u>(1,761,637)</u>	<u>(3,283,148)</u>	<u>(516,901)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Borrowing (Lending)	1,090,114	1,749,807	2,839,921	(171,241)
Reimbursements and Recoveries	21,083	-	21,083	-
Entertainment Tax	-	42,580	42,580	-
Miscellaneous Revenues	-	2,598,380	-	-
Transfers In (Out)	(983,825)	(48,952,453)	(49,936,278)	70,651
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>127,372</u>	<u>(44,561,686)</u>	<u>(44,434,314)</u>	<u>(100,590)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(2,322,762)	-	(2,322,762)	(205,882)
Transfer of Bond Proceeds from Governmental Activities	-	52,830,000	52,830,000	-
Principal Payment on Bonds	-	(1,120,000)	(1,120,000)	-
Interest and Fiscal Charges Paid on Bonds	(552,885)	(3,610,140)	(4,163,025)	-
Proceeds from Sale of Capital Assets	16,950	-	16,950	-
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(2,858,697)</u>	<u>48,099,860</u>	<u>45,241,163</u>	<u>(205,882)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	236,003	4,724	240,727	30,916
Net Cash Provided By (Used In) Investing Activities	<u>236,003</u>	<u>4,724</u>	<u>240,727</u>	<u>30,916</u>
Net Increase (Decrease) in Cash	(4,016,833)	1,781,261	(2,235,572)	(792,457)
Cash and Cash Equivalents, Beginning of Year	12,696,513	-	12,696,513	2,753,940
Cash and Cash Equivalents, End of Year	<u>\$ 8,679,680</u>	<u>\$ 1,781,261</u>	<u>\$ 10,460,941</u>	<u>\$ 1,961,483</u>
Reconciliation of Operating Income to				
Net Cash Used in Operating Activities:				
Operating Income (Loss)	\$ (2,545,493)	\$ (1,918,283)	\$ (4,463,776)	\$ (460,495)
Adjustment to Reconcile Operating Income				
to Net Cash Used in Operating Activities:				
Depreciation	1,083,399	97,824	1,181,223	34,596
(Increase) Decrease in Receivable	(8,515)	(41,008)	(49,523)	-
(Increase) Decrease in Prepaid Expenses	23	-	-	79,378
Increase (Decrease) in Deposits	1,692	-	-	-
(Increase) Decrease in Inventory	24,280	-	24,280	-
Increase (Decrease) in Accounts Payable	(74,432)	79,830	5,398	61,298
Increase (Decrease) in Salaries Payable	(64,171)	-	(64,171)	(19,943)
Increase (Decrease) in Benefits Payable	-	-	-	17,783
Increase (Decrease) in Claims Payable	-	-	-	(229,897)
Increase (Decrease) in Deferred Revenue	-	20,000	20,000	-
Increase (Decrease) in Compensated Absences Payable	44,971	-	44,971	(1,142)
Increase (Decrease) in Other Post-Employment Benefits Payable	16,735	-	16,735	1,521
Total Adjustments	<u>1,023,982</u>	<u>156,646</u>	<u>1,180,628</u>	<u>(56,406)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,521,511)</u>	<u>\$ (1,761,637)</u>	<u>\$ (3,283,148)</u>	<u>\$ (516,901)</u>

Noncash capital contributions for Water and Sewerage fund were \$1,413,969 and \$83,960,100 for the Sears Centre Fund.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2009

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 2,905,028	\$ 25,620,650
Investments, at Fair Value		
U.S. Treasury Securities	28,867,688	-
U.S. Agency Securities	17,727,802	-
Mutual Funds	32,673,114	-
Money Market Mutual Funds	3,676,821	-
Equity Securities	8,310,429	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Property taxes	65,144	-
Interest Receivable	374,995	-
Other	82,901	-
Prepaid Expenses	596	-
Assets Held by Agents	-	61,150
TOTAL ASSETS	94,684,518	\$ 25,681,800
LIABILITIES		
Accounts Payable	47,478	\$ -
Due to Participants	-	27,150
Due to General Fund	7,424	245,321
Advances from Other Funds	-	34,000
Due to Other Entities	-	25,375,329
TOTAL LIABILITIES	54,902	\$ 25,681,800
NET ASSETS		
Held in Trust for Pension Benefits	\$ 94,629,616	

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
Year ended December 31, 2009

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer Contributions	\$ 3,710,622
Employee Contributions	1,647,345
Other Contributions	<u>40,123</u>
Total Contributions	<u>5,398,090</u>
Investment Income	
Net Appreciation in Fair Value of Investments	7,089,040
Interest Revenue	2,663,108
Investment Expense	<u>(312,971)</u>
Net Investment Income	<u>9,439,177</u>
TOTAL ADDITIONS	<u>14,837,267</u>
DEDUCTIONS	
Benefits and Refunds	4,557,639
Miscellaneous	<u>64,516</u>
TOTAL DEDUCTIONS	<u>4,622,155</u>
Net Change in Plan Net Assets	10,215,112
Plan Net Assets at Beginning of Year	<u>84,414,504</u>
Plan Net Assets at End of Year	<u>\$ 94,629,616</u>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

<u>Footnote Number</u>	<u>Description</u>	<u>Page Number(s)</u>
1	Summary of Significant Accounting Policies	15 - 23
2	Deposits and Investments	23 - 27
3	Receivables	28
4	Capital Assets	29 - 30
5	Long-Term Debt	31 - 41
6	Interfund Accounts	41 - 43
7	Risk Management	43 - 45
8	Contingent Liabilities	45
9	Contractual Commitments	46 - 47
10	Joint Ventures	48 - 50
11	Defined Benefit Pension Plans	50 - 58
12	Termination Benefit	59
13	Other Post-Employment Benefits	59 - 62
14	Deficit Fund Balance	62
15	New Accounting Pronouncements	62 - 63

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 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 significance of their operational or financial relationships with the primary government. "Blended" component units, whether or not legally separate entities, are in substance part of the Village's operations. Therefore, financial data from any blended component units are combined with data of the primary government.

The Village's financial statements include two pension trust funds: the Police Pension System and the Firefighters' Pension System.

Police Pension System: The Village's sworn police employees participate in the Police Pension System (PPS). The PPS functions for the benefit of those employees and is governed by a five-member Pension Board. Two members appointed by the Village President, one elected pension beneficiary and two elected police officers constitute the Pension Board. The Village and PPS participants are obligated to fund all PPS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. The PPS is reported as a pension trust fund because of the Village's fiduciary responsibility.

Firefighters' Pension System: The Village's sworn firefighters participate in the Firefighters' Pension System (FPS). The FPS functions for the benefit of those employees and is governed by a five-member Pension Board. Two members appointed by the Village President, one elected pension beneficiary and two elected fire employees constitute the Pension Board. The Village and FPS participants are obligated to fund all FPS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. The FPS is reported as a pension trust fund because of the Village's fiduciary responsibility.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and 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). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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. 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. Interfund services provided and used are not eliminated in the process of consolidation.

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.

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

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

The Economic Development Area (EDA) General Account, 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.

The 2005 EDA TIF Refunding Bond Fund, a debt service fund, is used to account for the accumulation of resources and the payment of principal, interest and fiscal charges on the Series 2005 Tax Increment Revenue Refunding Bond issue.

The 2009 Capital Project Fund, a capital projects fund, is used to account for bond proceeds used to pay qualified project costs related to the Village's 2009 General Obligation Bonds.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major proprietary funds:

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

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

Additionally, the Village reports the following internal service funds:

Internal service funds account for the Village's self-insured property, casualty and worker's 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.

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 (pension funds) 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 nonoperating.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/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 for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonnegotiable 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.

F. Property Taxes

Property taxes for 2009 attach as an enforceable lien on January 1, 2009 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 County on or about February 1, 2010 and August 1, 2010, and are payable in two installments, on or about March 1, 2010 and September 1, 2010. The County collects such taxes and remits them periodically. Since the 2009 levy is intended to finance the 2010 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2008 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Deferred Charges

Deferred charges in the proprietary funds, if any, and the governmental activities in the government-wide financial statements represents bond issuance costs and accounting losses on advance refundings of bonds which are being amortized over the life of the bonds.

I. Prepaid Items/Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses.

J. 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Infrastructure	30
Office equipment	5-15
Department equipment	5-15
Office furniture	10-15
Vehicles	10-15
Plant system	40

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. 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.

M. Interfund Receivables/Payables

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

O. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. None of the Village's restricted net assets are restricted as a result of enabling legislation adopted by the Village. When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash

The carrying amount of cash, excluding the Pension Trust Funds, was \$15,359,302 at December 31, 2009, while the bank balances were \$15,961,928.

At December 31, 2009, the Pension Trust Funds' carrying amount and bank balances of cash were \$1,005.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The Village's investment policy authorizes the Village to invest in debt securities guaranteed by the United States (explicitly or implicitly), debt securities of the United States 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, 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). In addition, the pension funds may invest in certain tax anticipation warrants, certain savings and loan institutions, certain credit unions, certain mutual funds, certain obligations of the State of Israel (Firefighters' Pension only) and life insurance contracts and separate accounts.

It is the policy of the Village and pension funds 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, police and fire pension investment policies require 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, Police, and Fire Pension Funds were fully collateralized as of December 31, 2009

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

B. Investments

Village

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
Certificate of Deposits	\$ 12,142,578	\$ 10,337,578	\$ 1,805,000	\$ -	\$ -
IMET	2,440,038	1,136,083	1,303,955	-	-
Money market mutual funds	26,146,133	26,146,133	-	-	-
Investment contracts	12,098,000	12,098,000	-	-	-
Illinois funds	<u>27,762,172</u>	<u>27,762,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 80,588,921	\$ 77,479,966	\$ 3,108,955	\$ -	\$ -

Police Pension

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. Treasury Obligations	\$ 12,969,254	\$ 1,224,138	\$ 6,941,587	\$ 4,057,421	\$ 746,108
U.S. Agency Obligations	9,779,143	1,039,325	4,334,568	2,669,666	1,735,584
Mutual Funds	20,501,301	20,501,301	-	-	-
Money Market Mutual Funds	798,472	798,472	-	-	-
Illinois Funds	<u>1,831,334</u>	<u>1,831,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 45,879,504	\$ 25,394,570	\$ 11,276,155	\$ 6,727,087	\$ 2,481,692

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Firefighters' Pension

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. treasury obligations	\$ 15,898,434	\$ 154,362	\$ 7,845,078	\$ 5,330,404	\$ 2,568,590
U.S. agency Obligations	7,948,659	611,127	2,882,184	1,826,987	2,628,361
Mutual Funds	12,171,813	12,171,813	-	-	-
Equities	8,310,429	8,310,429	-	-	-
Money market Mutual funds	2,878,349	2,878,349	-	-	-
Illinois funds	<u>1,072,689</u>	<u>1,072,689</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>48,280,373</u>	\$ <u>25,198,769</u>	\$ <u>10,727,262</u>	\$ <u>7,157,391</u>	\$ <u>5,196,951</u>

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. There are no specified maximum maturity lengths for the pension funds. The Police Pension Fund's policy has an investment horizon for its investments of three years. The Firefighters' Pension Fund's has an investment horizon for its investments of three to five years. Also, up to 5% of police plan assets may be invested in non-liquid, long-term investments.

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. 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. For the pension funds, the U.S. Agency Obligations consist of FHLMC, FNMA, FHLB, GNMA and FFCB securities. For ratings that were available, these securities were rated AAA by a national rating agency.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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, police and firefighters' pension investment policies require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased.

Concentration of Credit Risk - The Village's investment policy has the following diversification guidelines: no more than 40% 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. The Police Pension Fund has the following limitations: 10% to 45% of the overall portfolio should be invested in equities, 40% to 80% should be invested in fixed income securities and 1% to 10% should be invested in cash and cash equivalents. The Police Pension Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government. The Firefighters' Pension Fund has the following limitations: 30% to 50% of the overall portfolio should be invested in equities, 50% to 60% should be invested in fixed income securities and 1% to 15% should be invested in cash and cash equivalents. The Firefighters' Pension Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government.

The following is a reconciliation between the notes and the basic financial statements:

<u>Cash and Investment Note</u>		<u>Basic Financial Statements</u>	
Carrying Amount of Village's Cash	\$ 15,359,302	Statement of Net Assets -	
Carrying Amount of Pension's Funds	1,005	Cash and Investments	\$ 70,266,423
Village's Investments	80,588,921	Statement of Fiduciary Net Assets-	
Police Pension Fund Investments	45,879,504	Cash and Investments	
Fire Pension Fund Investments	<u>48,280,373</u>	Pension Funds' Cash and Short-Term	
Total Cash and Investments per Note	<u>\$190,109,105</u>	Investments	2,905,028
		Pension Funds' Investments	91,255,854
		Agency Fund Cash and Short-Term	
		Investments	<u>25,681,800</u>
		Total Cash and Investments per Statements	<u>\$190,109,105</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 3 - RECEIVABLES

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

Governmental activities	
Hotel tax	\$ 177,259
Cable franchise fees	72,963
Grants	385,038
Waste management franchise fees	39,000
Entertainment tax	45,448
Wireless fee	41,369
911 surcharge	2,142
Tipping fees	48,728
Food and beverage tax	147,599
Employee computer program	64,106
KCAT salary reimbursement	38,118
Installment note	118,875
IPBC terminal reserve	305,720
EDA TIF Value Savings	355,688
Refund from Vendor	10,170
Other miscellaneous	<u>4,839</u>
Total governmental activities	<u>\$ 1,857,062</u>
Business-type activities	
Entertainment tax	\$ 41,008
Other miscellaneous	<u>5,832</u>
Total business-type activities	<u>\$ 46,840</u>

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

Governmental activities	
Sales tax	\$ 1,499,458
Home rule sales tax	875,291
Income tax	1,434,456
Local use tax	135,635
Motor fuel tax	104,033
Simplified telecommunications tax	723,371
Court fines	<u>79,932</u>
Total governmental activities	<u>\$ 4,852,176</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Balances</u> <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>December 31</u>
Governmental activities				
Capital Assets not being				
Depreciated				
Land	\$ 7,072,714	\$ 88,448	\$ -	\$ 7,161,162
Land right of way	38,305,971	1,353,637	-	39,659,608
Construction in progress	<u>10,460,263</u>	<u>16,097,141</u>	<u>10,460,263</u>	<u>16,097,141</u>
Total capital assets not being depreciated	<u>55,838,948</u>	<u>17,539,226</u>	<u>10,460,263</u>	<u>62,917,911</u>
Capital assets being depreciated				
Buildings and improvements	17,977,298	12,119,294	744,937	29,351,655
Department equipment	1,886,440	504,205	146,774	2,243,871
Vehicles	9,868,715	785,265	1,044,532	9,609,448
Office furniture	15,225	-	-	15,225
Office equipment	136,838	-	-	136,838
Infrastructure	<u>93,921,472</u>	<u>3,149,446</u>	<u>119,521</u>	<u>96,951,397</u>
Total capital assets being depreciated	<u>123,805,988</u>	<u>16,558,210</u>	<u>2,055,764</u>	<u>138,308,434</u>
Less Accumulated depreciation for				
Buildings and improvements	7,817,961	462,345	335,221	7,945,085
Department equipment	1,053,303	167,886	129,121	1,092,068
Vehicles	5,007,437	762,768	691,799	5,078,406
Office furniture	11,165	1,015	-	12,180
Office equipment	118,594	9,123	-	127,717
Infrastructure	<u>40,086,163</u>	<u>2,853,418</u>	<u>119,522</u>	<u>42,820,059</u>
Total accumulated depreciation	<u>54,094,623</u>	<u>4,256,555</u>	<u>1,275,663</u>	<u>57,075,515</u>
Total capital assets being depreciated, net	<u>69,711,365</u>	<u>12,301,655</u>	<u>780,101</u>	<u>81,232,919</u>
Governmental activities capital assets, net	<u>\$125,550,313</u>	<u>\$ 29,840,881</u>	<u>\$ 11,240,364</u>	<u>\$144,150,830</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Balances</u> <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>December 31</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 474,000	\$ 6,025,000	\$ -	\$ 6,499,000
Construction in progress	-	<u>2,176,607</u>	-	<u>2,176,607</u>
Total capital assets not being depreciated	<u>474,000</u>	<u>8,201,607</u>	-	<u>8,675,607</u>
Capital assets being depreciated				
Buildings and Improvements	-	72,643,000	-	72,643,000
Plant system and equipment	45,355,143	1,404,583	-	46,759,726
Vehicles	1,073,826	98,590	95,015	1,077,401
Department equipment	<u>726,713</u>	<u>5,332,101</u>	<u>29,271</u>	<u>6,029,543</u>
Total capital assets being depreciated	<u>47,155,682</u>	<u>79,478,275</u>	<u>124,286</u>	<u>126,509,670</u>
Less accumulated depreciation for				
Buildings and Improvements	-	75,670	-	75,670
Plant system and equipment	20,114,044	965,003	-	21,079,047
Vehicles	816,970	79,658	95,015	801,613
Department equipment	<u>430,713</u>	<u>60,892</u>	<u>29,271</u>	<u>462,334</u>
Total accumulated depreciation	<u>21,361,727</u>	<u>1,181,223</u>	<u>124,286</u>	<u>22,418,664</u>
Total capital assets being depreciated, net	<u>25,793,955</u>	<u>78,297,050</u>	-	<u>104,091,006</u>
Business-type activities capital assets, net	<u>\$ 26,267,955</u>	<u>\$ 86,498,657</u>	<u>\$ -</u>	<u>\$ 112,766,613</u>

The Village took possession of the Sears Centre Arena in December 2009 and recognized contribution revenue \$83,960,100.

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

Governmental activities	
General government	\$ 226,961
Public safety	742,489
Highways and streets, including depreciation of general infrastructure assets	3,242,264
Health and welfare	15,981
Culture and recreation	6,797
Economic development	<u>22,063</u>
Total depreciation expense - governmental activities	<u>\$ 4,256,555</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 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:

<u>Issue</u>	<u>Purpose of Bonds</u>	<u>Fund Debt Retired by</u>	<u>Balances January 1</u>	<u>Issuances</u>	<u>Reductions</u>	<u>Balances December 31</u>	<u>Current Portion</u>
\$6,365,000 General Obligation Bonds, Series 1997A, dated December 15, 1997 with interest at 4.50% to 4.70%. Equipment	Street Improvements and Fire Equipment	Debt Service	\$ 1,970,000	\$ -	\$ 455,000	\$ 1,515,000	\$ 480,000
\$10,760,000 General Obligation Refunding Bonds, Series 2001, dated July 15, 2001 with interest at 4.00% to 4.50%.	Street Improvements	Debt Service	3,230,000	-	1,620,000	1,610,000	1,090,000
\$6,155,000 General Obligation Refunding Bonds, Series 2003, dated September 1, 2003 with interest at 2.00% to 3.35%.	Fire Station and Village Hall Improvements	Debt Service	2,485,000	-	890,000	1,595,000	915,000
\$6,765,000 General Obligation Refunding Bonds, Series 2004: dated October 15, 2004 with interest at 3.00% to 3.75%.	Street Improvements and Fire Equipment	Debt Service	3,545,000	-	835,000	2,710,000	870,000
\$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	52,830,000	-	1,120,000	51,710,000	1,175,000
\$26,645,000 General Obligation Taxable 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	-

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

<u>Issue</u>	<u>Purpose of Bonds</u>	<u>Fund Debt Retired by</u>	<u>Balances January 1</u>	<u>Issuances</u>	<u>Reductions</u>	<u>Balances December 31</u>	<u>Current Portion</u>
\$30,355,000 General Obligation Taxable Bonds, Series 2009A, dated April 1, 2009 with interest at 3% to 5.25%.	Police Station Construction and Road Improvements	Debt Service	-	30,355,000	-	30,355,000	-
Total general obligation bonds			<u>\$ 90,705,000</u>	<u>\$30,355,000</u>	<u>\$ 4,920,000</u>	<u>\$116,140,000</u>	<u>\$ 3,355,000</u>

B. Tax Increment Financing Bonds and Notes

The Village also issues bonds and notes where the Village pledges 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 district. All tax increment financing notes are issued for the purpose of TIF district improvements. Tax increment financing bonds and notes currently outstanding are as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Balance January 1</u>	<u>Issuances or Accretions</u>	<u>Retirements or Accretions</u>	<u>Balances December 31</u>	<u>Current Portion</u>
\$65,400,000 Tax Increment Revenue Refunding Bonds Series 2005, dated June 30, 2005 with interest of varied rates.	Debt Service	\$ 34,900,000	\$ -	\$11,100,000	\$ 23,800,000	\$23,800,000
Total tax increment financing bonds		<u>\$ 34,900,000</u>	<u>\$ -</u>	<u>\$11,100,000</u>	<u>\$ 23,800,000</u>	<u>\$23,800,000</u>
Tax Increment Revenue Notes due in annual installments only if tax increment revenues are available.	Debt Service	\$109,391,730	\$ 3,087,164	\$10,181,363	\$102,297,531	\$ -
Tax Increment Redevelopment Note due in annual installments only if tax increment revenues are available.	Debt Service	3,584,840	-	-	3,584,840	-
Total tax increment revenue notes		<u>\$112,976,570</u>	<u>\$ 3,087,164</u>	<u>\$10,181,363</u>	<u>\$105,882,371</u>	<u>\$ -</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

The increase of \$3,087,164 in the Tax Increment Revenue Notes represents interest due March 31 and September 30, 2009 of \$3,087,164 that accrues to the principal balance if not paid.

2005 Tax Increment Revenue Refunding Bonds - Interest Rate Swap

Objective - As a means to lower its borrowing costs, when compared against fixed- rate bonds at time of issuance in June 2005, the Village entered into an interest rate swap in connection with its \$65,400,000 Tax Increment Revenue Refunding Bonds, Series 2005. The intention of the swap was to effectively change the Village's variable interest rate to a synthetic fixed rate of 3.185%.

Terms - The bonds and the related swap agreement mature on January 1, 2010 and the swap's initial notional amount of \$65,400,000 matched the \$65,400,000 variable-rate bonds. The swap was entered into at the same time the bonds were issued (June 2005). The notional value of the swap and the principal amount of the associated debt decline beginning in 2006 by equal principal amounts as noted in the debt service requirements to maturity schedule. As of December 31, 2009, the notional amount of \$23,800,000 matches the \$23,800,000 variable-rate bonds outstanding. Under the swap, the Village pays the counterparty a fixed payment of 3.185% and receives a variable payment equal to The Bond Market Associated Municipal Swap Index (BMA). The bond's variable rate coupons fluctuate weekly. As of December 31, 2009, rates were as follows:

Interest rate swap

Fixed payment to counterparty	Fixed	3.185%
Variable payment from counterparty	BMA Index	(.250)%
Net interest rate swap payments		2.935%
Variable-rate bond coupon payments	Variable	(.330)%
Synthetic variable interest rate on bonds		3.265%

Fair Value - As of December 31, 2009, the swap had a negative fair value of (\$57,861). The fair value of the swap may be countered by reductions in interest rate payments required under the variable-rate bond, creating a lower synthetic rate. Because the coupons on the Village's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

Credit Risk - The swap's fair value represented the Village's credit exposure to the counterparty as of December 31, 2009. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the Village faced a maximum possible loss equivalent to the swap's fair value. The swap counterparty was rated AA40- by Fitch Ratings and Standard and Poor's and Aa1 by Moody's Investors Service as of December 31, 2009.

Termination Risk - The Village or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Village would be liable to the counterparty for a payment equal to the swap's fair value.

Debt service requirements to maturity for the debt are disclosed at the net interest rate of 3.185% at December 31, 2009. As rates vary in the future, variable rate bond interest payments will change.

C. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31	General Obligation Bonds		Tax Increment Financing Bonds	
	Governmental Activities			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 3,355,000	\$ 2,804,758	\$ 23,800,000	\$ 63,169
2011	2,610,000	2,674,353	-	-
2012	1,465,000	2,573,017	-	-
2013	1,200,000	2,513,044	-	-
2014	1,235,000	2,477,044	-	-
2015-2019	7,105,000	11,467,406	-	-
2020-2024	9,100,000	9,473,470	-	-
2025-2029	11,715,000	6,851,938	-	-
2030-2034	10,012,500	4,043,250	-	-
3035-2038	<u>9,971,250</u>	<u>1,276,688</u>	-	-
Totals	<u>\$ 57,768,750</u>	<u>\$ 46,154,968</u>	<u>\$ 23,800,000</u>	<u>\$ 63,169</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ending December 31	Tax Increment Revenue Notes*		General Obligation Bonds - Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2010	\$ -	\$ -	\$ 1,175,000
2011	-	-	1,230,000	3,002,763
2012	-	-	1,285,000	2,944,953
2013	-	-	1,345,000	2,883,273
2014	-	-	1,415,000	2,817,368
2015-2019	-	-	8,205,000	12,946,198
2020-2024	-	-	10,590,000	10,567,144
2025-2029	-	-	13,745,000	7,403,545
2030-2034	-	-	16,057,500	3,017,160
2034-2048	-	-	<u>3,323,750</u>	<u>425,563</u>
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,371,250</u>	<u>\$ 49,065,364</u>

* 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 in 2012. Any amount of unpaid interest at the interest due dates is added to the principal balance of the note. As there is no known revenue stream, and the interest rates are tied to the "Weekly 25- Bond Revenue Index" as published by "The Bond Buyer," no set debt service schedule is available.

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 5.0%. Therefore, no set debt service schedule is available.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

D. Changes in Long-Term Liabilities

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

	<u>Balances January 1</u>	<u>Issuances or Accretions</u>	<u>Reductions</u>	<u>Refundings</u>	<u>Balances December 31</u>	<u>Current Portion</u>
General obligation bonds payable	\$ 84,043,750	\$ 30,355,000	\$ 56,630,000	\$ -	\$ 57,768,750	\$ 3,355,000
Unamortized Bond Premium	87,438	1,262,028	83,184	-	1,266,282	-
Unamortized Bond Discount	(530,715)	-	(308,314)	-	(222,401)	-
Tax increment financing Bonds payable	34,900,000	-	11,100,000	-	23,800,000	23,800,000
Notes payable	112,976,570	3,087,164	10,181,363	-	105,882,371	-
Net pension obligation	232,368	-	10,898	-	221,470	-
Compensated absences Payable - governmental funds*	2,427,694	1,400,464	1,404,525	-	2,423,633	1,351,728
Compensated absences Payable - internal services fund	19,206	18,064	19,206	-	18,064	18,064
Net other post-employment benefit obligations	1,019,553	209,433	-	-	1,228,986	-
Net Other post-employment benefit obligations - Internal Service Fund	7,406	1,521	-	-	8,927	-
Termination benefit**	<u>31,956</u>	<u>31,108</u>	<u>31,956</u>	<u>-</u>	<u>31,108</u>	<u>31,108</u>
Total governmental activities	<u>\$235,215,226</u>	<u>\$ 36,364,782</u>	<u>\$ 79,152,818</u>	<u>\$ -</u>	<u>\$192,427,190</u>	<u>\$ 28,555,900</u>

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

** The General Fund has typically been used in prior years to liquidate the termination benefit payable.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

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

	<u>Balances</u> <u>January 1</u>	<u>Issuances or</u> <u>Accretions</u>	<u>Reductions</u>	<u>Balances</u> <u>December 1</u>	<u>Current</u> <u>Portion</u>
General obligations payable	\$ 6,661,250	\$52,830,000	\$ 1,120,000	\$58,371,250	\$ 1,175,000
Unamortized Bond Discount	(76,690)	(300,645)	(32,621)	(344,714)	-
Compensated absences payable	280,708	163,173	118,202	325,679	126,146
Net other post-employment benefit obligations	<u>81,465</u>	<u>16,735</u>	<u>-</u>	<u>98,200</u>	<u>-</u>
Total business-type activities	<u>\$ 6,946,733</u>	<u>\$52,709,263</u>	<u>\$ 1,205,581</u>	<u>\$58,450,415</u>	<u>\$ 1,301,146</u>

The Village transferred the General Obligation Taxable Bonds, Series 2005A bonds from governmental activities to business-type activities in 2009. The Village took possession of the Sears Centre in December 2009 and the bonds were issued to pay for Sears Centre expenses.

E. Legal Debt Margin

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

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

F. Tax Increment Revenue Bond Ordinance Disclosures

The ordinances authorizing the issuance of the Series 2005 Tax Increment Revenue Refunding Bonds and the Series 1991 Junior Lien Tax Increment Revenue Bonds provide for the creation of separate accounts designated as the "Governmental Share Account," "Program Expense Account," "Senior Lien Bond and Interest Account," "Senior Lien Debt Service Reserve and Redemption Account," "Junior Lien Bond and Interest Account," "Junior Lien Debt Service Reserve and Redemption Account" and the "General Account," into which there shall be credited as of the first day of each month all revenues of the Sears EDA Tax Increment Financing District in accordance with the following priority:

1) The Governmental Share Account

There is hereby created a special account to be known as the Governmental Share Account. As monies are deposited into the EDA Special Tax Allocation Fund, the Village shall deposit into the Governmental Share Account incremental property taxes in accordance with the following schedule:

Tax Levy <u>Year</u>	Phase I Increment <u>Revenues</u>	Percentage of Phase II Tax Increment <u>Revenues</u>
2009	\$ 5,131,018	30%
2010	5,387,569	30%
2011	5,656,947	30%
2012	5,939,795	30%

Phase I tax increment revenues refer to the incremental revenues generated by the approximately 200 acre Sears Merchandise Group Home Office Complex. Phase II tax increment revenues refer to the incremental revenues generated by the balance of the land (approximately 580 acres) within the Sears EDA Tax Increment Financing District.

Funds within the Governmental Share Account are to be promptly paid to the affected taxing districts in accordance with the Sears Development Agreement.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

2) The Program Expense Account

There shall be credited to the Program Expense Account an amount sufficient to pay all initial and ongoing administrative expenses related to the issuance of the tax increment financing revenue bonds for the current and next succeeding bond year.

3) The Senior Lien Bond and Interest Account

There is hereby created a special account to be known as the Senior Lien Bond and Interest Account. The Village shall have on deposit an amount necessary to pay the principal and interest for the next bond year.

4) The Senior Lien Debt Service Reserve and Redemption Account

The Village shall have on deposit an amount equal to one-half of the maximum annual debt service. Monies on deposit in the Senior Lien Debt Service Reserve and Redemption Account may be used to redeem Senior Lien Bonds and shall be transferred to the Senior Lien Bond and Interest Account as may be necessary from time to time to prevent or remedy a default in the payment of the Senior Lien Bonds.

5) The Junior Lien Bond and Interest Account

The Village shall next transfer available incremental revenues into the Series 1991 Junior Lien Bond and Interest Account in an amount sufficient to pay principal and interest for the next bond year.

6) The Junior Lien Debt Service Reserve and Redemption Account

The Village shall then transfer available incremental revenues to the Series 1991 Junior Lien Debt Service Reserve and Redemption Account until funds on deposit aggregates the Series 1991 Junior Lien Debt Service Reserve Requirement. For the Series 1991 Junior Lien Tax Increment Revenue Bonds, the Junior Lien Debt Service Reserve Requirement is \$0.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

7) The General Account

All monies remaining in the EDA Special Tax Allocation Fund after crediting the required amounts to the aforementioned accounts shall be credited to the General Account. Monies on deposit in the General Account shall first be used to remedy any deficiencies in the prior accounts, second to cover any arbitrage rebate to maintain the tax exempt status of the bonds and, thereafter, in the order of priority as follows:

- a) For purposes of paying project costs
- b) For the purpose of paying principal and interest on any outstanding notes issued under the development agreement
- c) To pay for anticipated project costs for the next three years
- d) To refund, advance refund, redeem, prepay, defease or purchase any outstanding bonds
- e) To establish such additional reserves as may be deemed necessary by the Village Board
- f) To distribute funds to applicable taxing districts in accordance with state laws

A schedule summarizing the Village's compliance with the bond indentures can be found in the Supplemental Data section of this report on pages 148-149.

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 on the notes change every March 1, June 1, September 1 and December 1, indexed to a percentage of the weekly 25 Revenue Bond Index as published by "The Bond Buyer." For developer advance notes and project cost notes, the interest rate is 90% of the index. For developer cash advance notes, the interest rate is 75% of the index. Payments on the notes are due semi-annually as and to the extent monies are available in the Sears 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 5 - LONG-TERM DEBT (Continued)

H. Termination Benefits

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the Village is required to calculate and record a termination benefit liability, which is, in general, the future costs to the Village to fund costs associated with termination benefit. See Note 12 for further information regarding the termination benefit liability at December 31, 2009.

I. Net Other Post-Employment Benefit Obligation

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, the Village is required to calculate and record a net other post-employment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions. See Note 13 for further information regarding the NOPEBO liability at December 31, 2009.

NOTE 6 - INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2009 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 1,184,684	\$ -
Nonmajor Governmental	546,985	1,608,939
Waterworks and Sewerage	555,767	147,478
Sears Centre Operating	12,484	-
Internal Service	11,777	302,535
Fiduciary	-	<u>252,745</u>
Total	<u>\$ 2,311,697</u>	<u>\$ 2,311,697</u>

\$378,478 in the General Fund due from the Nonmajor Governmental Funds relates to a short-term advance for the funding of debt service payments. This amount will be repaid within one year.

\$300,000 in the General Fund due from the Internal Service Funds relates to a reallocation of internal service charges for worker's compensation and liability insurance at year end. These amounts will be repaid within one year.

\$555,767 in the Waterworks and Sewerage Fund due from the 2008 Capital Projects Fund is a short-term advance for the funding of project costs and allocation of investment interest for the 2008 General Obligation bond projects and related proceeds due to timing of investment maturities. These amounts will be repaid within one year.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 6 - INTERFUND ACCOUNTS (Continued)

The remainder of the above due from/due to amounts outstanding primarily relate to the allocation of health, dental and worker's compensation insurance expenses and tax revenue allocation. These amounts will be repaid within one year.

Advances from/to other funds at December 31, 2009 consisted of the following:

	<u>Advance From</u>	<u>Advance To</u>
General	\$ 796,291	\$ -
Nonmajor Governmental	1,000,000	-
Sears Centre Operating	-	1,762,291
Fiduciary	-	<u>34,000</u>
Total	<u>\$ 1,796,291</u>	<u>\$ 1,796,291</u>

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

\$762,291 advance from the General Fund and \$1,000,000 from the Capital Replacement Fund to the Sears Centre Operating Fund for cash flow funding. Repayment is not expected within one year.

Interfund transfers during the year ended December 31, 2009 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 1,240,381
2009 Capital Projects	-	5,240,722
Nonmajor Governmental	8,562,880	4,216,868
Waterworks and Sewerage	222,975	1,206,800
Sears Centre Operating	3,048,265	52,000,718
Internal Service	70,651	-
Governmental Activities	<u>52,000,718</u>	<u>-</u>
Total	<u>\$ 63,905,489</u>	<u>\$ 63,905,489</u>

The purposes of significant interfund transfers are as follows:

\$1,240,381 transferred to other funds from the General Fund. This relates to routine transfers from the General Fund to the 2001 General Obligation Debt Service Fund (\$167,060), 1997A General Obligation Debt Service Fund (\$513,000), 2004 General Obligation Debt Service Fund (\$452,720), Capital Improvements Fund (\$25,000), Capital Vehicle and Equipment Fund (\$17,000), Information Systems Fund (\$57,351) and the Waterworks and Sewerage Fund (\$8,250) for the payment of debt service and capital project costs. The transfers will not be repaid.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 6 - INTERFUND ACCOUNTS (Continued)

\$5,240,722 transferred to other funds from the 2009 Capital Projects Fund. This relates to a transfer of the capitalized interest related to the issuance of the 2009 General Obligation Bonds to the 2009 General Obligation Debt Service Fund (\$4,295,500), a nonmajor fund. Also, a transfer to the 2008 Capital Project Fund (\$945,222), a nonmajor fund, for the reallocation of bond proceeds for allowable building improvements. These amounts will not be repaid.

\$1,206,800 transferred to other funds from the Waterworks & Sewerage Fund. This primarily relates to a transfer to the 2008 Capital Projects Fund, a nonmajor fund, from the Waterworks & Sewerage Fund (\$1,199,800) for the reallocation of bond proceeds for allowable building improvements. This amount will not be repaid.

\$52,000,718 transferred to Governmental Activities from the Sears Centre Operating Fund, a Business-Type Activity. This relates to the transfer of the bond liability between the two activities resulting from the Village taking on ownership of the Sears Centre.

\$1,912,923 transferred to other funds from Nonmajor Governmental Funds. All of these transfers are for the payment of debt service and capital project costs. The transfers will not be repaid.

\$2,303,945 transferred to other funds from Nonmajor Governmental Funds. This transfer was to move the 2005A Debt Service Fund into the Sears Centre Operating Fund, which was needed to the takeover of ownership of the Sears Centre by the Village.

NOTE 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 worker's 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, \$250,000 for each worker's compensation claim in 2003 and prior, \$300,000 for each worker's compensation claim in 2004, \$350,000 for each worker's compensation claims in 2005 and \$500,000 for each worker's compensation claims in 2006 and 2007. In 2008 and 2009, the coverage is up to \$500,000 for each worker's compensation claim except for police and firefighters' coverage is up to \$600,000. The Fund provided coverage up to a maximum of \$50,000 for each health claim through 2004. As of January 1, 2005, the Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC) for health claims. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 7 - RISK MANAGEMENT (Continued)

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:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 1,117,061	\$ 966,705
Incurred claims (including IBNR)	992,005	1,256,017
Claim payments	<u>(1,221,902)</u>	<u>(1,105,661)</u>
Unpaid claims, end of year	<u>\$ 887,164</u>	<u>\$ 1,117,061</u>

High-Level Excess Liability Pool (HELP)

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

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

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 7 - RISK MANAGEMENT (Continued)

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

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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.

NOTE 8 - CONTINGENT LIABILITIES

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 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>
2010	\$ 93,580
2011	93,580
2012	93,580
2013	93,580
2014	93,580
2015-2018	374,320

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>
2010	\$ 4,600,000
2011	4,600,000
2012	4,600,000
2013	4,600,000
2014	4,600,000
2015-2019	23,000,000
2020-2022	13,800,000

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

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

<u>Year Ending December 31</u>	<u>Amount</u>
2010	\$ 83,239
2011	79,778
2012	76,614
2013	77,970
2014	74,580
2015	71,190

These amounts have been estimated based upon the Village's commitment for 2010. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

D. Economic Incentive Agreements

The Village has entered into economic incentive agreements with commercial entities whereby the Village has agreed to reimburse the commercial entities for certain unique infrastructure costs incurred by the commercial entities through sales tax and property tax rebates. The amount of the rebates is limited to the lower of actual costs or \$19,150,000 (\$2,448,750 paid as of December 31, 2009) and are payable over 7 to 17 years solely from sales taxes and in one instance, property taxes, generated by the commercial entities. The rebates are to be paid semi-annually beginning in 1999 by each March 31 and September 30 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, 2009, the Village has accrued an estimated rebate liability of \$262,860 for amounts collected by the state through December 31, 2009. The amounts to be reimbursed annually are limited to various percentages of sales taxes and property taxes generated by the commercial entities.

E. Construction Contracts

The Village has entered into significant contracts for the purpose of the construction of a new police station and water storage tank. At December 31, 2009, the Village was committed for the following:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Work Completed as of December 31, 2009</u>	<u>Total Contract Outstanding at December 31, 2009</u>
Police station construction	\$ 21,939,041	\$ 16,066,934	\$ 5,872,107
Water Storage Tank	<u>3,829,000</u>	<u>2,176,607</u>	<u>1,652,393</u>
Total	<u>\$ 25,768,041</u>	<u>\$ 18,243,541</u>	<u>\$ 7,524,500</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 10 - JOINT VENTURES

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

Description of Joint Venture

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

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

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 901 Wellington 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 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 \$5,024,357 to JAWA for 2009. The Village does not have an equity interest in JAWA at December 31, 2009.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 10 - JOINT VENTURES (Continued)

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

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

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

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

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

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 10 - JOINT VENTURES (Continued)

In accordance with the contract, the Village made payments totaling \$870,502 to SWANCC in 2009. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2009.

NOTE 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 and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension plans issue separate reports on the pension plans. These reports can be obtained from the Village, 1900 Hassell Road, Hoffman Estates, Illinois 60169. 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.

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Description: The Village's defined benefit pension plan for employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 11.21% of covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For 2009, the Village's annual pension cost of \$1,342,307 for the plan was equal to the Village's required and actual contributions.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/09	\$ 1,342,307	100%	\$ -
12/31/08	1,196,303	100%	-
12/31/07	1,172,145	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% per year, attributable to inflation; (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the Village's employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15.00% corridor between the actuarial and market value of assets. The plan's underfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the plan was 64.68% funded. The actuarial accrued liability for benefits was \$34,308,819 and the actuarial value of assets was \$22,191,670 resulting in an underfunded actuarial accrued liability (UAAL) of \$12,117,149. The covered payroll (annual payroll of active employees covered by the plan) was \$11,974,189 and the ratio of the UAAL to the covered payroll was 101 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short - term volatility in the market value of investments over a five - year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan

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. At December 31, 2008, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	52
Terminated employees entitled to benefits but not yet Receiving them	-
Current employees	
Vested	75
Nonvested	<u>27</u>
Total	<u>154</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service costs for the Police Pension Plan. For the year ended December 31, 2008, the Village's contribution was 22.18% of covered payroll.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' 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 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At December 31, 2008, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	44
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	56
Nonvested	<u>47</u>
Total	<u>147</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75.00% of such monthly 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 retirement benefit. The monthly pension 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 paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended December 31, 2008, the Village's contribution was 19.77% of covered payroll.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Significant Investments

Investments in Fidelity mutual funds exceed 5.00% of plan net assets for the Police Pension Plan. Investments in Vanguard mutual funds and American Funds exceed 5.00% of plan net assets for the Fire Pension Plan. There are no other significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or Firefighters' Pension Plans. Information for the IMRF is not available.

C. Annual Pension Costs

Employer contributions have been determined as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actuarial valuation date	December 31, 2009	December 31, 2008	December 31, 2008
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	23 Years, Closed	25 Years, Closed	25Years, Closed
Significant actuarial assumptions			
a. Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
b. Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c. Additional projected salary increases - seniority/merit	.40% to 10.00%	1.00%	1.00%
d. Post-retirement benefit increases	3.00%	3.00%	3.00%

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Fiscal</u>	Illinois	<u>Fiscal</u>	Police	Firefighters'
	<u>Year</u>	<u>Municipal</u>	<u>Year</u>	<u>Pension</u>	<u>Pension</u>
Annual pension cost (APC)	2007	\$ 1,172,145	2006	\$ 1,468,083	\$ 1,340,046
	2008	1,196,303	2007	1,655,145	1,432,057
	2009	1,342,307	2008	1,777,957	1,550,898
Actual contribution	2007	\$ 1,172,145	2006	\$ 1,471,015	\$ 1,347,220
	2008	1,196,303	2007	1,638,142	1,426,737
	2009	1,342,307	2008	1,800,870	1,561,796
Percentage of APC contributed	2007	100.00%	2006	100.20%	100.54%
	2008	100.00%	2007	98.97%	99.63%
	2009	100.00%	2008	101.30%	100.70%
NPO (asset)	2007	\$ -	2006	\$ (340,306)	\$ 227,048
	2008	-	2007	(323,303)	232,368
	2009	-	2008	(346,246)	221,470

D. Funded Status and Funding Progress

The funded status and funding progress of the plans as of December 31, 2009 were as follows:

	Illinois	Police	Firefighters'
	<u>Municipal</u>	<u>Pension</u>	<u>Pension</u>
	<u>Retirement</u>		
Actuarial accrued liability (AAL)	\$ 34,308,819	\$ 71,200,406	\$ 66,323,357
Actuarial value of plan assets	22,191,670	40,439,193	43,975,311
Unfunded actuarial accrued liability (UAAL)	12,117,149	30,761,213	22,348,046
Funded ratio (actuarial value of plan assets/AAL)	64.68%	56.80%	66.30%
Covered payroll (active plan members)	11,974,189	8,118,084	7,901,342
UAAL as a percentage of covered payroll	101.19%	378.9%	282.80%

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Net Pension Obligation

The NPO (asset) has been calculated as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contributions	\$ 1,785,384	\$ 1,545,560
Interest on net pension obligation	(24,248)	17,428
Adjustment to annual required contribution	<u>16,821</u>	<u>(12,090)</u>
Annual pension cost	1,777,957	1,550,898
Contributions made	<u>1,800,870</u>	<u>1,561,796</u>
Change in net pension obligation (asset)	(22,913)	(10,898)
Net pension obligation (asset), beginning of year	<u>(323,303)</u>	<u>232,368</u>
Net pension obligation (asset), end of year	<u>\$ (346,216)</u>	<u>\$ 221,470</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

F. Pension Information

Fiduciary Net Assets

	Pension Trust		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ASSETS			
Cash and short-term investments	\$ 1,831,339	\$ 1,073,689	\$ 2,905,028
Investments, at fair value			
U.S. treasury securities	12,969,254	15,898,434	28,867,688
U.S. agency securities	9,779,143	7,948,659	17,727,802
Mutual funds	20,501,301	12,171,813	32,673,114
Money market mutual funds	798,472	2,878,349	3,676,821
Equities	-	8,310,429	8,310,429
Receivables (net, where applicable, of allowances for uncollectibles)			
Property tax receivable	-	65,144	65,144
Accrued interest	213,056	161,939	374,995
Other	82,901	-	82,901
Prepaid expenses	596	-	596
 Total assets	 46,176,062	 48,508,456	 94,684,518
LIABILITIES			
Accounts payable	1,250	46,228	47,478
Due to other funds	4,545	2,879	7,424
 Total liabilities	 5,795	 49,107	 54,902
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
	\$ 46,170,267	\$ 48,459,349	\$ 94,629,616

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Plan Net Assets

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer contributions	\$ 1,939,661	\$ 1,770,961	\$ 3,710,622
Employee contributions	867,482	779,863	1,647,345
Other contributions	<u>40,123</u>	<u>170</u>	<u>40,293</u>
Total contributions	<u>2,847,266</u>	<u>2,550,994</u>	<u>5,398,260</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	4,016,630	3,072,410	7,089,040
Interest	<u>1,323,627</u>	<u>1,339,481</u>	<u>2,663,108</u>
Total investment income	5,340,257	4,411,891	9,752,148
Less investment expense	<u>(89,850)</u>	<u>(223,121)</u>	<u>(312,971)</u>
Net investment income	<u>5,250,407</u>	<u>4,188,770</u>	<u>9,439,177</u>
Total additions	<u>8,097,673</u>	<u>6,739,764</u>	<u>14,837,437</u>
DEDUCTIONS			
Benefits and refunds	2,348,010	2,209,629	4,557,639
Miscellaneous	<u>18,589</u>	<u>46,097</u>	<u>64,686</u>
Total deductions	<u>2,366,599</u>	<u>2,255,726</u>	<u>4,622,325</u>
NET INCREASE (DECREASE)	5,731,074	4,484,038	10,215,112
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>40,439,193</u>	<u>43,975,311</u>	<u>84,414,504</u>
December 31	<u>\$ 46,170,267</u>	<u>\$ 48,459,349</u>	<u>\$ 94,629,616</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 12 - TERMINATION BENEFITS

During August, 2009, the Village entered into an agreement providing for the payment of 16 months of health insurance costs. The employees were required to resign as of a designated date and to maintain the same coverage as they were provided during their employment. Under the agreement, the Village contributed 100% of the employee's health insurance premiums for the period covered, September 1, 2009 - December 31, 2010. The Village has calculated the premium payments for the remaining period of the benefit based on the 2009 premium rates. The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments. As of December 31, 2009, three employees were receiving this benefit and the Village's remaining contributions due under the agreement was \$31,108.

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the Village provides post-employment 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Membership

At December 31, 2008 (most recent information available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	46
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees - Vested	204
Active Employees - Nonvested	<u>120</u>
Total	<u>370</u>
Participating Employers	<u>1</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.

E. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of December 31, 2009 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, 2009. The Village's annual OPEB cost (expense) was \$429,053 for the year ended December 31, 2009. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 was as follows. A valuation was performed for the first time as of December 31, 2006.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2006	\$ 574,913	\$ 244,371	42.51%	\$ 330,542
December 31, 2007	*	*	*%	*
December 31, 2008	614,449	201,364	32.77%	1,108,424
December 31, 2009	429,053	201,364	46.90%	1,336,113

*The Village did not perform a valuation as of December 31, 2007 as only biennial valuations are required and, therefore, information for December 31, 2007 is not available. The Village has had valuations performed annually since fiscal year 2008.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The net OPEB obligation as of December 31, 2009, was calculated as follows:

Annual required contribution	\$ 410,579
Interest on net OPEB obligation	55,421
Adjustment to annual required contribution	<u>(36,947)</u>
Annual OPEB cost	429,053
Contributions made	<u>201,364</u>
Increase in net OPEB obligation	227,689
Net OPEB obligation, beginning of year	<u>1,108,424</u>
Net OPEB obligation, end of year	<u>\$ 1,336,113</u>

Funded Status and Funding Progress.

The funded status of the plan as of December 31, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 6,403,843
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	6,403,843
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	26,385,184
UAAL as a percentage of covered payroll	24.27%

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 the financial statements, presents multiyear 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2009 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return and an annual initial healthcare cost trend rate of 8.0% decreasing to an ultimate rate of 6.0%. Both rates include a 3.0% 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 a closed basis. The remaining amortization period at December 31, 2009 was 27 years.

NOTE 14 - DEFICIT FUND BALANCE

The following funds had deficit fund balances as of December 31, 2009:

Capital Improvements Fund	\$156,770
2001 General Obligation Refunding Bond Fund	\$195,401

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not excluded by its scope provisions be classified as capital assets. The statement requires that assets only be recognized in Statement of Net Assets if identifiable. Outlays associated with the development of the asset should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred. Intangible assets determined to have an indefinite useful life should not be amortized unless their useful life is subsequently determined to no longer be indefinite due to a change in circumstances. This statement is effective for the Village's financial periods beginning after June 15, 2009.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement 54 is effective for financial statements for periods beginning after June 15, 2009. The Village is currently evaluating the impact of adopting Statement No. 53.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. This statement is effective for the Village's financial periods beginning after June 15, 2010.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple employer OPEB plan in which it participates. This Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers. The provisions related to the use and reporting of the alternative method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plans financial statements for Village's financial periods beginning after June 15, 2011.

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. In the event of bankruptcy, the objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. This statement is effective for the Village's financial periods beginning after June 15, 2009.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
Year Ended December 31, 2009
(with comparative totals for 2008)

	General Fund					EDA General Account				
	2009		2008			2009		2008		
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Actual	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Actual
REVENUES										
Taxes	\$ 24,034,113	\$ 22,717,013	\$ 22,629,437	\$ (87,576)	\$ 22,702,394	\$ -	\$ 10,181,400	\$ 10,181,363	\$ (37)	\$ 4,135,496
Licenses and Permits	1,157,440	1,157,440	1,103,880	(53,560)	1,313,427	-	-	-	-	-
Intergovernmental	13,887,630	13,887,630	11,670,548	(2,217,082)	13,474,956	-	-	-	-	-
Charges for Services	5,022,230	5,022,230	4,483,868	(538,362)	4,566,938	-	-	-	-	-
Fines and Forfeits	1,186,180	1,186,180	966,369	(219,811)	1,451,980	-	-	-	-	-
Interest Income	350,000	350,000	56,881	(293,119)	345,136	-	-	-	-	-
Miscellaneous	163,000	163,000	246,975	83,975	602,449	-	-	-	-	-
TOTAL REVENUES	<u>45,800,593</u>	<u>44,483,493</u>	<u>41,157,958</u>	<u>(3,325,535)</u>	<u>44,457,280</u>	<u>-</u>	<u>10,181,400</u>	<u>10,181,363</u>	<u>(37)</u>	<u>4,135,496</u>
EXPENDITURES										
Current										
General Government	6,001,730	6,161,730	5,352,058	809,672	5,817,443	-	-	-	-	-
Public safety	28,519,503	28,541,503	26,913,669	1,627,834	27,011,405	-	-	-	-	-
Highways and Streets	5,703,570	5,778,390	5,471,434	306,956	6,261,272	-	-	-	-	-
Health and Welfare	1,891,860	1,891,860	1,783,070	108,790	1,945,636	-	-	-	-	-
Culture and Recreation	417,140	417,140	367,578	49,562	276,335	-	-	-	-	-
Economic Development	2,017,420	2,020,320	1,808,471	211,849	1,932,884	-	-	-	-	-
Debt Service										
Principal Retirement	-	-	-	-	-	-	9,781,400	10,181,363	(399,963)	4,135,496
Interest and Fiscal Charges	-	-	-	-	-	-	400,000	-	400,000	-
TOTAL EXPENDITURES	<u>44,551,223</u>	<u>44,810,943</u>	<u>41,696,280</u>	<u>3,114,663</u>	<u>43,244,975</u>	<u>-</u>	<u>10,181,400</u>	<u>10,181,363</u>	<u>37</u>	<u>4,135,496</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,249,370</u>	<u>(327,450)</u>	<u>(538,322)</u>	<u>(210,872)</u>	<u>1,212,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)										
Transfers In (Out)	(1,245,200)	(1,245,200)	(1,240,381)	4,819	(2,403,209)	-	-	-	-	-
Sale of Capital Assets	3,000	3,000	8,294	5,294	16,720	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,242,200)</u>	<u>(1,242,200)</u>	<u>(1,232,087)</u>	<u>10,113</u>	<u>(2,386,489)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 7,170</u>	<u>\$ (1,569,650)</u>	<u>(1,770,409)</u>	<u>\$ (200,759)</u>	<u>(1,174,184)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balances at beginning of year			<u>12,839,752</u>		<u>14,013,936</u>			<u>-</u>		<u>-</u>
Fund balances at end of year			<u>\$ 11,069,343</u>		<u>\$ 12,839,752</u>			<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to the schedule.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2009

BUDGETARY INFORMATION

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

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

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

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

The budget for the 2005A General Obligations Debt Service fund is reported with the Sears Centre Operating Fund, an enterprise fund, since the fund was transferred to the Sears Centre Operating Fund in 2009.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
December 31, 2009

Trend Information

Six-year historical trend information designed to provide information about the progress made in accumulating sufficient assets to pay benefits due is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 22,711,178	\$ 26,116,924	\$ 3,405,746	86.96%	\$ 9,188,213	37.07%
12/31/05	24,975,810	28,864,113	3,888,303	86.53%	9,607,953	40.47%
12/31/06	27,262,318	30,742,302	3,479,984	88.68%	10,148,000	34.29%
12/31/07	25,719,656	30,858,858	5,139,202	83.35%	10,924,003	47.05%
12/31/08	22,199,419	32,224,638	10,025,219	68.89%	11,580,858	86.57%
12/31/09	22,191,670	34,308,819	12,117,149	64.68%	11,974,189	101.19%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$21,451,510. On a market value basis, the funded ratio would be 62.52%.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUNDS
 December 31, 2009

POLICE PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	\$ 33,455,485	\$ 48,354,837	69.19%	\$ 14,899,352	\$ 6,224,502	239.37%
12/31/2004	36,312,217	52,154,449	69.62%	15,842,232	6,624,855	239.13%
12/31/2005	38,197,403	57,086,394	66.91%	18,888,991	6,771,593	278.94%
12/31/2006	41,968,210	61,447,157	68.30%	19,478,947	7,373,997	264.16%
12/31/2007	45,509,710	65,825,715	69.14%	20,316,005	7,927,658	256.27%
12/31/2008	40,439,193	71,200,406	56.80%	30,761,213	8,118,084	378.92%
12/31/2009	N/A	N/A	N/A	N/A	N/A	N/A

FIREFIGHTERS' PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2003	\$ 36,983,919	\$ 43,920,572	84.21%	\$ 6,936,653	\$ 5,975,159	116.09%
12/31/2004	40,731,107	49,152,952	82.87%	8,421,845	6,340,870	132.82%
12/31/2005	43,322,571	53,329,382	81.24%	10,006,811	6,661,577	150.22%
12/31/2006	46,581,608	57,700,568	80.73%	11,118,960	6,954,964	159.87%
12/31/2007	49,711,799	61,602,588	80.70%	11,890,789	7,533,523	157.84%
12/31/2008	43,975,311	66,323,357	66.30%	22,348,046	7,901,342	282.84%
12/31/2009	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST-EMPLOYMENT BENEFIT PLAN
 December 31, 2009

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2006	\$ -	\$ 8,678,983	0.00%	\$ 8,678,983	N/A	N/A
12/31/2007	*	*	*	*	*	*
12/31/2008	-	6,403,843	0.00%	6,403,843	\$ 26,385,184	24.27%
12/31/2009	N/A	N/A	N/A	N/A	N/A	N/A

*The Village had actuarial valuations performed biennially.

N/A - Information not available

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2006. Information for prior years is not available.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
December 31, 2009

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
12/31/2004	\$ 872,022	\$ 872,022	100%
12/31/2005	956,952	956,952	100%
12/31/2006	1,090,910	1,090,910	100%
12/31/2007	1,172,145	1,172,145	100%
12/31/2008	1,196,303	1,196,303	100%
12/31/2009	1,342,307	1,342,307	100%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PENSION TRUST FUNDS
 December 31, 2009

POLICE PENSION				FIRE PENSION			
Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2004	\$ 1,373,666	\$ 1,345,336	102.11%	12/31/2004	\$ 1,194,531	\$ 1,176,166	101.56%
12/31/2005	1,355,494	1,363,653	99.40%	12/31/2005	1,262,516	1,270,100	99.40%
12/31/2006	1,471,015	1,476,740	99.61%	12/31/2006	1,347,220	1,334,036	100.99%
12/31/2007	1,638,142	1,663,437	98.48%	12/31/2007	1,426,737	1,426,524	100.01%
12/31/2008	1,800,870	1,785,384	100.87%	12/31/2008	1,561,796	1,545,560	101.05%
12/31/2009	1,939,661	N/A	N/A	12/31/2009	1,770,961	N/A	N/A

N/A - Information not available.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POST-EMPLOYMENT BENEFIT PLAN
 December 31, 2009

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2006	\$ 244,371	574,913	42.51%
12/31/2007	*	*	*
12/31/2008	201,364	603,659	33.36%
12/31/2009	N/A	410,579	N/A

*The Village is having actuarial valuations performed biennially.

An estimate of the Annual Required Contribution (ARC) was performed for December 31, 2009.

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2006.

Information for prior years is not available.

N/A - Information not available.

**Major
Governmental Funds**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMPARATIVE BALANCE SHEET
 GENERAL FUND
 December 31, 2009
 (with comparative totals for 2008)

	2009	2008
ASSETS		
Cash and Investments	\$ 7,596,239	\$ 10,574,805
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Property Taxes	16,194,251	13,456,391
Accounts	170,362	121,345
Accrued Interest	322	15,984
Other	789,802	807,566
Prepaid Items	1,386	63,294
Inventories	194,019	216,620
Due from Other Governments	4,748,143	3,900,678
Due from Other Funds	931,939	2,646,552
Due from Fiduciary Funds	252,745	112,976
Advances to Other Funds	796,291	5,000
	<u>\$ 31,675,499</u>	<u>\$ 31,921,211</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 1,486,298	\$ 1,752,815
Accrued Payroll	642,542	1,325,720
Deferred Revenues	17,124,924	14,440,946
Due to Other Funds	-	87,799
Due to Fiduciary Funds	-	5,906
Deposits Payable	1,352,392	1,468,273
TOTAL LIABILITIES	<u>20,606,156</u>	<u>19,081,459</u>
FUND BALANCE		
Reserved for:		
Prepaid Items	1,386	63,294
Inventories	194,019	216,620
Advances to Other Funds	796,291	5,000
Public Safety	126,964	114,324
Employee Loan Program	64,106	70,399
Unreserved:		
Designated for Compensated Absences	2,426,816	2,405,685
Undesignated	7,459,761	9,964,430
TOTAL FUND BALANCES	<u>11,069,343</u>	<u>12,839,752</u>
	<u>\$ 31,675,499</u>	<u>\$ 31,921,211</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 345,080	\$ 345,080	\$ 328,712	\$ 310,235
Administrative	727,230	727,230	629,474	720,257
Legal	431,060	591,060	588,465	490,724
Finance	841,610	841,610	771,354	775,414
Village Clerk	183,400	183,400	179,657	173,146
Human Resources Management	522,010	522,010	475,360	492,110
Buildings and Grounds	958,720	958,720	862,247	873,766
Equipment and Supply	1,472,440	1,472,440	1,156,221	1,470,457
Police and Fire Commission	42,920	42,920	2,321	108,530
Emergency Operations	160,760	160,760	156,600	185,120
Miscellaneous Boards and Commission	316,500	316,500	201,647	217,684
TOTAL GENERAL GOVERNMENT	6,001,730	6,161,730	5,352,058	5,817,443
PUBLIC SAFETY				
Police Department				
Administration	1,818,240	1,818,240	1,699,094	1,626,407
Juvenile Investigations	753,030	753,030	653,731	714,737
Problem Oriented Policing	252,430	252,430	245,023	236,549
Tactical	785,080	785,080	690,317	723,374
Patrol and Response	7,925,058	7,925,058	7,901,380	7,540,075
Traffic Control	891,850	891,850	851,252	867,827
Investigations	1,116,790	1,116,790	1,086,138	1,099,019
Community Relations	261,030	261,030	246,341	245,846
Communications	818,740	818,740	718,706	818,187
Canine	150,340	150,340	144,333	252,410
Special Services	248,550	248,550	130,255	192,894
Records	394,740	394,740	371,884	360,059
Administrative Services	808,580	808,580	695,942	700,753
Total Police Department	16,224,458	16,224,458	15,434,396	15,378,137
Fire Department				
Administration	736,840	736,840	689,504	714,006
Public Education	121,100	121,100	75,636	119,961
Suppression	6,175,535	6,175,535	5,631,874	5,941,798
Emergency Medical Services	4,679,540	4,701,540	4,701,165	4,326,302
Fire Prevention	507,820	507,820	332,591	434,924
E.S.D.A.	-	-	-	40,165
Fire Stations	74,210	74,210	48,503	56,112
Total Fire Department	12,295,045	12,317,045	11,479,273	11,633,268
TOTAL PUBLIC SAFETY	28,519,503	28,541,503	26,913,669	27,011,405

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS				
Administration - Public Works	\$ 321,490	\$ 326,490	\$ 326,462	\$ 322,670
Snow and Ice Control	1,779,460	1,844,460	1,843,898	2,344,986
Asphalt	371,080	371,080	364,045	488,015
Forestry	1,012,260	1,012,260	813,398	898,485
Maintenance	286,480	286,480	228,157	278,084
Storm Sewers	202,300	207,120	206,332	212,801
Utilities	616,930	616,930	581,444	562,011
Engineering	1,113,570	1,113,570	1,107,698	1,154,220
TOTAL HIGHWAYS AND STREETS	<u>5,703,570</u>	<u>5,778,390</u>	<u>5,471,434</u>	<u>6,261,272</u>
HEALTH AND WELFARE				
Health and Human Services	707,110	707,110	650,629	686,757
Code Enforcement	1,184,750	1,184,750	1,132,441	1,258,879
TOTAL HEALTH AND WELFARE	<u>1,891,860</u>	<u>1,891,860</u>	<u>1,783,070</u>	<u>1,945,636</u>
CULTURE AND RECREATION				
Cable T.V.	261,620	261,620	223,072	134,465
4th of July	155,520	155,520	144,506	141,870
TOTAL CULTURE AND RECREATION	<u>417,140</u>	<u>417,140</u>	<u>367,578</u>	<u>276,335</u>
ECONOMIC DEVELOPMENT				
Administration - Community Development	206,950	206,950	162,936	188,008
Planning	491,400	494,300	494,233	604,427
Economic Development	1,319,070	1,319,070	1,151,302	1,140,449
TOTAL ECONOMIC DEVELOPMENT	<u>2,017,420</u>	<u>2,020,320</u>	<u>1,808,471</u>	<u>1,932,884</u>
TOTAL EXPENDITURES	<u>\$ 44,551,223</u>	<u>\$ 44,810,943</u>	<u>\$ 41,696,280</u>	<u>\$ 43,244,975</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 EDA GENERAL ACCOUNT FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ 10,181,400	\$ 10,181,363	\$ 4,135,496
TOTAL REVENUES	<u>-</u>	<u>10,181,400</u>	<u>10,181,363</u>	<u>4,135,496</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	10,181,400	10,181,363	4,135,496
TOTAL EXPENDITURES	<u>-</u>	<u>10,181,400</u>	<u>10,181,363</u>	<u>4,135,496</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance at Beginning of Year			-	-
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2005 EDA TIF REFUNDING BOND FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 11,433,490	\$ 11,433,490	\$ 999,974	\$ 12,383,062
Investment Income	<u>550,000</u>	<u>550,000</u>	<u>597,828</u>	<u>514,420</u>
TOTAL REVENUES	<u>11,983,490</u>	<u>11,983,490</u>	<u>1,597,802</u>	<u>12,897,482</u>
EXPENDITURES				
Debt Service				
Principal Retirement	11,100,000	11,100,000	11,100,000	10,700,000
Interest and Fiscal Charges	<u>883,490</u>	<u>1,008,490</u>	<u>1,007,538</u>	<u>1,583,432</u>
TOTAL EXPENDITURES	<u>11,983,490</u>	<u>12,108,490</u>	<u>12,107,538</u>	<u>12,283,432</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (125,000)</u>	(10,509,736)	614,050
Fund Balance at Beginning of Year			<u>24,298,810</u>	<u>23,684,760</u>
Fund Balance at End of Year			<u>\$ 13,789,074</u>	<u>\$ 24,298,810</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2009 CAPITAL PROJECT FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 170,246	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>170,246</u>	<u>-</u>
EXPENDITURES				
General Government	290,000	290,000	272,059	-
Capital Outlay	<u>15,000,000</u>	<u>15,000,000</u>	<u>13,136,199</u>	<u>-</u>
TOTAL EXPENDITURES	<u>15,290,000</u>	<u>15,290,000</u>	<u>13,408,258</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,290,000)</u>	<u>(15,290,000)</u>	<u>(13,238,012)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(3,360,000)	(5,240,722)	-
Bonds Issued, at Par	28,320,000	31,680,000	30,355,000	-
Discount on Issuance of Bonds	<u>-</u>	<u>-</u>	<u>1,262,028</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>28,320,000</u>	<u>28,320,000</u>	<u>26,376,306</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 13,030,000</u>	<u>\$ 13,030,000</u>	13,138,294	-
Fund Balance at Beginning of Year			<u>-</u>	<u>-</u>
Fund Balance at End of Year			<u>\$ 13,138,294</u>	<u>\$ -</u>

**Nonmajor
Governmental Funds**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 3,038,268	\$ 4,616,286	\$ 13,224,189	\$ 20,878,743
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	1,014,999	1,589,727	-	2,604,726
Accounts	3,080	-	-	3,080
Accrued Interest	46	80,174	74	80,294
Other	629,053	73,800	364,407	1,067,260
Prepaid Items	70,070	-	-	70,070
Due from Other Governments	104,033	-	-	104,033
Due from Other Funds	20,000	-	526,985	546,985
Advances to Other Funds	-	-	1,000,000	1,000,000
TOTAL ASSETS	\$ 4,879,549	\$ 6,359,987	\$ 15,115,655	\$ 26,355,191
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 310,897	\$ -	\$ 507,599	\$ 818,496
Accrued Payroll	79,095	-	-	79,095
Deferred Revenues	1,884,557	1,550,001	235,000	3,669,558
Due to Other Funds	119,517	455,381	1,034,041	1,608,939
Deposits Payable	30,345	-	1,582,964	1,613,309
TOTAL LIABILITIES	2,424,411	2,005,382	3,359,604	7,789,397
FUND BALANCES				
Reserved for:				
Prepays Items	70,070	-	-	70,070
Advances to Other Funds	-	-	1,000,000	1,000,000
Highways and Streets	91,469	-	-	91,469
Emergency Equipment	888,747	-	-	888,747
Public Safety	152,689	-	-	152,689
Debt Service	-	4,550,006	-	4,550,006
Economic Development	1,228,402	-	4,274,262	5,502,664
Bridge Maintenance and Repairs	-	-	387,164	387,164
Unreserved:				
Designated for Compensated Absences	24,465	-	-	24,465
Designated for Capital Projects	-	-	6,251,395	6,251,395
Undesignated - (Deficit)	(704)	(195,401)	(156,770)	(352,875)
TOTAL FUND BALANCES	2,455,138	4,354,605	11,756,051	18,565,794
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,879,549	\$ 6,359,987	\$ 15,115,655	\$ 26,355,191

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 6,015,199	\$ 2,414,464	\$ 1,068,167	\$ 9,497,830
Intergovernmental	2,027,357	-	-	2,027,357
Charges for Services	1,064,852	334,800	23,229	1,422,881
Fines and Forfeits	160,045	-	14,400	174,445
Investment Income	35,198	86,235	178,457	299,890
Miscellaneous	183,884	-	108,694	292,578
TOTAL REVENUES	<u>9,486,535</u>	<u>2,835,499</u>	<u>1,392,947</u>	<u>13,714,981</u>
EXPENDITURES				
Current:				
General Government	541,867	-	-	541,867
Public Safety	3,933,612	-	-	3,933,612
Highways and Streets	1,335,467	-	-	1,335,467
Sanitation	1,190,740	-	-	1,190,740
Economic Development	3,228,657	-	-	3,228,657
Capital Outlay	-	-	7,202,954	7,202,954
Debt Service				
Principal Retirement	-	3,800,000	-	3,800,000
Interest and Fiscal Charges	-	2,230,492	-	2,230,492
TOTAL EXPENDITURES	<u>10,230,343</u>	<u>6,030,492</u>	<u>7,202,954</u>	<u>23,463,789</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(743,808)</u>	<u>(3,194,993)</u>	<u>(5,810,007)</u>	<u>(9,748,808)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,647,170	2,915,710	8,562,880
Transfers (Out)	(721,443)	(2,303,945)	(1,191,480)	(4,216,868)
Proceeds from Sale of Capital Assets	24,196	-	135,382	159,578
TOTAL OTHER FINANCING SOURCES (USES)	<u>(697,247)</u>	<u>3,343,225</u>	<u>1,859,612</u>	<u>4,505,590</u>
Net Change in Fund Balance	<u>(1,441,055)</u>	<u>148,232</u>	<u>(3,950,395)</u>	<u>(5,243,218)</u>
Fund Balance at Beginning of Year	<u>3,896,193</u>	<u>4,206,373</u>	<u>15,706,446</u>	<u>23,809,012</u>
Fund Balance at End of Year	<u>\$ 2,455,138</u>	<u>\$ 4,354,605</u>	<u>\$ 11,756,051</u>	<u>\$ 18,565,794</u>

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.

Municipal Waste System Fund – to account for waste system revenues and payments to the Solid Waste Agency of Northern Cook County pursuant to the Project Use Agreement dated March 25, 1992.

Roselle Road TIF Fund – to account for the revenues and expenditures pertaining to the activity in the Roselle Road TIF district.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2009

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
ASSETS			
Cash and Investments	\$ 488	\$ 1	\$ 922,531
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property Taxes	-	-	-
Accounts	-	-	-
Accrued Interest	-	-	-
Other	-	64,620	-
Prepaid Items	-	-	-
Due from Other Governments	104,033	-	-
Due from Other Funds	-	-	-
TOTAL ASSETS	<u>\$ 104,521</u>	<u>\$ 64,621</u>	<u>\$ 922,531</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 13,052	\$ 50,757	\$ -
Accrued Payroll	-	-	1,124
Deferred Revenues	-	-	750,683
Due to Other Funds	-	13,863	18,035
Deposits Payable	-	-	-
TOTAL LIABILITIES	<u>13,052</u>	<u>64,620</u>	<u>769,842</u>
FUND BALANCES			
Reserved for:			
Prepays Items	-	-	-
Highways and Streets	91,469	-	-
Emergency Equipment	-	-	-
Public Safety	-	-	152,689
Economic Development	-	1	-
Unreserved:			
Designated for Compensated Absences	-	-	-
Undesignated - (Deficit)	-	-	-
TOTAL FUND BALANCES	<u>91,469</u>	<u>1</u>	<u>152,689</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 104,521</u>	<u>\$ 64,621</u>	<u>\$ 922,531</u>

EDA Administration	Emergency 911	Municipal Waste System	Roselle Road TIF	Total Special Revenue Funds
\$ 661,058	\$ 886,605	\$ 49,581	\$ 518,004	\$ 3,038,268
-	-	-	1,014,999	1,014,999
3,080	-	-	-	3,080
-	-	-	46	46
355,688	2,142	87,728	118,875	629,053
-	-	70,070	-	70,070
-	-	-	-	104,033
-	-	-	20,000	20,000
<u>\$ 1,019,826</u>	<u>\$ 888,747</u>	<u>\$ 207,379</u>	<u>\$ 1,671,924</u>	<u>\$ 4,879,549</u>
\$ 109,075	\$ -	\$ 138,013	\$ -	\$ 310,897
77,971	-	-	-	79,095
-	-	-	1,133,874	1,884,557
87,619	-	-	-	119,517
30,345	-	-	-	30,345
<u>305,010</u>	<u>-</u>	<u>138,013</u>	<u>1,133,874</u>	<u>2,424,411</u>
-	-	70,070	-	70,070
-	-	-	-	91,469
-	888,747	-	-	888,747
-	-	-	-	152,689
690,351	-	-	538,050	1,228,402
24,465	-	-	-	24,465
-	-	(704)	-	(704)
<u>714,816</u>	<u>888,747</u>	<u>69,366</u>	<u>538,050</u>	<u>2,455,138</u>
<u>\$ 1,019,826</u>	<u>\$ 888,747</u>	<u>\$ 207,379</u>	<u>\$ 1,671,924</u>	<u>\$ 4,879,549</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended December 31, 2009

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 5,005,891
Intergovernmental	1,320,117	611,739	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	160,045	-
Investment Income	381	-	240	3,698
Miscellaneous	-	-	-	11,275
TOTAL REVENUES	<u>1,320,498</u>	<u>611,739</u>	<u>160,285</u>	<u>5,020,864</u>
EXPENDITURES				
Current:				
General Government	-	-	-	541,867
Public Safety	-	-	160,001	3,623,611
Highways and Streets	1,181,146	-	-	154,321
Sanitation	-	-	-	-
Economic Development	-	514,986	-	-
TOTAL EXPENDITURES	<u>1,181,146</u>	<u>514,986</u>	<u>160,001</u>	<u>4,319,799</u>
Excess (Deficiency) of Revenues over Expenditures	<u>139,352</u>	<u>96,753</u>	<u>284</u>	<u>701,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(184,990)	(96,753)	-	(439,700)
Proceeds from Sale of Capital Assets	-	-	24,196	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(184,990)</u>	<u>(96,753)</u>	<u>24,196</u>	<u>(439,700)</u>
Net Change in Fund Balance	<u>(45,638)</u>	<u>-</u>	<u>24,480</u>	<u>261,365</u>
Fund Balance at Beginning of Year	<u>137,107</u>	<u>1</u>	<u>128,209</u>	<u>453,451</u>
Fund Balance at End of Year	<u>\$ 91,469</u>	<u>\$ 1</u>	<u>\$ 152,689</u>	<u>\$ 714,816</u>

Emergency 911	Municipal Waste System	Roselle Road TIF	Total Special Revenue Funds
\$ -	\$ -	\$ 1,009,308	\$ 6,015,199
95,501	-	-	2,027,357
-	1,064,852	-	1,064,852
-	-	-	160,045
18,595	133	12,151	35,198
-	68,553	104,056	183,884
<u>114,096</u>	<u>1,133,538</u>	<u>1,125,515</u>	<u>9,486,535</u>
-	-	-	541,867
150,000	-	-	3,933,612
-	-	-	1,335,467
-	1,190,740	-	1,190,740
-	-	2,713,671	3,228,657
<u>150,000</u>	<u>1,190,740</u>	<u>2,713,671</u>	<u>10,230,343</u>
<u>(35,904)</u>	<u>(57,202)</u>	<u>(1,588,156)</u>	<u>(743,808)</u>
-	-	-	(721,443)
-	-	-	24,196
-	-	-	(697,247)
<u>(35,904)</u>	<u>(57,202)</u>	<u>(1,588,156)</u>	<u>(1,441,055)</u>
<u>924,651</u>	<u>126,568</u>	<u>2,126,206</u>	<u>3,896,193</u>
<u>\$ 888,747</u>	<u>\$ 69,366</u>	<u>\$ 538,050</u>	<u>\$ 2,455,138</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,473,390	\$ 1,473,390	\$ 1,320,117	\$ 1,354,107
Investment Income	5,000	5,000	381	3,342
TOTAL REVENUES	1,478,390	1,478,390	1,320,498	1,357,449
EXPENDITURES				
Current				
Highways and Streets	1,310,740	1,310,740	1,181,146	1,259,836
TOTAL EXPENDITURES	1,310,740	1,310,740	1,181,146	1,259,836
Excess (Deficiency) of Revenues over Expenditures	167,650	167,650	139,352	97,613
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(184,990)	(184,990)	(184,990)	(179,600)
TOTAL OTHER FINANCING SOURCES (USES)	(184,990)	(184,990)	(184,990)	(179,600)
Net Change in Fund Balance	\$ (17,340)	\$ (17,340)	(45,638)	(81,987)
Fund Balance at Beginning of Year			137,107	219,094
Fund Balance at End of Year			\$ 91,469	\$ 137,107

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 310,480	\$ 611,840	\$ 611,739	\$ 98,597
TOTAL REVENUES	<u>310,480</u>	<u>611,840</u>	<u>611,739</u>	<u>98,597</u>
EXPENDITURES				
Current				
Economic Development	310,480	515,040	514,986	98,597
TOTAL EXPENDITURES	<u>310,480</u>	<u>515,040</u>	<u>514,986</u>	<u>98,597</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>96,800</u>	<u>96,753</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(96,800)	(96,753)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(96,800)</u>	<u>(96,753)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance at Beginning of Year			<u>1</u>	<u>1</u>
Fund Balance at End of Year			<u>\$ 1</u>	<u>\$ 1</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ASSET SEIZURE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 243,530	\$ 243,530	\$ 160,045	\$ 206,641
Investment Income	2,000	2,000	240	1,405
TOTAL REVENUES	<u>245,530</u>	<u>245,530</u>	<u>160,285</u>	<u>208,046</u>
EXPENDITURES				
Current				
Public Safety	258,530	258,530	160,001	183,659
TOTAL EXPENDITURES	<u>258,530</u>	<u>258,530</u>	<u>160,001</u>	<u>183,659</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,000)</u>	<u>(13,000)</u>	<u>284</u>	<u>24,387</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	24,196	7,300
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>24,196</u>	<u>7,300</u>
Net Change in Fund Balance	<u>\$ (13,000)</u>	<u>\$ (13,000)</u>	24,480	31,687
Fund Balance at Beginning of Year			<u>128,209</u>	<u>96,522</u>
Fund Balance at End of Year			<u>\$ 152,689</u>	<u>\$ 128,209</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT AREA (EDA) ADMINISTRATION FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 4,020,700	\$ 4,386,360	\$ 5,005,891	\$ 3,802,103
Investment Income	45,000	45,000	3,698	31,555
Miscellaneous	-	-	11,275	9,717
TOTAL REVENUES	<u>4,065,700</u>	<u>4,431,360</u>	<u>5,020,864</u>	<u>3,843,375</u>
EXPENDITURES				
Current				
General Government	219,310	541,870	541,867	219,615
Public Safety	3,713,470	3,753,170	3,623,611	3,297,658
Highways and Streets	<u>150,930</u>	<u>154,330</u>	<u>154,321</u>	<u>136,326</u>
TOTAL EXPENDITURES	<u>4,083,710</u>	<u>4,449,370</u>	<u>4,319,799</u>	<u>3,653,599</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(18,010)</u>	<u>(18,010)</u>	<u>701,065</u>	<u>189,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(439,700)</u>	<u>(439,700)</u>	<u>(439,700)</u>	<u>(95,590)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(439,700)</u>	<u>(439,700)</u>	<u>(439,700)</u>	<u>(95,590)</u>
Net Change in Fund Balance	<u>\$ (457,710)</u>	<u>\$ (457,710)</u>	261,365	94,186
Fund Balance at Beginning of Year			<u>453,451</u>	<u>359,265</u>
Fund Balance at End of Year			<u>\$ 714,816</u>	<u>\$ 453,451</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EMERGENCY 911 FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 31,000	\$ 31,000	\$ 95,501	\$ 161,927
Investment Income	30,000	30,000	18,595	25,618
TOTAL REVENUES	<u>61,000</u>	<u>61,000</u>	<u>114,096</u>	<u>187,545</u>
EXPENDITURES				
Current				
Public Safety	-	150,000	150,000	412,229
TOTAL EXPENDITURES	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>412,229</u>
Excess (Deficiency) of Revenues over Expenditures	<u>61,000</u>	<u>(89,000)</u>	<u>(35,904)</u>	<u>(224,684)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(8,300)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,300)</u>
Net Change in Fund Balance	<u>\$ 61,000</u>	<u>\$ (89,000)</u>	(35,904)	(232,984)
Fund Balance at Beginning of Year			<u>924,651</u>	<u>1,157,635</u>
Fund Balance at End of Year			<u>\$ 888,747</u>	<u>\$ 924,651</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 MUNICIPAL WASTE SYSTEM FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 1,025,640	\$ 1,025,640	\$ 1,064,852	\$ 914,267
Investment Income	10,000	10,000	133	3,132
Miscellaneous	291,050	291,050	68,553	25,763
TOTAL REVENUES	<u>1,326,690</u>	<u>1,326,690</u>	<u>1,133,538</u>	<u>943,162</u>
EXPENDITURES				
Current				
Sanitation	<u>1,205,830</u>	<u>1,205,830</u>	<u>1,190,740</u>	<u>1,190,250</u>
TOTAL EXPENDITURES	<u>1,205,830</u>	<u>1,205,830</u>	<u>1,190,740</u>	<u>1,190,250</u>
Net Change in Fund Balance	<u>\$ 120,860</u>	<u>\$ 120,860</u>	(57,202)	(247,088)
Fund Balance at Beginning of Year			<u>126,568</u>	<u>373,656</u>
Fund Balance at End of Year			<u>\$ 69,366</u>	<u>\$ 126,568</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROSELLE ROAD TIF FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 700,000	\$ 700,000	\$ 1,009,308	\$ 894,876
Investment Income	55,000	55,000	12,151	53,088
Miscellaneous	95,820	95,820	104,056	90,552
TOTAL REVENUES	<u>850,820</u>	<u>850,820</u>	<u>1,125,515</u>	<u>1,038,516</u>
EXPENDITURES				
Current				
Economic Development	2,028,750	2,693,750	2,713,671	84,865
TOTAL EXPENDITURES	<u>2,028,750</u>	<u>2,693,750</u>	<u>2,713,671</u>	<u>84,865</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,177,930)</u>	<u>(1,842,930)</u>	<u>(1,588,156)</u>	<u>953,651</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(20,000)	(20,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,197,930)</u>	<u>\$ (1,862,930)</u>	(1,588,156)	953,651
Fund Balance at Beginning of Year			<u>2,126,206</u>	<u>1,172,555</u>
Fund Balance at End of Year			<u>\$ 538,050</u>	<u>\$ 2,126,206</u>

NONMAJOR DEBT SERVICE FUNDS

1997A General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 1997A general obligation bond issue.

2001 General Obligation Refunding Bond Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2001 general obligation bond issue.

2003 General Obligation Refunding Bond Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2003 general obligation bond issue.

2004 General Obligation Refunding Bond Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2004 general obligation bond issue.

2005A General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2005A general obligation 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 2008A 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, 2009

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond	2004 General Obligation Refunding Bond
ASSETS				
Cash and Investments	\$ 5,401	\$ 170,158	\$ 47,701	\$ 29,684
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	-	10,467	953,916	625,344
Accrued Interest	-	11	24	7
Other	-	73,800	-	-
TOTAL ASSETS	<u>\$ 5,401</u>	<u>\$ 254,436</u>	<u>\$ 1,001,641</u>	<u>\$ 655,035</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Deferred Revenues	\$ -	\$ -	\$ 931,603	\$ 618,398
Due to Other Funds	-	449,837	4,275	1,269
TOTAL LIABILITIES	<u>-</u>	<u>449,837</u>	<u>935,878</u>	<u>619,667</u>
FUND BALANCES				
Reserved for:				
Debt Service	5,401	-	65,763	35,368
Unreserved:				
Undesignated - (Deficit)	-	(195,401)	-	-
TOTAL FUND BALANCES	<u>5,401</u>	<u>(195,401)</u>	<u>65,763</u>	<u>35,368</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,401</u>	<u>\$ 254,436</u>	<u>\$ 1,001,641</u>	<u>\$ 655,035</u>

2005A General Obligation Debt Service	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ -	\$ 735,023	\$ 3,628,319	\$ 4,616,286
-	-	-	1,589,727
-	39,588	40,544	80,174
-	-	-	73,800
<u>\$ -</u>	<u>\$ 774,611</u>	<u>\$ 3,668,863</u>	<u>\$ 6,359,987</u>
\$ -	\$ -	\$ -	\$ 1,550,001
-	-	-	455,381
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005,382</u>
-	774,611	3,668,863	4,550,006
-	-	-	(195,401)
-	774,611	3,668,863	4,354,605
<u>\$ -</u>	<u>\$ 774,611</u>	<u>\$ 3,668,863</u>	<u>\$ 6,359,987</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended December 31, 2009

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
REVENUES			
Taxes	\$ -	\$ 1,277,491	\$ 864,228
Charges for Services	-	-	-
Investment Income	61	1,195	1,789
TOTAL REVENUES	<u>61</u>	<u>1,278,686</u>	<u>866,017</u>
EXPENDITURES			
Debt Service			
Principal Retirement	455,000	1,620,000	890,000
Interest and Fiscal Charges	91,403	145,950	77,123
TOTAL EXPENDITURES	<u>546,403</u>	<u>1,765,950</u>	<u>967,123</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(546,342)</u>	<u>(487,264)</u>	<u>(101,106)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	546,400	167,060	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>546,400</u>	<u>167,060</u>	<u>-</u>
Net Change in Fund Balances	<u>58</u>	<u>(320,204)</u>	<u>(101,106)</u>
Fund Balances at Beginning of Year	<u>5,343</u>	<u>124,803</u>	<u>166,869</u>
Fund Balances at End of Year	<u>\$ 5,401</u>	<u>\$ (195,401)</u>	<u>\$ 65,763</u>

2004 General Obligation Refunding Bond	2005A General Obligation Debt Service	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ 272,745	\$ -	\$ -	\$ -	\$ 2,414,464
-	-	-	334,800	334,800
<u>381</u>	<u>-</u>	<u>35,009</u>	<u>47,800</u>	<u>86,235</u>
<u>273,126</u>	<u>-</u>	<u>35,009</u>	<u>382,600</u>	<u>2,835,499</u>
835,000	-	-	-	3,800,000
<u>126,913</u>	<u>-</u>	<u>779,866</u>	<u>1,009,237</u>	<u>2,230,492</u>
<u>961,913</u>	<u>-</u>	<u>779,866</u>	<u>1,009,237</u>	<u>6,030,492</u>
<u>(688,787)</u>	<u>-</u>	<u>(744,857)</u>	<u>(626,637)</u>	<u>(3,194,993)</u>
637,710	-	500	4,295,500	5,647,170
<u>-</u>	<u>(2,303,945)</u>	<u>-</u>	<u>-</u>	<u>(2,303,945)</u>
<u>637,710</u>	<u>(2,303,945)</u>	<u>500</u>	<u>4,295,500</u>	<u>3,343,225</u>
<u>(51,077)</u>	<u>(2,303,945)</u>	<u>(744,357)</u>	<u>3,668,863</u>	<u>148,232</u>
<u>86,445</u>	<u>2,303,945</u>	<u>1,518,968</u>	<u>-</u>	<u>4,206,373</u>
<u>\$ 35,368</u>	<u>\$ -</u>	<u>\$ 774,611</u>	<u>\$ 3,668,863</u>	<u>\$ 4,354,605</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
1997A GENERAL OBLIGATION DEBT SERVICE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 200	\$ 200	\$ 61	\$ 451
TOTAL REVENUES	<u>200</u>	<u>200</u>	<u>61</u>	<u>451</u>
EXPENDITURES				
Debt Service				
Principal Retirement	455,000	455,000	455,000	435,000
Interest and Fiscal Charges	92,010	92,010	91,403	111,413
TOTAL EXPENDITURES	<u>547,010</u>	<u>547,010</u>	<u>546,403</u>	<u>546,413</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(546,810)</u>	<u>(546,810)</u>	<u>(546,342)</u>	<u>(545,962)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	546,400	546,400	546,400	546,410
TOTAL OTHER FINANCING SOURCES (USES)	<u>546,400</u>	<u>546,400</u>	<u>546,400</u>	<u>546,410</u>
Net Change in Fund Balance	<u>\$ (410)</u>	<u>\$ (410)</u>	58	448
Fund Balance at Beginning of Year			<u>5,343</u>	<u>4,895</u>
Fund Balance at End of Year			<u>\$ 5,401</u>	<u>\$ 5,343</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2001 GENERAL OBLIGATION REFUNDING BOND FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,423,295	\$ 1,423,295	\$ 1,277,491	\$ 1,342,470
Investment Income	7,320	7,320	1,195	13,478
TOTAL REVENUES	<u>1,430,615</u>	<u>1,430,615</u>	<u>1,278,686</u>	<u>1,355,948</u>
EXPENDITURES				
Debt Service				
Principal Retirement	1,620,000	1,620,000	1,620,000	1,490,000
Interest and Fiscal Charges	145,950	145,950	145,950	213,000
TOTAL EXPENDITURES	<u>1,765,950</u>	<u>1,765,950</u>	<u>1,765,950</u>	<u>1,703,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(335,335)</u>	<u>(335,335)</u>	<u>(487,264)</u>	<u>(347,052)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	167,060	167,060	167,060	195,980
TOTAL OTHER FINANCING SOURCES (USES)	<u>167,060</u>	<u>167,060</u>	<u>167,060</u>	<u>195,980</u>
Net Change in Fund Balance	<u>\$ (168,275)</u>	<u>\$ (168,275)</u>	(320,204)	(151,072)
Fund Balance at Beginning of Year			<u>124,803</u>	<u>275,875</u>
Fund Balance at End of Year			<u>\$ (195,401)</u>	<u>\$ 124,803</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2003 GENERAL OBLIGATION REFUNDING BOND FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 874,520	\$ 874,520	\$ 864,228	\$ 890,973
Investment Income	7,780	7,780	1,789	10,314
TOTAL REVENUES	<u>882,300</u>	<u>882,300</u>	<u>866,017</u>	<u>901,287</u>
EXPENDITURES				
Debt Service				
Principal Retirement	890,000	890,000	890,000	800,000
Interest and Fiscal Charges	77,130	77,130	77,123	99,123
TOTAL EXPENDITURES	<u>967,130</u>	<u>967,130</u>	<u>967,123</u>	<u>899,123</u>
Net Change in Fund Balance	<u>\$ (84,830)</u>	<u>\$ (84,830)</u>	(101,106)	2,164
Fund Balance at Beginning of Year			<u>166,869</u>	<u>164,705</u>
Fund Balance at End of Year			<u>\$ 65,763</u>	<u>\$ 166,869</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2004 GENERAL OBLIGATION REFUNDING BOND FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 275,700	\$ 275,700	\$ 272,745	\$ 263,709
Investment Income	3,450	3,450	381	4,506
TOTAL REVENUES	<u>279,150</u>	<u>279,150</u>	<u>273,126</u>	<u>268,215</u>
EXPENDITURES				
Debt Service				
Principal Retirement	835,000	835,000	835,000	810,000
Interest and Fiscal Charges	126,920	126,920	126,913	153,238
TOTAL EXPENDITURES	<u>961,920</u>	<u>961,920</u>	<u>961,913</u>	<u>963,238</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(682,770)</u>	<u>(682,770)</u>	<u>(688,787)</u>	<u>(695,023)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	637,710	637,710	637,710	663,970
TOTAL OTHER FINANCING SOURCES (USES)	<u>637,710</u>	<u>637,710</u>	<u>637,710</u>	<u>663,970</u>
Net Change in Fund Balance	<u>\$ (45,060)</u>	<u>\$ (45,060)</u>	(51,077)	(31,053)
Fund Balance at Beginning of Year			<u>86,445</u>	<u>117,498</u>
Fund Balance at End of Year			<u>\$ 35,368</u>	<u>\$ 86,445</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2008A GENERAL OBLIGATION DEBT SERVICE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 90,000	\$ 90,000	\$ 35,009	\$ 45,421
TOTAL REVENUES	<u>90,000</u>	<u>90,000</u>	<u>35,009</u>	<u>45,421</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	999,200	999,200	779,866	697,406
TOTAL EXPENDITURES	<u>999,200</u>	<u>999,200</u>	<u>779,866</u>	<u>697,406</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(909,200)</u>	<u>(909,200)</u>	<u>(744,857)</u>	<u>(651,985)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	500	2,170,953
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>500</u>	<u>2,170,953</u>
Net Change in Fund Balance	<u>\$ (909,200)</u>	<u>\$ (909,200)</u>	(744,357)	1,518,968
Fund Balance at Beginning of Year			1,518,968	-
Fund Balance at End of Year			<u>\$ 774,611</u>	<u>\$ 1,518,968</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 2009A GENERAL OBLIGATION DEBT SERVICE FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ 334,800	\$ -
Investment Income	-	-	47,800	-
TOTAL REVENUES	-	-	382,600	-
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	-	1,009,300	1,009,237	-
TOTAL EXPENDITURES	-	1,009,300	1,009,237	-
Excess (Deficiency) of Revenues over Expenditures	-	(1,009,300)	(626,637)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,009,300	4,295,500	-
TOTAL OTHER FINANCING SOURCES (USES)	-	1,009,300	4,295,500	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,668,863	-
Fund Balance at Beginning of Year			-	-
Fund Balance at End of Year			<u>\$ 3,668,863</u>	<u>\$ -</u>

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, and 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.

The EDA Series 1991 Project Fund – to account for bond proceeds and revenue notes used to pay qualified project costs related to the Village’s EDA.

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.

Arena Reserve Fund – to account for financial resources arising from activities at the Sears Centre and build a reserve for future costs of the Village that will arise due to the impact of the Arena. This fund was closed during the fiscal year 2009.

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

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

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

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

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

2008 Capital Projects Fund – to account for bond proceeds used to pay qualified project costs related to the Village’s 2008A General Obligation Bonds.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2009

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
ASSETS					
Cash and Investments	\$ 271,119	\$ 253,157	\$ 716,882	\$ 4,287,319	\$ 341,929
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):					
Accrued Interest	-	-	-	-	-
Other	-	-	-	-	-
Due from Other Funds	-	-	-	55,608	-
Advances to Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 271,119	\$ 253,157	\$ 716,882	\$ 4,342,927	\$ 341,929
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 1,105	\$ 68,467	\$ 1,105
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	198	-
Deposits Payable	144,994	-	-	-	-
TOTAL LIABILITIES	144,994	-	1,105	68,665	1,105
FUND BALANCES					
Reserved for:					
Advances to Other Funds	-	-	-	-	-
Economic Development	-	-	-	4,274,262	-
Bridge Maintenance and Repairs	-	-	-	-	-
Unreserved:					
Designated for Capital Projects	126,125	253,157	715,777	-	340,824
Unreserved (Deficit) - Designated for Capital Projects	-	-	-	-	-
TOTAL FUND BALANCES	126,125	253,157	715,777	4,274,262	340,824
TOTAL LIABILITIES AND FUND BALANCES	\$ 271,119	\$ 253,157	\$ 716,882	\$ 4,342,927	\$ 341,929

Capital Improvements	Arena Reserve	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	Total Capital Projects Funds
\$ 181,692	\$ -	\$ 2,167,095	\$ 36,703	\$ 387,164	\$ 3,047,002	\$ 476,510	\$ 1,057,617	\$ 13,224,189
-	-	74	-	-	-	-	-	74
364,407	-	-	-	-	-	-	-	364,407
71,359	-	-	-	-	400,018	-	-	526,985
-	-	-	-	-	1,000,000	-	-	1,000,000
<u>\$ 617,458</u>	<u>\$ -</u>	<u>\$ 2,167,169</u>	<u>\$ 36,703</u>	<u>\$ 387,164</u>	<u>\$ 4,447,020</u>	<u>\$ 476,510</u>	<u>\$ 1,057,617</u>	<u>\$ 15,115,655</u>
\$ 48,771	\$ -	\$ -	\$ 1,383	\$ -	\$ -	\$ -	\$ 386,768	\$ 507,599
235,000	-	-	-	-	-	-	-	235,000
478,056	-	-	-	-	-	-	555,787	1,034,041
12,401	-	1,406,177	-	-	-	19,392	-	1,582,964
<u>774,228</u>	<u>-</u>	<u>1,406,177</u>	<u>1,383</u>	<u>-</u>	<u>-</u>	<u>19,392</u>	<u>942,555</u>	<u>3,359,604</u>
-	-	-	-	-	1,000,000	-	-	1,000,000
-	-	-	-	-	-	-	-	4,274,262
-	-	-	-	387,164	-	-	-	387,164
-	-	760,992	35,320	-	3,447,020	457,118	115,062	6,251,395
(156,770)	-	-	-	-	-	-	-	(156,770)
<u>(156,770)</u>	<u>-</u>	<u>760,992</u>	<u>35,320</u>	<u>387,164</u>	<u>4,447,020</u>	<u>457,118</u>	<u>115,062</u>	<u>11,756,051</u>
<u>\$ 617,458</u>	<u>\$ -</u>	<u>\$ 2,167,169</u>	<u>\$ 36,703</u>	<u>\$ 387,164</u>	<u>\$ 4,447,020</u>	<u>\$ 476,510</u>	<u>\$ 1,057,617</u>	<u>\$ 15,115,655</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 Year Ended December 31, 2009

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement	Capital Improvements
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 868,950
Charges for Services	-	-	-	9,033	-	5,313
Fines and Forfeits	-	-	-	-	-	-
Investment Income	450	585	3,198	6,577	1,714	645
Miscellaneous	797	-	-	200	-	96,493
TOTAL REVENUES	<u>1,247</u>	<u>585</u>	<u>3,198</u>	<u>15,810</u>	<u>1,714</u>	<u>971,401</u>
EXPENDITURES						
Capital Outlay	797	-	21,889	84,520	1,105	1,824,224
TOTAL EXPENDITURES	<u>797</u>	<u>-</u>	<u>21,889</u>	<u>84,520</u>	<u>1,105</u>	<u>1,824,224</u>
Excess (Deficiency) of Revenues over Expenditures	<u>450</u>	<u>585</u>	<u>(18,691)</u>	<u>(68,710)</u>	<u>609</u>	<u>(852,823)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	748,375
Transfers (Out)	-	-	-	(174,400)	-	(5,313)
Sale of Capital Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,400)</u>	<u>-</u>	<u>743,062</u>
Net Change in Fund Balance	<u>450</u>	<u>585</u>	<u>(18,691)</u>	<u>(243,110)</u>	<u>609</u>	<u>(109,761)</u>
Fund Balance at Beginning of Year	<u>125,675</u>	<u>252,572</u>	<u>734,468</u>	<u>4,517,372</u>	<u>340,215</u>	<u>(47,009)</u>
Fund Balance at End of Year	<u>\$ 126,125</u>	<u>\$ 253,157</u>	<u>\$ 715,777</u>	<u>\$ 4,274,262</u>	<u>\$ 340,824</u>	<u>\$ (156,770)</u>

Arena Reserve	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	Total Capital Projects Funds
\$ 199,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068,167
-	787	-	-	-	8,096	-	23,229
-	-	14,400	-	-	-	-	14,400
894	27,733	167	904	64,363	2,872	68,355	178,457
-	-	-	-	2,600	-	8,604	108,694
<u>200,111</u>	<u>28,520</u>	<u>14,567</u>	<u>904</u>	<u>66,963</u>	<u>10,968</u>	<u>76,959</u>	<u>1,392,947</u>
-	787	149,803	5,700	355,176	-	4,758,953	7,202,954
-	787	149,803	5,700	355,176	-	4,758,953	7,202,954
<u>200,111</u>	<u>27,733</u>	<u>(135,236)</u>	<u>(4,796)</u>	<u>(288,213)</u>	<u>10,968</u>	<u>(4,681,994)</u>	<u>(5,810,007)</u>
-	-	17,000	-	-	-	2,150,335	2,915,710
(744,320)	-	-	-	(226,622)	-	(40,825)	(1,191,480)
-	-	-	-	135,382	-	-	135,382
<u>(744,320)</u>	<u>-</u>	<u>17,000</u>	<u>-</u>	<u>(91,240)</u>	<u>-</u>	<u>2,109,510</u>	<u>1,859,612</u>
<u>(544,209)</u>	<u>27,733</u>	<u>(118,236)</u>	<u>(4,796)</u>	<u>(379,453)</u>	<u>10,968</u>	<u>(2,572,484)</u>	<u>(3,950,395)</u>
<u>544,209</u>	<u>733,259</u>	<u>153,556</u>	<u>391,960</u>	<u>4,826,473</u>	<u>446,150</u>	<u>2,687,546</u>	<u>15,706,446</u>
<u>\$ -</u>	<u>\$ 760,992</u>	<u>\$ 35,320</u>	<u>\$ 387,164</u>	<u>\$ 4,447,020</u>	<u>\$ 457,118</u>	<u>\$ 115,062</u>	<u>\$ 11,756,051</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 CENTRAL AREA ROAD IMPROVEMENT IMPACT FEE FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 4,540	\$ 4,540	\$ 450	\$ 3,406
Miscellaneous	75,000	75,000	797	-
TOTAL REVENUES	<u>79,540</u>	<u>79,540</u>	<u>1,247</u>	<u>3,406</u>
EXPENDITURES				
Capital Outlay	75,000	75,000	797	-
TOTAL EXPENDITURES	<u>75,000</u>	<u>75,000</u>	<u>797</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 4,540</u>	<u>\$ 4,540</u>	450	3,406
Fund Balance at Beginning of Year			<u>125,675</u>	<u>122,269</u>
Fund Balance at End of Year			<u>\$ 126,125</u>	<u>\$ 125,675</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 CENTRAL ROAD CORRIDOR IMPROVEMENT FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 6,180	\$ 6,180	\$ 585	\$ 5,039
TOTAL REVENUES	<u>6,180</u>	<u>6,180</u>	<u>585</u>	<u>5,039</u>
Net Change in Fund Balance	<u>\$ 6,180</u>	<u>\$ 6,180</u>	585	5,039
Fund Balance at Beginning of Year			<u>252,572</u>	<u>247,533</u>
Fund Balance at End of Year			<u>\$ 253,157</u>	<u>\$ 252,572</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 TRAFFIC IMPROVEMENT FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 18,350	\$ 18,350	\$ 3,198	\$ 15,745
TOTAL REVENUES	18,350	18,350	3,198	15,745
EXPENDITURES				
Capital Outlay	100,000	100,000	21,889	-
TOTAL EXPENDITURES	100,000	100,000	21,889	-
Net Change in Fund Balance	\$ (81,650)	\$ (81,650)	(18,691)	15,745
Fund Balance at Beginning of Year			734,468	718,723
Fund Balance at End of Year			\$ 715,777	\$ 734,468

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDA SERIES 1991 PROJECT FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 75,000	\$ 75,000	\$ 9,033	\$ 49,125
Investment Income	112,680	112,680	6,577	80,926
Miscellaneous	-	-	200	10,500
TOTAL REVENUES	<u>187,680</u>	<u>187,680</u>	<u>15,810</u>	<u>140,551</u>
EXPENDITURES				
Capital Outlay	<u>1,923,020</u>	<u>1,923,020</u>	<u>84,520</u>	<u>508,987</u>
TOTAL EXPENDITURES	<u>1,923,020</u>	<u>1,923,020</u>	<u>84,520</u>	<u>508,987</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,735,340)</u>	<u>(1,735,340)</u>	<u>(68,710)</u>	<u>(368,436)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(174,400)	(174,400)	(174,400)	-
Notes Issued, at Par	-	-	-	69,366
TOTAL OTHER FINANCING SOURCES (USES)	<u>(174,400)</u>	<u>(174,400)</u>	<u>(174,400)</u>	<u>69,366</u>
Net Change in Fund Balance	<u>\$ (1,909,740)</u>	<u>\$ (1,909,740)</u>	(243,110)	(299,070)
Fund Balance at Beginning of Year			<u>4,517,372</u>	<u>4,816,442</u>
Fund Balance at End of Year			<u>\$ 4,274,262</u>	<u>\$ 4,517,372</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN AREA TRAFFIC IMPROVEMENT FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 8,510	\$ 8,510	\$ 1,714	\$ 7,428
TOTAL REVENUES	<u>8,510</u>	<u>8,510</u>	<u>1,714</u>	<u>7,428</u>
EXPENDITURES				
Capital Outlay	-	1,110	1,105	1,434
TOTAL EXPENDITURES	<u>-</u>	<u>1,110</u>	<u>1,105</u>	<u>1,434</u>
Net Change in Fund Balance	<u>\$ 8,510</u>	<u>\$ 7,400</u>	609	5,994
Fund Balance at Beginning of Year			<u>340,215</u>	<u>334,221</u>
Fund Balance at End of Year			<u>\$ 340,824</u>	<u>\$ 340,215</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,023,100	\$ 1,023,100	\$ 868,950	\$ 931,386
Intergovernmental	50,000	50,000	-	-
Charges for Services	-	-	5,313	91,044
Investment Income	33,640	33,640	645	25,661
Miscellaneous	-	-	96,493	88,448
TOTAL REVENUES	<u>1,106,740</u>	<u>1,106,740</u>	<u>971,401</u>	<u>1,136,539</u>
EXPENDITURES				
Capital Outlay	<u>2,020,540</u>	<u>2,020,540</u>	<u>1,824,224</u>	<u>1,926,576</u>
TOTAL EXPENDITURES	<u>2,020,540</u>	<u>2,020,540</u>	<u>1,824,224</u>	<u>1,926,576</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(913,800)</u>	<u>(913,800)</u>	<u>(852,823)</u>	<u>(790,037)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	445,000	445,000	748,375	454,540
Transfers (Out)	-	-	(5,313)	(579,795)
TOTAL OTHER FINANCING SOURCES (USES)	<u>445,000</u>	<u>445,000</u>	<u>743,062</u>	<u>(125,255)</u>
Net Change in Fund Balance	<u>\$ (468,800)</u>	<u>\$ (468,800)</u>	(109,761)	(915,292)
Fund Balance at Beginning of Year			(47,009)	868,283
Fund Balance at End of Year			<u>\$ (156,770)</u>	<u>\$ (47,009)</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARENA RESERVE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 250,000	\$ 250,000	\$ 199,217	\$ 185,727
Investment Income	10,920	10,920	894	8,595
TOTAL REVENUES	<u>260,920</u>	<u>260,920</u>	<u>200,111</u>	<u>194,322</u>
Excess (Deficiency) of Revenues over Expenditures	<u>260,920</u>	<u>260,920</u>	<u>200,111</u>	<u>194,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(744,320)	(744,320)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(744,320)</u>	<u>(744,320)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 260,920</u>	<u>\$ (483,400)</u>	(544,209)	194,322
Fund Balance at Beginning of Year			<u>544,209</u>	<u>349,887</u>
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ 544,209</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN AREA ROAD IMPROVEMENT IMPACT FEE FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 75,000	\$ 75,000	\$ 787	\$ -
Investment Income	<u>52,710</u>	<u>52,710</u>	<u>27,733</u>	<u>51,085</u>
TOTAL REVENUES	<u>127,710</u>	<u>127,710</u>	<u>28,520</u>	<u>51,085</u>
EXPENDITURES				
Capital Outlay	<u>75,000</u>	<u>75,000</u>	<u>787</u>	<u>-</u>
TOTAL EXPENDITURES	<u>75,000</u>	<u>75,000</u>	<u>787</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 52,710</u>	<u>\$ 52,710</u>	27,733	51,085
Fund Balance at Beginning of Year			<u>733,259</u>	<u>682,174</u>
Fund Balance at End of Year			<u>\$ 760,992</u>	<u>\$ 733,259</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL VEHICLE AND EQUIPMENT FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 14,400	\$ 14,400	\$ 14,400	\$ 24,000
Investment Income	14,030	14,030	167	10,357
TOTAL REVENUES	<u>28,430</u>	<u>28,430</u>	<u>14,567</u>	<u>34,357</u>
EXPENDITURES				
Capital Outlay	31,400	149,900	149,803	551,555
TOTAL EXPENDITURES	<u>31,400</u>	<u>149,900</u>	<u>149,803</u>	<u>551,555</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,970)</u>	<u>(121,470)</u>	<u>(135,236)</u>	<u>(517,198)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	17,000	17,000	17,000	251,550
Transfers (Out)	-	-	-	(200,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>51,550</u>
Net Change in Fund Balance	<u>\$ 14,030</u>	<u>\$ (104,470)</u>	(118,236)	(465,648)
Fund Balance at Beginning of Year			<u>153,556</u>	<u>619,204</u>
Fund Balance at End of Year			<u>\$ 35,320</u>	<u>\$ 153,556</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 HOFFMAN BOULEVARD BRIDGE FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 9,570	\$ 9,570	\$ 904	\$ 7,537
TOTAL REVENUES	<u>9,570</u>	<u>9,570</u>	<u>904</u>	<u>7,537</u>
EXPENDITURES				
Capital Outlay	<u>7,500</u>	<u>7,500</u>	<u>5,700</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,500</u>	<u>7,500</u>	<u>5,700</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,070</u>	<u>\$ 2,070</u>	(4,796)	7,537
Fund Balance at Beginning of Year			<u>391,960</u>	<u>384,423</u>
Fund Balance at End of Year			<u>\$ 387,164</u>	<u>\$ 391,960</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL REPLACEMENT FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,000
Investment Income	150,000	150,000	64,363	169,107
Miscellaneous	-	-	2,600	-
TOTAL REVENUES	<u>150,000</u>	<u>150,000</u>	<u>66,963</u>	<u>170,107</u>
EXPENDITURES				
Capital Outlay	200,180	354,180	355,176	1,669,693
TOTAL EXPENDITURES	<u>200,180</u>	<u>354,180</u>	<u>355,176</u>	<u>1,669,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(50,180)</u>	<u>(204,180)</u>	<u>(288,213)</u>	<u>(1,499,586)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	694,710
Transfers (Out)	-	(227,620)	(226,622)	-
Sale of Capital Assets	-	-	135,382	61,038
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(227,620)</u>	<u>(91,240)</u>	<u>755,748</u>
Net Change in Fund Balance	<u>\$ (50,180)</u>	<u>\$ (431,800)</u>	(379,453)	(743,838)
Fund Balance at Beginning of Year			4,826,473	5,570,311
Fund Balance at End of Year			<u>\$ 4,447,020</u>	<u>\$ 4,826,473</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN CORRIDOR FUND
 Year Ended December 31, 2009
 (with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 30,000	\$ 30,000	\$ 8,096	\$ 20,240
Investment Income	<u>13,490</u>	<u>13,490</u>	<u>2,872</u>	<u>11,047</u>
TOTAL REVENUES	<u>43,490</u>	<u>43,490</u>	<u>10,968</u>	<u>31,287</u>
 Net Change in Fund Balance	 <u>\$ 43,490</u>	 <u>\$ 43,490</u>	 10,968	 31,287
 Fund Balance at Beginning of Year			 <u>446,150</u>	 <u>414,863</u>
 Fund Balance at End of Year			 <u>\$ 457,118</u>	 <u>\$ 446,150</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2008 CAPITAL PROJECTS FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 250,000	\$ 250,000	\$ 68,355	\$ 250,926
Miscellaneous	-	-	8,604	-
TOTAL REVENUES	<u>250,000</u>	<u>250,000</u>	<u>76,959</u>	<u>250,926</u>
EXPENDITURES				
Capital Outlay	6,010,850	6,010,850	4,758,953	14,472,117
Debt Service				
Interest and Fiscal Charges	-	-	-	192,341
TOTAL EXPENDITURES	<u>6,010,850</u>	<u>6,010,850</u>	<u>4,758,953</u>	<u>14,664,458</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,760,850)</u>	<u>(5,760,850)</u>	<u>(4,681,994)</u>	<u>(14,413,532)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,150,335	579,795
Transfers (Out)	-	-	(40,825)	(2,170,953)
Bonds Issued, at Par	-	-	-	19,983,750
Discount on Issuance of Bonds	-	-	-	(237,739)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>2,109,510</u>	<u>18,154,853</u>
Net Change in Fund Balance	<u>\$ (5,760,850)</u>	<u>\$ (5,760,850)</u>	(2,572,484)	3,741,321
Fund Balance at Beginning of Year			<u>2,687,546</u>	<u>(1,053,775)</u>
Fund Balance at End of Year			<u>\$ 115,062</u>	<u>\$ 2,687,546</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
WATERWORKS AND SEWERAGE FUND
December 31, 2009
(with comparative totals for 2008)

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 8,679,680	\$ 12,696,513
Receivables		
Accounts - Billed	789,861	780,362
Accounts - Unbilled	866,896	877,487
Accounts - Other Invoices	20,037	10,430
Accrued Interest	13,196	89,017
Prepaid Expenses	-	23
Inventories	241,250	265,530
Due from Other Funds	555,767	1,878,348
Deferred Charges	59,977	62,045
TOTAL CURRENT ASSETS	11,226,664	16,659,755
CAPITAL ASSETS		
Not Depreciated	2,675,607	474,000
Depreciated	48,549,571	47,155,682
Accumulated Depreciation	(22,320,841)	(21,361,727)
NET CAPITAL ASSETS	28,904,337	26,267,955
TOTAL ASSETS	40,131,001	42,927,710
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	691,095	765,527
Accrued Payroll	35,229	99,400
Accrued Interest Payable	46,032	27,755
Due to Other Funds	147,478	379,945
Deposits Payable	37,266	35,574
Compensated Absences Payable	126,146	118,202
TOTAL CURRENT LIABILITIES	1,083,246	1,426,403
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	6,661,250	6,661,250
Compensated Absences Payable	199,533	162,506
Other Post-Employment Benefit Obligations	98,200	81,465
Unamortized Discount on Bonds	(74,134)	(76,690)
TOTAL LONG-TERM LIABILITIES	6,884,849	6,828,531
TOTAL LIABILITIES	7,968,095	8,254,934
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	24,816,824	26,267,955
Unrestricted	7,346,082	8,404,821
TOTAL NET ASSETS	\$ 32,162,906	\$ 34,672,776

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
WATERWORKS AND SEWERAGE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 10,051,270	\$ 10,051,270	\$ 9,844,267	\$ 9,989,993
TOTAL OPERATING REVENUES	<u>10,051,270</u>	<u>10,051,270</u>	<u>9,844,267</u>	<u>9,989,993</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	13,423,100	13,423,100	9,432,836	9,177,240
Sewer Division	<u>3,263,920</u>	<u>3,263,920</u>	<u>1,873,525</u>	<u>1,816,098</u>
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>16,687,020</u>	<u>16,687,020</u>	<u>11,306,361</u>	<u>10,993,338</u>
Operating Income (Loss) Before Depreciation	<u>(6,635,750)</u>	<u>(6,635,750)</u>	<u>(1,462,094)</u>	<u>(1,003,345)</u>
Depreciation	<u>1,123,090</u>	<u>1,123,090</u>	<u>1,083,399</u>	<u>1,106,443</u>
Operating Income (Loss)	<u>(7,758,840)</u>	<u>(7,758,840)</u>	<u>(2,545,493)</u>	<u>(2,109,788)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	355,000	355,000	160,182	325,328
Interest Expense	(333,310)	(626,410)	(571,161)	(260,224)
Amortization Expense	-	-	(4,625)	(4,625)
Gain on Sale of Capital Assets	-	-	16,950	7,600
Miscellaneous Revenue	<u>30,000</u>	<u>30,000</u>	<u>21,083</u>	<u>74,250</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>51,690</u>	<u>(241,410)</u>	<u>(377,571)</u>	<u>142,329</u>
Net Income (Loss) Before Transfers and Contributions	<u>(7,707,150)</u>	<u>(8,000,250)</u>	<u>(2,923,064)</u>	<u>(1,967,459)</u>
TRANSFERS				
Transfers In	182,650	182,650	222,975	16,130
Transfers (Out)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(1,206,800)</u>	<u>-</u>
TOTAL TRANSFERS	<u>175,650</u>	<u>175,650</u>	<u>(983,825)</u>	<u>16,130</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>1,397,019</u>	<u>2,146,311</u>
Change in Net Assets	<u>\$ (7,531,500)</u>	<u>\$ (7,824,600)</u>	(2,509,870)	194,982
Net Assets at Beginning of Year			<u>34,672,776</u>	<u>34,477,794</u>
Net Assets at End of Year			<u>\$ 32,162,906</u>	<u>\$ 34,672,776</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
SEARS CENTRE OPERATING FUND
Year Ended December 31, 2009

	2009		
	Original Budget	Final Budget	Actual
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Sears Centre	\$ -	\$ 1,598,940	\$ 1,820,459
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	-	1,598,940	1,820,459
Operating Income (Loss) Before Depreciation	-	(1,598,940)	(1,820,459)
Depreciation	-	-	97,824
Operating Income (Loss)	-	(1,598,940)	(1,918,283)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	-	42,580
Investment Income	100,000	100,000	4,738
Principal Retirement	(1,120,000)	(1,120,000)	(1,120,000)
Amount to Reduce Principal on Bonds	-	-	1,120,000
Interest Expense	(2,785,860)	(2,785,860)	(2,776,565)
Amortization Expense	-	-	(106,060)
Miscellaneous Revenue	3,895,860	3,895,860	2,598,380
TOTAL NONOPERATING REVENUES (EXPENSES)	90,000	90,000	(236,927)
Net Income (Loss) Before Transfers and Contributions	90,000	(1,508,940)	(2,155,210)
TRANSFERS			
Transfers In	-	744,320	3,048,265
Transfers (Out)	-	(52,000,800)	(52,000,718)
TOTAL TRANSFERS	-	(51,256,480)	(48,952,453)
CONTRIBUTIONS	-	52,855,420	83,960,100
Change in Net Assets	\$ 90,000	\$ 90,000	32,852,437
Net Assets at Beginning of Year			-
Net Assets at End of Year			\$ 32,852,437

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 ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2009

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 121,176	\$ 1,840,307	\$ 1,961,483
Receivables			
Accrued Interest	-	52	52
Deposits	-	59,200	59,200
Due from Other Funds	11,777	-	11,777
TOTAL CURRENT ASSETS	<u>132,953</u>	<u>1,899,559</u>	<u>2,032,512</u>
CAPITAL ASSETS			
Depreciated	429,925	-	429,925
Accumulated Depreciation	(125,639)	-	(125,639)
NET CAPITAL ASSETS	<u>304,286</u>	<u>-</u>	<u>304,286</u>
TOTAL ASSETS	<u>437,239</u>	<u>1,899,559</u>	<u>2,336,798</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	26,597	218,609	245,206
Accrued Payroll	7,296	-	7,296
Claims Payable	-	887,164	887,164
Benefits Payable	-	63,984	63,984
Due to Other Funds	2,535	300,000	302,535
Compensated Absences Payable	18,064	-	18,064
Total Current Liabilities	<u>54,492</u>	<u>1,469,757</u>	<u>1,524,249</u>
Long-Term Liabilities			
Other Post-Employment Benefit Obligation	8,927	-	8,927
TOTAL LIABILITIES	<u>63,419</u>	<u>1,469,757</u>	<u>1,533,176</u>
NET ASSETS			
Invested in Capital Assets	304,286	-	304,286
Unrestricted	69,534	429,802	499,336
TOTAL NET ASSETS	<u>\$ 373,820</u>	<u>\$ 429,802</u>	<u>\$ 803,622</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2009

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 965,070	\$ 1,477,750	\$ 2,442,820
TOTAL OPERATING REVENUES	<u>965,070</u>	<u>1,477,750</u>	<u>2,442,820</u>
OPERATING EXPENSES			
Operations	1,199,257	-	1,199,257
Claims and Insurance	-	1,669,462	1,669,462
Depreciation	34,596	-	34,596
TOTAL OPERATING EXPENSES	<u>1,233,853</u>	<u>1,669,462</u>	<u>2,903,315</u>
Operating Income (Loss)	<u>(268,783)</u>	<u>(191,712)</u>	<u>(460,495)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	1,502	21,640	23,142
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,502</u>	<u>21,640</u>	<u>23,142</u>
Income (Loss) Before Transfers	<u>(267,281)</u>	<u>(170,072)</u>	<u>(437,353)</u>
TRANSFERS			
Transfers In	70,651	-	70,651
TOTAL TRANSFERS	<u>70,651</u>	<u>-</u>	<u>70,651</u>
Changes in Net Assets	<u>(196,630)</u>	<u>(170,072)</u>	<u>(366,702)</u>
Net Assets Beginning of Year	<u>570,450</u>	<u>599,874</u>	<u>1,170,324</u>
Net Assets End of Year	<u>\$ 373,820</u>	<u>\$ 429,802</u>	<u>\$ 803,622</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2009

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Interfund Services Transactions	\$ 965,070	\$ 1,477,750	\$ 2,442,820
Cash Payments to Suppliers	(721,678)	(1,715,103)	(2,436,781)
Cash Payments to Employees	(522,940)	-	(522,940)
Net Cash Provided By (Used In) Operating Activities	<u>(279,548)</u>	<u>(237,353)</u>	<u>(516,901)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund Borrowing (Lending)	(121,241)	(50,000)	(171,241)
Transfers In (Out)	70,651	-	70,651
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(50,590)</u>	<u>(50,000)</u>	<u>(100,590)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(205,882)	-	(205,882)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(205,882)</u>	<u>-</u>	<u>(205,882)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	1,502	29,414	30,916
Net Cash Provided By (Used In) Investing Activities	<u>1,502</u>	<u>29,414</u>	<u>30,916</u>
Net Increase (Decrease) in Cash	(534,518)	(257,939)	(792,457)
Cash and Cash Equivalents, Beginning of Year	655,694	2,098,246	2,753,940
Cash and Cash Equivalents, End of Year	<u>\$ 121,176</u>	<u>\$ 1,840,307</u>	<u>\$ 1,961,483</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating Income (Loss)	\$ (268,783)	\$ (191,712)	\$ (460,495)
Adjustment to Reconcile Operating Income to Net Cash Used in Operating Activities:			
Depreciation	34,596	-	34,596
(Increase) Decrease in Prepaid Expenses	79,378	-	79,378
Increase (Decrease) in Accounts Payable	(105,175)	166,473	61,298
Increase (Decrease) in Salaries Payable	(19,943)	-	(19,943)
Increase (Decrease) in Benefits Payable	-	17,783	17,783
Increase (Decrease) in Claims Payable	-	(229,897)	(229,897)
Increase (Decrease) in Compensated Absences Payable	(1,142)	-	(1,142)
Increase (Decrease) in Other Post-Employment Benefits Payable	1,521	-	1,521
Total Adjustments	<u>(10,765)</u>	<u>(45,641)</u>	<u>(56,406)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (279,548)</u>	<u>\$ (237,353)</u>	<u>\$ (516,901)</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
INFORMATION SYSTEMS FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,154,060	\$ 1,154,060	\$ 965,070	\$ 1,098,310
TOTAL OPERATING REVENUES	<u>1,154,060</u>	<u>1,154,060</u>	<u>965,070</u>	<u>1,098,310</u>
OPERATING EXPENSES				
Operations	1,378,120	1,378,120	1,199,257	1,262,281
Depreciation	21,410	21,410	34,596	19,420
TOTAL OPERATING EXPENSES	<u>1,399,530</u>	<u>1,399,530</u>	<u>1,233,853</u>	<u>1,281,701</u>
Operating Income (Loss)	<u>(245,470)</u>	<u>(245,470)</u>	<u>(268,783)</u>	<u>(183,391)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	20,000	20,000	1,502	12,009
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>20,000</u>	<u>20,000</u>	<u>1,502</u>	<u>12,009</u>
Income (Loss) Before Transfers	<u>(225,470)</u>	<u>(225,470)</u>	<u>(267,281)</u>	<u>(171,382)</u>
TRANSFERS				
Transfers In	75,470	75,470	70,651	63,409
TOTAL TRANSFERS	<u>75,470</u>	<u>75,470</u>	<u>70,651</u>	<u>63,409</u>
Changes in Net Assets	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	(196,630)	(107,973)
Net Assets at Beginning of Year			<u>570,450</u>	<u>678,423</u>
Net Assets at End of Year			<u>\$ 373,820</u>	<u>\$ 570,450</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF NET ASSETS - BY PROGRAM
INSURANCE FUND
December 31, 2009
(with comparative actual for 2008)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2009	2008
ASSETS						
Cash and Investments	\$ 741	\$ 63,983	\$ 1,056,643	\$ 718,940	\$ 1,840,307	\$ 2,098,246
Receivables						
Accrued Interest	-	1	30	21	52	7,826
Deposits	-	-	20,000	39,200	59,200	59,200
TOTAL ASSETS	<u>741</u>	<u>63,984</u>	<u>1,076,673</u>	<u>758,161</u>	<u>1,899,559</u>	<u>\$ 2,165,272</u>
LIABILITIES						
Accounts Payable	-	-	191,643	26,966	218,609	52,136
Claims Payable	-	-	738,586	148,578	887,164	1,117,061
Benefits Payable	-	63,984	-	-	63,984	46,201
Due to General Fund	-	-	150,000	150,000	300,000	350,000
TOTAL LIABILITIES	<u>-</u>	<u>63,984</u>	<u>1,080,229</u>	<u>325,544</u>	<u>1,469,757</u>	<u>1,565,398</u>
NET ASSETS						
Unrestricted	<u>741</u>	<u>-</u>	<u>(3,556)</u>	<u>432,617</u>	<u>429,802</u>	<u>599,874</u>
TOTAL NET ASSETS	<u>\$ 741</u>	<u>\$ -</u>	<u>\$ (3,556)</u>	<u>\$ 432,617</u>	<u>\$ 429,802</u>	<u>\$ 599,874</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
INSURANCE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009			2008
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,777,820	\$ 1,777,820	\$ 1,477,750	\$ 1,404,210
TOTAL OPERATING REVENUES	<u>1,777,820</u>	<u>1,777,820</u>	<u>1,477,750</u>	<u>1,404,210</u>
OPERATING EXPENSES				
Claims and Insurance	1,781,990	1,781,990	1,669,462	1,808,354
TOTAL OPERATING EXPENSES	<u>1,781,990</u>	<u>1,781,990</u>	<u>1,669,462</u>	<u>1,808,354</u>
Operating Income (Loss)	<u>(4,170)</u>	<u>(4,170)</u>	<u>(191,712)</u>	<u>(404,144)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	50,000	50,000	21,640	49,193
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>50,000</u>	<u>50,000</u>	<u>21,640</u>	<u>49,193</u>
Changes in Net Assets	<u>\$ 45,830</u>	<u>\$ 45,830</u>	(170,072)	(354,951)
Net Assets at Beginning of Year			<u>599,874</u>	<u>954,825</u>
Net Assets at End of Year			<u>\$ 429,802</u>	<u>\$ 599,874</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BY PROGRAM
INSURANCE FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2009	2008
OPERATING REVENUES						
Charges for Services	\$ 59,671	\$ -	\$ 621,610	\$ 796,469	\$ 1,477,750	\$ 1,404,210
TOTAL OPERATING REVENUES	59,671	-	621,610	796,469	1,477,750	1,404,210
OPERATING EXPENSES						
Claims and Insurance	59,677	-	892,947	716,838	1,669,462	1,808,354
TOTAL OPERATING EXPENSES	59,677	-	892,947	716,838	1,669,462	1,808,354
Operating Income (Loss)	(6)	-	(271,337)	79,631	(191,712)	(404,144)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	7	478	12,606	8,549	21,640	49,193
TOTAL NONOPERATING REVENUES (EXPENSES)	7	478	12,606	8,549	21,640	49,193
Income (Loss) Before Transfers	1	478	(258,731)	88,180	(170,072)	(354,951)
TRANSFERS						
Transfers In	-	-	478	-	478	-
Transfers (Out)	-	(478)	-	-	(478)	-
TOTAL TRANSFERS	-	(478)	478	-	-	-
Changes in Net Assets	1	-	(258,253)	88,180	(170,072)	(354,951)
Net Assets at Beginning of Year	740	-	254,697	344,437	599,874	954,825
Net Assets at End of Year	\$ 741	\$ -	\$ (3,556)	\$ 432,617	\$ 429,802	\$ 599,874

FIDUCIARY FUNDS

Pension Trust Funds

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.

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.

Agency Funds

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

EDA Special Tax Allocation Fund - to account for the collection of incremental taxes and other financial resources received to retire certain tax increment revenue bonds and notes 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 PLAN NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2009

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 1,831,339	\$ 1,073,689	\$ 2,905,028
Investments, at Fair Value			
U.S. Treasury Securities	12,969,254	15,898,434	28,867,688
U.S. Agency Securities	9,779,143	7,948,659	17,727,802
Mutual Funds	20,501,301	12,171,813	32,673,114
Money Market Mutual Funds	798,472	2,878,349	3,676,821
Equities	-	8,310,429	8,310,429
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Tax Receivable	-	65,144	65,144
Accrued Interest	213,056	161,939	374,995
Other	82,901	-	82,901
Prepaid Expenses	596	-	596
TOTAL ASSETS	<u>46,176,062</u>	<u>48,508,456</u>	<u>94,684,518</u>
LIABILITIES			
Accounts payable	1,250	46,228	47,478
Due to General Fund	4,545	2,879	7,424
TOTAL LIABILITIES	<u>5,795</u>	<u>49,107</u>	<u>54,902</u>
NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 46,170,267</u>	<u>\$ 48,459,349</u>	<u>\$ 94,629,616</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUNDS
 Year ended December 31, 2009

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 1,939,661	\$ 1,770,961	\$ 3,710,622
Employee	867,482	779,863	1,647,345
Other	40,123	170	40,293
Total Contributions	<u>2,847,266</u>	<u>2,550,994</u>	<u>5,398,260</u>
Investment Income			
Net Appreciation in Fair Value of Investments	4,016,630	3,072,410	7,089,040
Interest Revenue	1,323,627	1,339,481	2,663,108
Investment Expense	<u>(89,850)</u>	<u>(223,121)</u>	<u>(312,971)</u>
Net Investment Income	<u>5,250,407</u>	<u>4,188,770</u>	<u>9,439,177</u>
TOTAL ADDITIONS	<u>8,097,673</u>	<u>6,739,764</u>	<u>14,837,437</u>
DEDUCTIONS			
Benefits and Refunds	2,348,010	2,209,629	4,557,639
Miscellaneous	<u>18,589</u>	<u>46,097</u>	<u>64,686</u>
TOTAL DEDUCTIONS	<u>2,366,599</u>	<u>2,255,726</u>	<u>4,622,325</u>
Net Increase (Decrease)	<u>5,731,074</u>	<u>4,484,038</u>	<u>10,215,112</u>
Plan Net Assets at Beginning of Year	<u>40,439,193</u>	<u>43,975,311</u>	<u>84,414,504</u>
Plan Net Assets at End of Year	<u>\$ 46,170,267</u>	<u>\$ 48,459,349</u>	<u>\$ 94,629,616</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
POLICE PENSION FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 1,802,998	\$ 1,802,998	\$ 1,833,855	\$ 1,695,159
Intergovernmental	109,500	109,500	105,806	105,711
Employee Contributions	823,470	823,470	867,482	810,177
Other Contributions	-	-	40,123	67,851
Total Contributions	<u>2,735,968</u>	<u>2,735,968</u>	<u>2,847,266</u>	<u>2,678,898</u>
Investment Income (Loss)				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	4,016,630	(6,992,121)
Interest Revenue	1,440,140	1,489,240	1,323,627	1,548,432
Investment Expense	(120,000)	(120,000)	(89,850)	(86,171)
Net Investment Income	<u>1,320,140</u>	<u>1,369,240</u>	<u>5,250,407</u>	<u>(5,529,860)</u>
TOTAL ADDITIONS	<u>4,056,108</u>	<u>4,105,208</u>	<u>8,097,673</u>	<u>(2,850,962)</u>
DEDUCTIONS				
Benefits and Refunds	2,298,920	2,348,020	2,348,010	2,203,708
Miscellaneous	22,550	22,550	18,589	15,847
TOTAL DEDUCTIONS	<u>2,321,470</u>	<u>2,370,570</u>	<u>2,366,599</u>	<u>2,219,555</u>
Net Increase (Decrease)	<u>\$ 1,734,638</u>	<u>\$ 1,734,638</u>	5,731,074	(5,070,517)
Plan Net Assets at Beginning of Year			<u>40,439,193</u>	<u>45,509,710</u>
Plan Net Assets at End of Year			<u>\$ 46,170,267</u>	<u>\$ 40,439,193</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
FIRE PENSION FUND
Year Ended December 31, 2009
(with comparative actual for 2008)

	2009		2008	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 1,427,835	\$ 1,427,835	\$ 1,447,385	\$ 1,258,555
Intergovernmental	327,270	327,270	323,576	303,241
Employee Contributions	781,010	781,010	779,863	750,533
Other Contributions	-	-	170	-
Total Contributions	<u>2,536,115</u>	<u>2,536,115</u>	<u>2,550,994</u>	<u>2,312,329</u>
Investment Income (Loss)				
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	3,072,410	(7,460,739)
Interest Revenue	1,652,960	1,844,960	1,339,481	1,651,417
Investment Expense	(225,000)	(225,000)	(223,121)	(191,972)
Net Investment Income	<u>1,427,960</u>	<u>1,619,960</u>	<u>4,188,770</u>	<u>(6,001,294)</u>
TOTAL ADDITIONS	<u>3,964,075</u>	<u>4,156,075</u>	<u>6,739,764</u>	<u>(3,688,965)</u>
DEDUCTIONS				
Benefits and Refunds	2,034,260	2,226,260	2,209,629	2,014,974
Miscellaneous	29,120	29,120	46,097	32,549
TOTAL DEDUCTIONS	<u>2,063,380</u>	<u>2,255,380</u>	<u>2,255,726</u>	<u>2,047,523</u>
Net Increase (Decrease)	<u>\$ 1,900,695</u>	<u>\$ 1,900,695</u>	4,484,038	(5,736,488)
Plan Net Assets at Beginning of Year			<u>43,975,311</u>	<u>49,711,799</u>
Plan Net Assets at End of Year			<u>\$ 48,459,349</u>	<u>\$ 43,975,311</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009

	Balances January 1	Additions	Deletions	Balances December 31
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 13,170,550	\$ 43,058,127	\$ 30,608,027	\$ 25,620,650
Assets Held by Agents	<u>23,876</u>	<u>252,861</u>	<u>215,587</u>	<u>61,150</u>
TOTAL ASSETS	<u>\$ 13,194,426</u>	<u>\$ 43,310,988</u>	<u>\$ 30,823,614</u>	<u>\$ 25,681,800</u>
LIABILITIES				
Due to Participants	\$ 18,876	\$ 223,861	\$ 215,587	\$ 27,150
Due to Other Funds	112,976	245,321	112,976	245,321
Advances from Other Funds	5,000	29,000	-	34,000
Due to Other Entities	<u>13,057,574</u>	<u>42,812,806</u>	<u>30,495,051</u>	<u>25,375,329</u>
TOTAL LIABILITIES	<u>\$ 13,194,426</u>	<u>\$ 43,310,988</u>	<u>\$ 30,823,614</u>	<u>\$ 25,681,800</u>
 BARRINGTON/HIGGINS TIF FUND				
ASSETS				
Cash and Investments	\$ 594,822	\$ 670,436	\$ 817,611	\$ 447,647
TOTAL ASSETS	<u>\$ 594,822</u>	<u>\$ 670,436</u>	<u>\$ 817,611</u>	<u>\$ 447,647</u>
LIABILITIES				
Due to Other Entities	\$ 594,822	\$ 670,436	\$ 817,611	\$ 447,647
TOTAL LIABILITIES	<u>\$ 594,822</u>	<u>\$ 670,436</u>	<u>\$ 817,611</u>	<u>\$ 447,647</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2009

	Balances January 1	Additions	Deletions	Balances December 31
EDA SPECIAL TAX ALLOCATION FUND				
ASSETS				
Cash and Investments	\$ 12,575,728	\$ 42,387,691	\$ 29,790,416	\$ 25,173,003
TOTAL ASSETS	\$ 12,575,728	\$ 42,387,691	\$ 29,790,416	\$ 25,173,003
LIABILITIES				
Due to Other Entities	\$ 12,462,752	\$ 42,142,370	\$ 29,677,440	\$ 24,927,682
Due to Other Funds	112,976	245,321	112,976	245,321
TOTAL LIABILITIES	\$ 12,575,728	\$ 42,387,691	\$ 29,790,416	\$ 25,173,003
FLEXIBLE SPENDING ACCOUNT FUND				
ASSETS				
Assets Held by Agents	\$ 23,876	\$ 252,861	\$ 215,587	\$ 61,150
TOTAL ASSETS	\$ 23,876	\$ 252,861	\$ 215,587	\$ 61,150
LIABILITIES				
Due to Participants	\$ 18,876	\$ 223,861	\$ 215,587	\$ 27,150
Advances from Other Funds	5,000	29,000	-	34,000
TOTAL LIABILITIES	\$ 23,876	\$ 252,861	\$ 215,587	\$ 61,150

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF INSURANCE IN FORCE
December 31, 2009

<u>Type of Coverage</u>	<u>SIR or Deductibles</u>	<u>Specific Excess Limit</u>	<u>Aggregate Excess Limit</u>	<u>Insurance Carrier</u>	<u>Expiration Date of Policy</u>
Property, Mobile Equipment, Auto Physical Damage	\$ 100,000	N/A	\$ 44,739,429	St. Paul Fire and Marine Insurance Co.	1/1/2011
General Liability, Employee Benefits, Law Enforcement Liability, Nurse Professional	100,000 *	2,000,000	3,000,000	St. Paul Fire and Marine Insurance Co.	1/1/2011
Auto Liability	100,000 *	2,000,000	N/A	St. Paul Fire and Marine Insurance Co.	1/1/2011
Employee Dishonesty, Crime	10,000 *	100,000	N/A	St. Paul Fire and Marine Insurance Co.	1/1/2011
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)	7/1/2010
Boiler and Machinery	100,000	44,739,429	44,739,429	St. Paul Fire and Marine Insurance Co.	1/1/2011
Employment Related Practices	50,000	2,000,000	3,000,000	St. Paul Fire and Marine Insurance Co.	1/1/2011
Public Officials' Liability	25,000	2,000,000	2,000,000	St. Paul Fire and Marine Insurance Co.	1/1/2011
Ambulance Attendants' Liability	N/A	2,000,000	3,000,000	St. Paul Fire and Marine Insurance Co.	1/1/2011
Health Division Malpractice	N/A	2,000,000	3,000,000	St. Paul Fire and Marine Insurance Co.	1/1/2011
Pollution Legal Liability Underground Storage Tanks	5,000	1,000,000	1,000,000	Great American Alliance Insurance Company	1/1/2011
Position Surety Bonds William McLeod, Village President Cary Collins, Deputy President Bev Romanoff, Village Clerk James Norris, Village Manager Michael DuCharme, Treasurer Police and Fire Commission Members	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2011
	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2011
	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2011
	N/A	5,000	5,000	Fidelity & Deposit Co.	1/1/2011
	N/A	150,000	150,000	Fidelity & Deposit Co.	1/1/2011
	N/A	500	500	Fidelity & Deposit Co.	1/1/2011
Excess Workers' Compensation	500,000/ 600,000 Police & Fire	Statutory	Statutory	Safety National	12/31/2010
Social Service Agency Professional Liability	N/A	1,000,000	1,000,000	American Home Assurance Co.	5/1/2010

* All retentions subject to a maximum \$400,000 aggregate loss fund.
N/A - Not Applicable

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 1997A
December 31, 2009

Date of Issue	December 15, 1997
Date of Maturity	December 1, 2012
Authorized Issue	\$ 6,365,000
Denomination of Bonds	\$ 5,000
Interest Rates	1998 4.50%
	2008 4.60%
	2011 4.65%
	2012 4.70%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of New York Mellon

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec.1	Amount
2009	\$ 480,000	\$ 70,472	\$ 550,472	2010	\$ 35,236	2010	\$ 35,236
2010	505,000	48,392	553,392	2011	24,196	2011	24,196
2011	530,000	24,910	554,910	2012	12,455	2012	12,455
	<u>\$ 1,515,000</u>	<u>\$ 143,774</u>	<u>\$ 1,658,774</u>		<u>\$ 71,887</u>		<u>\$ 71,887</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2001
December 31, 2009

Date of Issue July 15, 2001
Date of Maturity December 1, 2011
Authorized Issue \$ 10,760,000
Denomination of Bonds \$ 5,000
Interest Rates 2001 4.00%
 2006 4.25%
 2008 4.50%

Interest Dates June 1 and December 1
Principal Maturity Date December 1
Payable at Bank of New York Mellon

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec.1	Amount
2009	\$ 1,090,000	\$ 72,450	\$ 1,162,450	2010	\$ 36,225	2010	\$ 36,225
2010	520,000	23,400	543,400	2011	11,700	2011	11,700
	<u>\$ 1,610,000</u>	<u>\$ 95,850</u>	<u>\$ 1,705,850</u>		<u>\$ 47,925</u>		<u>\$ 47,925</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2003
December 31, 2009

Date of Issue September 1, 2003
Date of Maturity December 1, 2011
Authorized Issue \$ 6,155,000
Denomination of Bonds \$ 5,000
Interest Rates 2003 2.00%
 2005 2.25%
 2006 2.50%
 2008 2.75%
 2009 2.80%
 2010 3.15%
 2011 3.35%

Interest Dates June 1 and December 1
Principal Maturity Date December 1
Payable at Bank of New York Mellon

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec.1	Amount
2009	\$ 915,000	\$ 51,604	\$ 966,604	2010	\$ 25,802	2010	\$ 25,802
2010	680,000	22,780	702,780	2011	11,390	2011	11,390
	<u>\$ 1,595,000</u>	<u>\$ 74,384</u>	<u>\$ 1,669,384</u>		<u>\$ 37,192</u>		<u>\$ 37,192</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004
December 31, 2009

Date of Issue October 15, 2004
Date of Maturity December 1, 2012
Authorized Issue \$ 6,765,000
Denomination of Bonds \$ 5,000
Interest Rates 2004 3.00%
 2007 3.25%
 2009 3.50%
 2012 3.75%

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
2009	\$ 870,000	\$ 97,188	\$ 967,188	2010	\$ 48,594	2010	\$ 48,594
2010	905,000	66,737	971,737	2011	33,369	2011	33,368
2011	935,000	35,063	970,063	2012	17,531	2012	17,532
	<u>\$ 2,710,000</u>	<u>\$ 198,988</u>	<u>\$ 2,908,988</u>		<u>\$ 99,494</u>		<u>\$ 99,494</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION TAXABLE BOND SERIES OF 2005A
December 31, 2009

Date of Issue	August 1, 2005
Date of Maturity	December 1, 2033
Authorized Issue	\$ 54,935,000
Denomination of Bonds	\$ 5,000
Interest Rates	2008 4.50%
	2009 4.60%
	2010 4.65%
	2011 4.70%
	2012 4.80%
	2013 4.90%
	2014 4.95%
	2015 5.00%
	2016 5.05%
	2017 5.15%
	2018 5.25%
	2022 5.375%
2026 5.40%	

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec.1	Amount
2009	\$ 1,175,000	\$ 2,724,338	\$ 3,899,338	2010	\$ 1,362,169	2010	\$ 1,362,169
2010	1,230,000	2,669,700	3,899,700	2011	1,334,850	2011	1,334,850
2011	1,285,000	2,611,890	3,896,890	2012	1,305,945	2012	1,305,945
2012	1,345,000	2,550,210	3,895,210	2013	1,275,105	2013	1,275,105
2013	1,415,000	2,484,305	3,899,305	2014	1,242,153	2014	1,242,152
2014	1,485,000	2,414,263	3,899,263	2015	1,207,132	2015	1,207,131
2015	1,555,000	2,340,012	3,895,012	2016	1,170,006	2016	1,170,006
2016	1,635,000	2,261,485	3,896,485	2017	1,130,743	2017	1,130,742
2017	1,720,000	2,177,283	3,897,283	2018	1,088,642	2018	1,088,641
2018	1,810,000	2,087,842	3,897,842	2019	1,043,921	2019	1,043,921
2019	1,905,000	1,992,818	3,897,818	2020	996,409	2020	996,409
2020	2,005,000	1,892,805	3,897,805	2021	946,403	2021	946,402
2021	2,110,000	1,787,542	3,897,542	2022	893,771	2022	893,771
2022	2,225,000	1,674,130	3,899,130	2023	837,065	2023	837,065
2023	2,345,000	1,554,536	3,899,536	2024	777,268	2024	777,268
2024	2,470,000	1,428,492	3,898,492	2025	714,246	2025	714,246
2025	2,600,000	1,295,730	3,895,730	2026	647,865	2026	647,865
2026	2,740,000	1,155,330	3,895,330	2027	577,665	2027	577,665
2027	2,890,000	1,007,370	3,897,370	2028	503,685	2028	503,685
2028	3,045,000	851,310	3,896,310	2029	425,655	2029	425,655
2029	3,210,000	686,880	3,896,880	2030	343,440	2030	343,440
2030	3,385,000	513,540	3,898,540	2031	256,770	2031	256,770
2031	3,565,000	330,750	3,895,750	2032	165,375	2032	165,375
2032	2,560,000	138,240	2,698,240	2033	69,120	2033	69,120
	<u>\$ 51,710,000</u>	<u>\$ 40,630,801</u>	<u>\$ 92,340,801</u>		<u>\$ 20,315,403</u>		<u>\$ 20,315,398</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE REFUNDING BOND SERIES OF 2005
December 31, 2009

Date of Issue June 30, 2005
Date of Maturity January 1, 2010
Authorized Issue \$ 65,400,000
Denomination of Bonds \$ 5,000
Interest Rates Variable (3.265% at December 31, 2009)
Interest Dates Monthly
Principal Maturity Date January 1
Payable at The Northern Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year	Principal	Interest	Total
2010	\$ 23,800,000	\$ 63,169	\$ 23,863,169
	<u>\$ 23,800,000</u>	<u>\$ 63,169</u>	<u>\$ 23,863,169</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2008A
December 31, 2009

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
2009	\$ -	\$ 1,332,250	\$ 1,332,250	2010	\$ 666,125	2010	\$ 666,125
2010	-	1,332,250	1,332,250	2011	666,125	2011	666,125
2011	-	1,332,250	1,332,250	2012	666,125	2012	666,125
2012	-	1,332,250	1,332,250	2013	666,125	2013	666,125
2013	-	1,332,250	1,332,250	2014	666,125	2014	666,125
2014	-	1,332,250	1,332,250	2015	666,125	2015	666,125
2015	-	1,332,250	1,332,250	2016	666,125	2016	666,125
2016	-	1,332,250	1,332,250	2017	666,125	2017	666,125
2017	-	1,332,250	1,332,250	2018	666,125	2018	666,125
2018	-	1,332,250	1,332,250	2019	666,125	2019	666,125
2019	-	1,332,250	1,332,250	2020	666,125	2020	666,125
2020	-	1,332,250	1,332,250	2021	666,125	2021	666,125
2021	-	1,332,250	1,332,250	2022	666,125	2022	666,125
2022	-	1,332,250	1,332,250	2023	666,125	2023	666,125
2023	-	1,332,250	1,332,250	2024	666,125	2024	666,125
2024	-	1,332,250	1,332,250	2025	666,125	2025	666,125
2025	-	1,332,250	1,332,250	2026	666,125	2026	666,125
2026	-	1,332,250	1,332,250	2027	666,125	2027	666,125
2027	-	1,332,250	1,332,250	2028	666,125	2028	666,125
2028	-	1,332,250	1,332,250	2029	666,125	2029	666,125
2029	2,415,000	1,332,250	3,747,250	2030	666,125	2030	666,125
2030	2,540,000	1,211,500	3,751,500	2031	605,750	2031	605,750
2031	2,665,000	1,084,500	3,749,500	2032	542,250	2032	542,250
2032	2,795,000	951,250	3,746,250	2033	475,625	2033	475,625
2033	2,935,000	811,500	3,746,500	2034	405,750	2034	405,750
2034	3,085,000	664,750	3,749,750	2035	332,375	2035	332,375
2035	3,240,000	510,500	3,750,500	2036	255,250	2036	255,250
2036	3,400,000	348,500	3,748,500	2037	174,250	2037	174,250
2037	3,570,000	178,500	3,748,500	2038	89,250	2038	89,250
	<u>\$ 26,645,000</u>	<u>\$ 33,738,250</u>	<u>\$ 60,383,250</u>		<u>\$ 16,869,125</u>		<u>\$ 16,869,125</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2009A
December 31, 2009

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
2009	\$ -	\$ 1,513,856	\$ 1,513,856	2010	\$ 756,928	2010	\$ 756,928
2010	-	1,513,856	1,513,856	2011	756,928	2011	756,928
2011	-	1,513,856	1,513,856	2012	756,928	2012	756,928
2012	1,200,000	1,513,856	2,713,856	2013	756,928	2013	756,928
2013	1,235,000	1,477,856	2,712,856	2014	738,928	2014	738,928
2014	1,295,000	1,419,194	2,714,194	2015	709,597	2015	709,597
2015	1,360,000	1,357,681	2,717,681	2016	678,841	2016	678,841
2016	1,410,000	1,303,281	2,713,281	2017	651,641	2017	651,641
2017	1,485,000	1,232,781	2,717,781	2018	616,391	2018	616,391
2018	1,555,000	1,158,531	2,713,531	2019	579,266	2019	579,266
2019	1,640,000	1,076,894	2,716,894	2020	538,447	2020	538,447
2020	1,725,000	990,794	2,715,794	2021	495,397	2021	495,397
2021	1,815,000	900,231	2,715,231	2022	450,116	2022	450,116
2022	1,910,000	804,944	2,714,944	2023	402,472	2023	402,472
2023	2,010,000	704,669	2,714,669	2024	352,335	2024	352,335
2024	2,115,000	599,144	2,714,144	2025	299,572	2025	299,572
2025	2,225,000	488,106	2,713,106	2026	244,053	2026	244,053
2026	2,335,000	377,969	2,712,969	2027	188,985	2027	188,985
2027	2,455,000	258,300	2,713,300	2028	129,150	2028	129,150
2028	2,585,000	132,481	2,717,481	2029	66,241	2029	66,241
	<u>\$ 30,355,000</u>	<u>\$ 20,338,280</u>	<u>\$ 50,693,280</u>		<u>\$ 10,169,140</u>		<u>\$ 10,169,140</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2009

	Developer Cash Advance Note #1	Developer Cash Advance Note #3	Developer Advance Note #11	Developer Advance Note #12	Private Interest Financing Note #1
Date of Issue	Mar 1, 1993	Sep 1, 1994	Sep 1, 1994	Sep 1, 1997	Feb 1, 2000
Date of Maturity	Sep 10, 2012				
Original Amount of Note	\$ 733,580	\$ 196,685	\$ 1,268,630	\$ 144,247	\$ 1,693,397
Interest Rate	Adjustable	Adjustable	Adjustable	Adjustable	None
Interest Dates	March 1 and September 1	None			
Principal Maturity Dates	March 1 and September 1				
Payable at	Sears, Roebuck and Co. Hoffman Estates, IL				
Original Principal Balance	\$ 733,580	\$ 196,685	\$ 1,268,630	\$ 144,247	\$ 1,693,397
Accrued Interest	721,112	168,179	507,797	95,337	-
Sub-total	1,454,693	364,864	1,776,427	239,584	1,693,397
Previous Payments	-	-	1,776,427	239,584	-
Adjusted Principal Balance	\$ 1,454,693	\$ 364,864	\$ -	\$ -	\$ 1,693,397

Private Interest Financing Note #2	Private Interest Financing Note #3	Private Interest Financing Note #4	Private Interest Financing Note #5	Private Interest Financing Note #6	Developer Project Cost Note #4	Developer Project Cost Note #13	Developer Project Cost Note #14
Feb 1, 2000 Sep 10, 2012	Mar 1, 2001 Sep 10, 2012	Apr 1, 2002 Sep 10, 2012	Feb 1, 2003 Sep 10, 2012	Feb 1, 2007 Sep 10, 2012	Sep 1, 1993 Sep 10, 2012	Sep 4, 1996 Sep 10, 2012	Sep 26, 1996 Sep 10, 2012
\$ 5,009,329	\$ 5,228,265	\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ 752,859	\$ 47,972	\$ 318,441
None	None	None	None	None	Adjustable	Adjustable	Adjustable
None	None	None	None	None	March 1 and September 1	March 1 and September 1	March 1 and September 1
March 1 and September 1 Sears, Roebuck and Co. Hoffman Estates, IL							
\$ 5,009,329	\$ 5,228,265	\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ 752,859	\$ 47,972	\$ 318,441
-	-	-	-	-	586,990	36,041	237,419
5,009,329	5,228,265	4,800,779	4,293,238	13,147,485	1,339,850	84,013	555,860
-	-	-	-	-	1,339,850	84,013	555,860
\$ 5,009,329	\$ 5,228,265	\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ -	\$ -	\$ -

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE NOTES
December 31, 2009

	Developer Project Cost Note #15	Developer Project Cost Note #16	Developer Project Cost Note #17	Developer Project Cost Note #18	Developer Project Cost Note #19
Date of Issue	Oct 23, 1996	Nov 22, 1996	Jan 23, 1997	Mar 6, 1997	Mar 25, 1997
Date of Maturity	Sep 10, 2012				
Original Amount of Note	\$ 284,177	\$ 121,202	\$ 144,548	\$ 43,449	\$ 72,725
Interest Rate	Adjustable	Adjustable	Adjustable	Adjustable	Adjustable
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	\$ 284,177	\$ 121,202	\$ 144,548	\$ 43,449	\$ 72,725
Accrued Interest	209,880	88,570	103,397	30,629	50,926
Sub-total	494,057	209,772	247,946	74,078	123,651
Previous Payments	494,057	209,772	247,946	74,078	123,651
Adjusted Principal Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Developer Project Cost Note #20	Developer Project Cost Note #21	Developer Project Cost Note #22	Developer Project Cost Note #23	Developer Project Cost Note #24	Developer Project Cost Note #25	Developer Project Cost Note #26	Developer Project Cost Note #27
Apr 18, 1997 Sep 10, 2012	May 21, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012
\$ 15,915	\$ 14,315	\$ 5,589,262	\$ 932,132	\$ 12,169,244	\$ 5,248,409	\$ 4,347,908	\$ 354,035
Adjustable March 1 and September 1							
March 1 and September 1							
Sears, Roebuck and Co. Hoffman Estates, IL							
\$ 15,915	\$ 14,315	\$ 5,589,262	\$ 932,132	\$ 12,169,244	\$ 5,248,409	\$ 4,347,908	\$ 354,035
11,051	9,823	4,066,530	692,744	9,231,168	3,981,262	3,298,173	268,559
26,966	24,138	9,655,793	1,624,876	21,400,412	9,229,671	7,646,080	622,594
26,966	24,138	9,655,793	898,421	-	-	-	-
\$ -	\$ -	\$ -	\$ 726,455	\$ 21,400,412	\$ 9,229,671	\$ 7,646,080	\$ 622,594

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE NOTES
December 31, 2009

	Developer Project Cost Note #28	Developer Project Cost Note #29	Developer Project Cost Note #30	Developer Project Cost Note #31	Developer Project Cost Note #32
Date of Issue	Sep 1, 1997	Mar 1, 1999	Mar 1, 1999	Mar 1, 2000	Mar 1, 2001
Date of Maturity	Sep 10, 2012				
Original Amount of Note	\$ 288,720	\$ 2,244,798	\$ 336,341	\$ 814,106	\$ 1,435,686
Interest Rate	Adjustable	Adjustable	Adjustable	Adjustable	Adjustable
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	\$ 288,720	\$ 2,244,798	\$ 336,341	\$ 814,106	\$ 1,435,686
Accrued Interest	219,013	1,424,854	213,488	450,428	677,371
Sub-total	507,734	3,669,652	549,829	1,264,533	2,113,057
Previous Payments	-	-	-	-	-
Adjusted Principal Balance	\$ 507,734	\$ 3,669,652	\$ 549,829	\$ 1,264,533	\$ 2,113,057

Developer Project Cost Note #33	Developer Project Cost Note #34	Developer Project Cost Note #35	Developer Project Cost Note #36	Developer Project Cost Note #38	Developer Project Cost Note #39	Developer Project Cost Note #40	Total
Sep 1, 2001 Sep 10, 2012	Sep 1, 2002 Sep 10, 2012	Sep 1, 2002 Sep 10, 2012	Mar 1, 2003 Sep 10, 2012	Sep 1, 2006 Sep 10, 2012	Mar 1, 2007 Sep 10, 2012	Sep 1, 2007 Sep 10, 2012	
\$ 708,661	\$ 10,776,023	\$ 222,767	\$ 303,071	\$ 1,351,407	\$ 120,659	\$ 69,366	
Adjustable March 1 and September 1							
March 1 and September 1							
Sears, Roebuck and Co. Hoffman Estates, IL							
\$ 708,661	\$ 10,776,023	\$ 222,767	\$ 303,071	\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 85,643,835
308,320	4,325,544	81,764	101,598	186,207	13,748	6,328	32,404,251
1,016,981	15,101,567	304,531	404,669	1,537,614	134,407	75,694	118,048,086
-	-	-	-	-	-	-	15,750,555
\$ 1,016,981	\$ 15,101,567	\$ 304,531	\$ 404,669	\$ 1,537,614	\$ 134,407	\$ 75,694	\$ 102,297,531

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
ECONOMIC DEVELOPMENT PROJECT AREA
SCHEDULE OF INDENTURE FLOW OF FUNDS
Year Ended December 31, 2009

	EDA Special Tax Allocation Fund			Sears EDA General Account
	Unallocated	Gov't Share Account	Totals	
Revenues				
Incremental Taxes	\$ 19,614,727	\$ 9,084,679	\$ 28,699,406	\$ -
Investment Earnings	39,842	-	39,842	-
Total Revenues	<u>19,654,569</u>	<u>9,084,679</u>	<u>28,739,248</u>	<u>-</u>
Expenditures				
Principal, Bonds and Notes	-	-	-	10,181,363
Interest, Bonds and Notes	-	-	-	-
Professional Services	-	-	-	-
Trustee Fees	-	-	-	-
Arbitrage Rebate	-	-	-	-
Arbitrage Calculation Fees	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,181,363</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19,654,569</u>	<u>9,084,679</u>	<u>28,739,248</u>	<u>(10,181,363)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	10,181,363
Operating Transfers (Out)	(11,181,337)	-	(11,181,337)	-
Distribution of Surplus	-	(964,783)	(964,783)	-
Distribution of Sears PVS	-	(330,840)	(330,840)	-
Transfer to EDA Admin. Fund	-	(3,665,013)	(3,665,013)	-
Total Other Financing Source	<u>(11,181,337)</u>	<u>(4,960,636)</u>	<u>(16,141,973)</u>	<u>10,181,363</u>
Net Change in Fund Balances	8,473,232	4,124,043	12,597,275	-
Fund Balances (Deficit) Beginning of Year	<u>12,127,028</u>	<u>448,700</u>	<u>12,575,728</u>	<u>-</u>
Fund Balances (Deficit) End of Year	<u>\$ 20,600,260</u>	<u>\$ 4,572,743</u>	<u>\$ 25,173,003</u>	<u>\$ -</u>

Note: A large part of the interest income (\$152,241) for the Series 2005 Rebate Account is due to a reduction in the arbitrage liability.

Series 2005 EDA TIF Refunding Bond Fund					
Program Expenses Account	Series 2005 Bond and Interest Account	Series 2005 Reserve and Redemption Account	Series 2005 Rebate Account	Totals	Totals (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,699,406
80	1,257	444,148	152,342	597,747	637,669
80	1,257	444,148	152,342	597,747	29,337,075
-	11,100,000	-	-	11,100,000	21,281,363
180,730	792,228	-	-	792,228	972,958
27,335	-	-	-	-	27,335
3,044	1,950	-	-	1,950	4,994
-	-	-	-	-	-
2,250	-	-	-	-	2,250
213,359	11,894,178	-	-	11,894,178	22,288,900
(213,279)	(11,892,921)	444,148	152,342	(11,296,431)	7,048,175
218,144	1,268,173	-	-	1,268,173	11,667,680
(1,800)	-	(484,543)	-	(484,543)	(11,667,680)
-	-	-	-	-	(964,783)
-	-	-	-	-	(330,840)
-	-	-	-	-	(3,665,013)
216,344	1,268,173	(484,543)	-	783,630	(4,960,636)
3,065	(10,624,748)	(40,395)	152,342	(10,512,801)	2,087,539
(2,694,855)	14,887,308	12,219,151	(112,794)	26,993,665	36,874,538
\$ (2,691,790)	\$ 4,262,560	\$ 12,178,756	\$ 39,548	\$ 16,480,864	\$ 38,962,077

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	152-161
Revenue Capacity These schedules contain more information to help the reader assess the Village's most significant local revenue source, the property tax.	162-168
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.	169-173
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.	174-176
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.	177-178

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NET ASSETS BY COMPONENT
Last Seven Fiscal Years

	2003	2004	2005	Fiscal Year 2006	2007	2008	2009
Governmental Activities							
Invested in Capital Assets Net of Related Debt	\$ 74,079,702	\$ 76,288,971	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958
Restricted	31,736,142	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777
Unrestricted	(208,737,371)	(191,260,938)	(179,534,956)	(202,902,550)	(187,818,909)	(182,324,268)	(118,128,995)
Total Governmental Activities	\$ (102,921,527)	\$ (84,361,532)	\$ (72,049,633)	\$ (82,380,022)	\$ (60,366,222)	\$ (44,758,600)	\$ 11,949,740
Business-type Activities							
Invested in Capital Assets Net of Related Debt	\$ 23,216,582	\$ 22,574,239	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680
Restricted	-	-	-	-	-	-	-
Unrestricted	8,759,802	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663
Total Business-type Activities	\$ 31,976,384	\$ 31,168,945	\$ 33,181,114	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343
Primary Government							
Invested in Capital Assets Net of Related Debt	\$ 97,296,284	\$ 98,863,210	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638
Restricted	31,736,142	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777
Unrestricted	(199,977,569)	(182,666,232)	(169,922,806)	(193,674,081)	(178,361,704)	(173,919,447)	(110,353,332)
Total Primary Government	\$ (70,945,143)	\$ (53,192,587)	\$ (38,868,519)	\$ (48,779,797)	\$ (25,888,428)	\$ (10,085,824)	\$ 76,965,083

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NET ASSETS BY COMPONENT EXCLUDING EDA TIF ACTIVITY
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities							
Invested in Capital Assets Net of Related Debt	\$ 74,079,702	\$ 76,288,971	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958
Restricted	1,953,699	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090
Unrestricted	21,850,479	20,136,069	17,632,151	(34,503,578)	(33,037,782)	(38,677,026)	7,684,075
Total Governmental Activities	\$ 97,883,880	\$ 98,504,786	\$ 106,913,002	\$ 58,276,990	\$ 65,554,401	\$ 69,641,018	\$ 119,009,123
Business-type Activities							
Invested in Capital Assets Net of Related Debt	\$ 23,216,582	\$ 22,574,239	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680
Restricted	-	-	-	-	-	-	-
Unrestricted	8,759,802	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663
Total Business-type Activities	\$ 31,976,384	\$ 31,168,945	\$ 33,181,114	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343
Primary Government							
Invested in Capital Assets Net of Related Debt	\$ 97,296,284	\$ 98,863,210	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638
Restricted	1,953,699	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090
Unrestricted	30,610,281	28,730,775	27,244,301	(25,275,109)	(23,580,577)	(30,272,205)	15,459,738
Total Primary Government	\$ 129,860,264	\$ 129,673,731	\$ 140,094,116	\$ 91,877,215	\$ 100,032,195	\$ 104,313,794	\$ 184,024,466

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities							
General Government	\$ 4,428,226	\$ 4,713,709	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,649,033	\$ 2,140,888
Public Safety	22,409,329	23,861,883	25,173,738	27,142,353	29,298,255	32,630,767	36,731,733
Higways and Streets	8,729,150	9,286,945	11,532,401	6,140,084	10,578,402	12,635,002	11,426,047
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,610,610	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883
Economic Development	6,107,232	1,406,319	1,303,688	52,011,995	16,627,938	2,156,338	4,948,669
Interest	13,342,322	11,971,027	11,447,448	11,696,149	9,576,815	9,560,104	6,776,076
Total Governmental Activities Expenses	57,404,774	53,744,895	57,253,618	110,352,064	76,101,328	68,058,418	65,270,009
Business-type Activities							
Water/Sewer	9,892,227	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	12,965,546
Sears Centre	-	-	-	-	-	-	4,800,908
Total Business-type Activities Expenses	9,892,227	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	17,766,454
Total Primary Government Expenses	\$ 67,297,001	\$ 64,004,494	\$ 67,837,677	\$ 121,406,532	\$ 87,554,650	\$ 80,423,048	\$ 83,036,463
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	1,102,884	1,093,124	1,075,793	1,133,556	1,333,707	1,361,435	2,867,632
Public Safety	1,284,812	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303
Higways and Streets	876,053	1,023,264	1,415,253	882,063	1,212,692	586,879	152,321
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737
Economic Development	10,212,855	11,093,955	12,585,713	20,107,123	19,807,712	4,036,017	165,424
Operating Grants and Contributions	2,147,257	1,907,357	1,918,772	1,822,158	2,129,235	1,959,997	2,436,373
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726
Total Governmental Activities Program Revenues	17,861,070	20,008,976	22,586,737	29,212,744	35,094,459	20,645,131	14,638,525

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type Activities							
Charges for Services							
Water/Sewer	8,404,183	8,919,572	10,240,821	9,386,132	10,378,340	9,989,993	9,843,473
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	8,404,183	8,919,572	10,240,821	9,386,132	11,827,306	12,136,304	95,200,592
Total Primary Government Program Revenues	\$ 26,265,253	\$ 28,928,548	\$ 32,827,558	\$ 38,598,876	\$ 46,921,765	\$ 32,781,435	\$ 109,839,117
Net (Expense) Revenue							
Governmental Activities	\$ (39,543,704)	\$ (33,735,919)	\$ (34,666,881)	\$ (81,139,320)	\$ (41,006,869)	\$ (47,413,287)	\$ (50,631,484)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138
Total Primary Government Net (Expense) Revenue	\$ (41,031,748)	\$ (35,075,946)	\$ (35,010,119)	\$ (82,807,656)	\$ (40,632,885)	\$ (47,641,613)	\$ 26,802,654
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property	\$ 32,689,908	\$ 31,996,121	\$ 17,575,496	\$ 42,130,319	\$ 35,690,272	\$ 36,232,247	\$ 33,379,672
Sales	5,531,118	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252
Income and Local Use	3,496,475	3,744,788	4,356,243	4,809,651	5,147,174	5,529,993	5,314,607
Telecommunications	3,835,027	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990
Home Rule Sales	1,485,007	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774
Other	1,557,709	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216
Investment Earnings	1,473,816	1,547,181	2,526,601	4,312,040	2,450,774	1,768,185	1,147,987
Miscellaneous	213,611	297,218	236,165	788,180	723,047	576,648	648,653
Gain (Loss) on Sale of Capital Assets	(133,415)	-	-	-	-	-	167,872
Contributions	668,807	1,013,507	5,671,102	1,158,480	-	-	-
Transfers In (Out)	-	-	(50,500)	2,630	9,850	(16,130)	49,936,278
Total Governmental Activities	51,968,112	52,295,914	46,978,780	70,808,931	62,721,402	63,020,909	107,339,823

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS
Last Seven Fiscal Years

	2003	2004	2005	Fiscal Year 2006	2007	2008	2009
Business-type Activities							
Taxes							
Other	-	-	-	-	-	-	42,580
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463
Gain on Sale of Capital Assets	-	-	-	-	18,185	7,600	17,744
Contributions	-	116,750	2,026,130	1,654,795	-	-	-
Transfers In (Out)	-	-	50,500	(2,630)	(9,850)	16,130	(49,936,278)
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)
Total Primary Government	\$ 52,103,089	\$ 52,828,502	\$ 49,334,187	\$ 72,896,378	\$ 63,224,987	\$ 63,444,217	\$ 60,248,252
Change in Net Assets							
Governmental Activities	\$ 12,424,408	\$ 18,559,995	\$ 12,311,899	\$ (10,330,389)	\$ 21,714,533	\$ 15,607,622	\$ 56,708,339
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567
Total Primary Government Change in Net Assets	\$ 11,071,341	\$ 17,752,556	\$ 14,324,068	\$ (9,911,278)	\$ 22,592,102	\$ 15,802,604	\$ 87,050,906

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities							
General Government	\$ 4,428,226	\$ 4,713,709	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,429,416	\$ 1,599,021
Public Safety	22,409,329	23,861,883	25,173,738	27,142,353	29,298,255	29,333,107	33,108,122
Higways and Streets	8,729,150	9,286,945	9,994,204	4,555,019	10,113,187	12,059,057	11,187,206
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,610,610	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883
Economic Development	1,158,602	1,406,319	1,303,688	52,011,995	2,008,387	1,991,344	4,334,569
Interest	1,237,618	978,608	2,073,221	3,895,783	3,695,876	4,322,420	2,318,891
Total Governmental Activities Expenses	40,351,440	42,752,476	46,341,194	100,966,633	55,135,623	58,562,518	55,794,405
Business-type Activities							
Water/Sewer	9,892,227	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	12,965,546
Sears Centre	-	-	-	-	-	-	4,800,908
Total Business-type Activities Expenses	9,892,227	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	17,766,454
Total Primary Government Expenses	\$ 50,243,667	\$ 53,012,075	\$ 56,925,253	\$ 112,021,101	\$ 66,588,945	\$ 70,927,148	\$ 73,560,859
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	1,102,884	1,093,124	1,075,793	1,133,556	1,333,707	1,361,435	2,867,632
Public Safety	1,284,812	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303
Higways and Streets	754,997	601,295	838,681	728,344	1,035,978	537,754	152,321
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737
Economic Development	77,552	248,944	123,997	1,514,531	3,108,021	4,036,017	156,391
Operating Grants and Contributions	2,147,257	1,907,357	1,918,772	1,822,158	2,129,235	1,959,997	2,436,373
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726
Total Governmental Activities Program Revenues	7,604,711	8,741,996	9,548,449	10,466,433	18,218,054	20,596,006	14,629,492

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type Activities							
Charges for Services							
Water/Sewer	8,404,183	8,919,572	10,240,821	9,386,132	10,378,340	9,989,993	9,843,473
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	8,404,183	8,919,572	10,240,821	9,386,132	11,827,306	12,136,304	95,200,592
Total Primary Government Program Revenues	\$ 16,008,894	\$ 17,661,568	\$ 19,789,270	\$ 19,852,565	\$ 30,045,360	\$ 32,732,310	\$ 109,830,084
Net (Expense) Revenue							
Governmental Activities	\$ (32,746,729)	\$ (34,010,480)	\$ (36,792,745)	\$ (90,500,200)	\$ (36,917,569)	\$ (37,966,512)	\$ (41,164,913)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138
Total Primary Government Net (Expense) Revenue	\$ (34,234,773)	\$ (35,350,507)	\$ (37,135,983)	\$ (92,168,536)	\$ (36,543,585)	\$ (38,194,838)	\$ 36,269,225
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property	\$ 14,878,186	\$ 15,754,259	\$ 16,449,238	\$ 17,842,815	\$ 17,979,463	\$ 15,911,586	\$ 17,192,444
Sales	5,531,118	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252
Income and Local Use	3,496,475	3,744,788	4,356,243	4,809,651	5,147,174	5,529,993	5,314,607
Telecommunications	3,835,027	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990
Home Rule Sales	1,485,007	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774
Other	1,557,709	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216
Investment Earnings	429,786	359,295	1,690,290	3,271,265	1,663,534	1,141,282	539,884
Miscellaneous	213,611	297,218	236,165	788,180	723,047	556,431	637,178
Gain (Loss) on Sale of Capital Assets	(133,415)	-	-	-	-	-	167,872
Contributions	668,807	1,013,507	5,671,102	1,158,480	-	-	-
Transfers In (Out)	-	-	(50,500)	2,630	9,850	(16,130)	49,936,278
Total Governmental Activities	33,112,360	34,866,166	45,016,211	45,480,652	44,223,353	42,053,128	90,533,017

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY
Last Seven Fiscal Years

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type Activities							
Taxes							
Other	-	-	-	-	-	-	42,580
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463
Gain on Sale of Capital Assets	-	-	-	-	18,185	7,600	17,744
Contributions	-	116,750	2,026,130	1,654,795	-	-	-
Transfers In	-	-	50,500	(2,630)	(9,850)	16,130	(49,936,278)
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)
Total Primary Government	\$ 33,247,337	\$ 35,398,754	\$ 47,371,618	\$ 47,568,099	\$ 44,726,938	\$ 42,476,436	\$ 43,441,446
Change in Net Assets							
Governmental Activities	\$ 365,631	\$ 855,686	\$ 8,223,466	\$ (45,019,548)	\$ 7,305,784	\$ 4,086,616	\$ 49,368,104
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567
Total Primary Government Change in Net Assets	\$ (987,436)	\$ 48,247	\$ 10,235,635	\$ (44,600,437)	\$ 8,183,353	\$ 4,281,598	\$ 79,710,671

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 1,348,922	\$ 1,433,427	\$ 1,508,813	\$ 1,517,642	\$ 1,578,110	\$ 1,663,522	\$ 709,834 ^b	\$ 405,464	\$ 469,637	\$ 1,182,766 ^d
Unreserved	14,451,493	12,681,774	14,207,167	13,134,103	12,079,973	14,363,833	14,302,062	13,608,472	12,370,115	9,886,577
Total General Fund	\$ 15,800,415	\$ 14,115,201	\$ 15,715,980	\$ 14,651,745	\$ 13,658,083	\$ 16,027,355	\$ 15,011,896	\$ 14,013,936	\$ 12,839,752	\$ 11,069,343
All Other Governmental Funds										
Reserved	\$ 23,007,555	\$ 23,012,632	\$ 23,199,554	\$ 31,243,263	\$ 30,566,218	\$ 74,687,887 ^a	\$ 35,135,031 ^c	\$ 34,890,240	\$ 39,988,262	\$ 39,570,177
Unreserved, reported in										
Special Revenue Funds	(104,052)	(14,036)	(299,539)	(251,801)	(13,215)	198,221	558,736	325,332	74,992	23,761
Debt Service Funds	-	-	-	-	-	-	-	-	-	(195,401)
Capital Project Funds	17,836,298	17,927,093	14,176,932	8,026,692	7,049,563	6,568,668	7,371,999	8,808,993	8,044,568	6,094,625
Permanent Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 40,739,801	\$ 40,925,689	\$ 37,076,947	\$ 39,018,154	\$ 37,602,566	\$ 81,454,776	\$ 43,065,766	\$ 44,024,565	\$ 48,107,822	\$ 45,493,162

Notes:

- ^a The substantial increase in reserved fund balance in the Other Governmental Funds for 2005 is due to the issuance of the 2005A Taxable Bond Series and is talked about further within the Management's Discussion & Analysis.
- ^b The substantial decrease in reserved fund balance in the General Fund for 2006 is due to the repayment of a significant portion of the interfund loan to the EDA Administration Fund.
- ^c The substantial decrease in reserved fund balance in the Other Governmental Funds for 2006 is due to the payout of bond proceeds to the developer of the Sears Centre and is talked about further within the Management's Discussion & Analysis.
- ^d The substantial increase in reserved 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.

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 35,714,069	\$ 36,460,544	\$ 38,651,515	\$ 40,418,162	\$ 40,333,960	\$ 28,591,932	\$ 52,805,630	\$ 47,135,668	\$ 47,532,198	\$ 43,308,604
Licenses and Permits	820,302	1,201,939	1,182,921	1,417,756	1,613,441	2,032,103	1,974,164	2,637,624	1,313,427	1,103,880
Intergovernmental	12,342,108	12,968,152	13,119,641	12,320,841	11,091,829	11,912,242	13,484,480	14,496,249	15,090,587	13,697,905
Charges for Services	2,977,115	3,379,183	3,399,336	12,769,318	15,405,160	18,388,493	23,798,042	23,441,228	5,641,614	5,906,749
Fines and Forfeitures	880,466	855,569	902,403	760,890	808,496	763,189	973,637	1,347,750	1,682,621	1,140,814
Investment Income	3,857,703	3,326,084	1,955,541	1,437,372	1,547,181	2,526,601	4,312,040	2,450,774	1,768,185	1,124,845
Miscellaneous	3,546,503	6,158,921	6,496,890	401,198	677,244	444,639	1,812,212	3,630,999	4,647,638	539,553
Total Revenues	60,138,266	64,350,392	65,708,247	69,525,537	71,477,311	64,659,199	99,160,205	95,140,292	77,676,270	66,822,350
Expenditures										
General Government	4,621,492	4,849,198	5,029,222	4,083,605	4,395,369	4,756,695	5,323,531	6,069,730	6,037,060	6,165,984
Public Safety	18,316,851	19,416,766	19,812,212	20,780,224	23,254,403	24,928,583	26,703,338	29,753,748	30,904,952	30,847,281
Highways and Streets	3,595,352	3,727,237	3,986,615	5,124,716	5,480,075	5,681,472	5,869,622	6,731,571	7,657,433	6,806,901
Sanitation	632,735	579,592	554,997	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740
Health and Welfare	1,250,002	1,358,477	1,460,730	1,534,247	1,637,951	1,671,142	1,800,992	1,898,681	1,945,636	1,783,070
Culture and Recreation	268,791	283,906	281,344	235,705	222,720	223,112	241,172	289,403	276,335	367,578
Economic Development	592,027	789,035	714,776	1,109,856	1,367,588	1,295,346	1,611,713	1,596,225	2,116,346	5,037,128
Capital Outlay	15,161,470	14,149,269	23,896,355	7,929,784	2,992,795	3,827,231	56,236,459	20,642,131	19,130,399	20,339,153
Debt Service										
Principal	15,393,884	19,443,868	22,209,005	26,644,297	29,114,750	21,249,471	33,760,000	36,565,000	19,445,496	25,081,363
Interest and Other Charges	8,878,275	8,373,126	6,743,789	5,658,811	4,916,657	7,235,018	6,115,032	5,512,536	5,884,186	3,238,030
Total Expenditures	68,710,879	72,970,474	84,689,045	73,632,703	73,983,269	71,798,405	138,526,159	110,185,786	94,588,093	100,857,228
Excess (Deficiency) of Revenues over Expenditures	(8,572,613)	(8,620,082)	(18,980,798)	(4,107,166)	(2,505,958)	(7,139,206)	(39,365,954)	(15,045,494)	(16,911,823)	(34,034,878)
Other Financing Sources (Uses)										
Transfers In	12,477,951	8,024,415	7,051,353	5,170,417	5,291,988	3,643,861	5,518,910	5,073,630	5,557,908	8,562,880
Transfers Out	(12,484,201)	(8,402,639)	(7,201,070)	(5,159,253)	(5,333,431)	(3,741,248)	(5,564,264)	(5,109,848)	(5,637,447)	(10,697,971)
Sale of Capital Assets	208,448	64,500	72,952	73,014	61,789	62,084	6,839	123,733	85,058	167,872
Bonds Issued, at Par	-	10,760,000	-	6,155,000	6,765,000	120,335,000	-	-	19,983,750	30,355,000
Note Proceeds	7,516,832	7,372,612	15,576,802	4,819,075	-	-	-	14,619,551	69,366	-
Payment to Escrow Agent	-	(10,757,630)	-	(6,118,307)	(6,852,230)	(66,518,105)	-	-	-	-
Premium (Discount) on Issuance of Bonds	-	59,498	-	44,192	163,592	(420,904)	-	-	(237,739)	1,262,028
Total Other Financing Sources (Uses)	7,719,030	7,120,756	15,500,037	4,984,138	96,708	53,360,688	(38,515)	14,707,066	19,820,896	29,649,809
Net Change in Fund Balances	\$ (853,583)	\$ (1,499,326)	\$ (3,480,761)	\$ 876,972	\$ (2,409,250)	\$ 46,221,482	\$ (39,404,469)	\$ (338,428)	\$ 2,909,073	\$ (4,385,069)
Debt Service as a Percentage of Noncapital Expenditures	46.21%	48.14%	48.26%	49.61%	48.26%	42.23%	48.85%	47.47%	31.92%	35.90%

Data Source

Audited Financial Statements

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
2000	\$ 494,441,465	\$ 295,562,922	\$ 112,619,146	\$ 325,322	\$ 266,075,498	\$ 1,169,024,353	1.157	\$ 3,507,073,059	33.333%
2001	608,834,722	361,732,044	121,585,216	298,743	289,815,493	1,382,266,218	0.995	4,146,798,654	33.333%
2002	663,205,010	369,853,281	143,130,819	239,544	325,026,300	1,501,454,954	0.974	4,504,364,862	33.333%
2003	672,389,482	360,110,493	138,481,832	219,537	329,450,923	1,500,652,267	1.024	4,501,956,801	33.333%
2004	807,093,546	383,277,871	151,008,426	138,020	338,455,375	1,679,973,238	0.936	5,039,919,714	33.333%
2005	885,637,285	403,147,597	163,668,867	187,940	378,056,826	1,830,698,515	0.901	5,492,095,545	33.333%
2006	924,697,143	396,636,596	187,592,635	199,404	397,888,085	1,907,013,863	0.910	5,721,041,589	33.333%
2007	1,067,070,192	477,934,832	228,403,631	149,321	466,474,206	2,240,032,182	0.820	6,720,096,546	33.333%
2008	(B)						0.820		
2009	(B)								

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

(B) 2008 detail valuations and 2009 Tax Rates and valuations 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates (A)											
General	0.668	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	(B)
Municipal Waste	0.029	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.039	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.222	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	
Police Pension	0.077	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	
Firefighters Pension	0.061	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	
Total Direct Rate	1.096	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	
Overlapping Rates											
School District #54	3.532	3.706	3.283	3.142	3.414	3.106	3.003	3.104	2.582	2.559	
Palatine Twp. H.S. #211	2.418	2.450	2.147	2.067	2.165	2.158	2.191	2.261	1.972	1.928	
Junior College District #512	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	
Forest Preserve District of Cook County	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	
Sub. T.B. Sanitarium	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	
Schaumburg Township Library District	0.361	0.372	0.319	0.304	0.319	0.285	0.277	0.287	0.256	0.254	
Township of Schaumburg (All Funds)	0.110	0.107	0.110	0.105	0.111	0.101	0.100	0.104	0.089	0.089	
Metropolitan Sanitary District of Greater Chicago	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	
Northwest Mosquito Abatement District	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	
Hoffman Estates Park District	0.578	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	
Consolidated Elections	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	
County of Cook	0.618	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	
Cook County Health Facility	0.236	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	9.749	10.072	8.942	8.510	8.976	8.373	8.167	8.286	7.181	7.046	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.2%	11.5%	11.1%	11.4%	11.4%	11.2%	11.0%	11.0%	11.4%	11.6%	

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

(B) 2009 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates (A)											
General	0.668	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	(B)
Municipal Waste	0.029	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.039	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.222	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	
Police Pension	0.077	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	
Firefighters Pension	0.061	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	
Total Direct Rate	1.096	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	
Overlapping Rates											
Unit School District #220	3.617	3.862	3.852	3.741	4.011	3.456	3.348	3.460	3.148	2.982	
Junior College District #512	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	
Forest Preserve District of Cook County	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	
Sub. T.B. Sanitarium	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	
Barrington Public Library District	0.227	0.241	0.229	0.229	0.230	0.201	0.166	0.180	0.166	0.157	
Township of Barrington (All Funds)	0.057	0.059	0.052	0.041	0.036	0.030	0.028	0.027	0.023	0.022	
Metropolitan Sanitary District of Greater Chicago	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	
Northwest Mosquito Abatement District	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	
Hoffman Estates Park District	0.578	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	
Consolidated Elections	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	
County of Cook	0.618	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	
Cook County Health Facility	0.236	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	
Lake County Tax Obj Ct Ord-220	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.065	0.053	0.052	
Total Tax Rate per \$100 of Assessed Valuation	7.229	7.599	7.216	6.903	7.244	6.410	6.138	6.262	5.672	5.429	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	15.2%	15.2%	13.8%	14.1%	14.1%	14.6%	14.7%	14.5%	14.5%	15.1%	

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

(B) 2009 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates (A)											
General	0.668	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	(B)
Municipal Waste	0.029	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.039	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.222	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	
Police Pension	0.077	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	
Firefighters Pension	0.061	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	
Total Direct Rate	1.096	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	
Overlapping Rates											
School District #15	3.611	3.749	3.289	3.185	3.313	2.925	2.840	2.763	2.435	2.385	
Palatine Twp. H.S. #211	2.418	2.450	2.147	2.067	2.165	2.158	2.191	2.261	1.972	1.928	
Junior College District #512	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	
Forest Preserve District of Cook County	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	
Sub. T.B. Sanitarium	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	
Palatine Public Library	0.361	0.381	0.322	0.310	0.315	0.280	0.271	0.280	0.246	0.240	
Township of Palatine (All Funds)	0.149	0.145	0.127	0.123	0.129	0.116	0.114	0.120	0.107	0.106	
Metropolitan Sanitary District of Greater Chicago	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	
Northwest Mosquito Abatement District	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	
Hoffman Estates Park District	0.578	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	
Consolidated Elections	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	
County of Cook	0.618	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	
Cook County Health Facility	0.236	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	9.867	10.162	8.968	8.577	8.889	8.202	8.012	7.954	7.042	6.875	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.1%	11.4%	11.1%	11.4%	11.5%	11.4%	11.2%	11.4%	11.6%	11.9%	

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

(B) 2009 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates (A)											
General	0.668	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	(B)
Municipal Waste	0.029	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.039	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.222	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	
Police Pension	0.077	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	
Firefighters Pension	0.061	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	
Total Direct Rate	1.096	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	
Overlapping Rates											
Unit School District #220	3.617	3.862	3.852	3.741	4.011	3.456	3.348	3.460	3.148	2.982	
Junior College District #512	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	
Forest Preserve District of Cook County	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	
Sub. T.B. Sanitarium	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000		
Poplar Creek Public Library District	0.388	0.406	0.351	0.340	0.355	0.318	0.304	0.310	0.367	0.357	
Township of Hanover (All Funds)	0.246	0.254	0.225	0.259	0.273	0.242	0.237	0.250	0.224	0.223	
Metropolitan Sanitary District of Greater Chicago	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	
Northwest Mosquito Abatement District	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	
Hoffman Estates Park District	0.578	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	
Consolidated Elections	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	
County of Cook	0.618	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	
Cook County Health Facility	0.236	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000		
Comm. Mental Health Facility and Service District	0.044	0.045	0.040	0.038	0.040	0.036	0.035	0.037	0.033	0.033	
Lake County Tax Obj Ct Ord-220	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.065	0.053	0.052	
Total Tax Rate per \$100 of Assessed Valuation	7.623	8.004	7.551	7.270	7.646	6.775	6.520	6.652	6.107	5.863	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	14.4%	14.5%	13.2%	13.4%	13.4%	13.8%	13.8%	13.7%	13.4%	14.0%	

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

(B) 2009 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

(This page is intentionally left blank.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Nine Years Ago

Taxpayer	2008 Tax Levy			1999 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 Holdings Corporation	\$ 291,195,555	1	12.73%	\$ 229,200,057	1	25.94%
AT&T Lease & SBC Ameritech	182,348,960	2	7.97%	118,951,124	2	13.46%
Property Tax Advisors	54,632,442	3	2.39%			
Terry Kemp	33,202,290	4	1.45%			
Cabelas Inc.	25,195,730	5	1.10%			
Stonegate Properties	24,331,019	6	1.06%	20,563,509	5	2.33%
Alexian Brothers Health Systems	23,375,001	7	1.02%	37,772,536	3	4.27%
Hamilton Partners				21,120,215	4	2.39%
American Heritage	20,529,783	8	0.90%			
Madkatstep Entertainment	19,904,158	9	0.87%			
Park Place Apartments	19,787,236	10	0.86%	13,712,528	7	1.55%
Town Management Corporation				18,687,945	6	2.11%
TransAmerica				12,353,496	8	1.40%
Autumn Chase Apartments				10,378,728	9	1.17%
Siemens Medical System				9,170,788	10	1.04%
	<u>\$ 694,502,174</u>		<u>30.35%</u>	<u>\$ 491,910,926</u>		<u>55.67%</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
1999	10,230,341	9,771,806	95.52%	17,744	9,789,550	95.69%
2000	10,447,322	9,845,205	94.24%	354,297	10,199,502	97.63%
2001	10,864,888	10,077,103	92.75%	160,714	10,237,817	94.23%
2002	11,448,849	11,165,361	97.52%	69,996	11,235,357	98.14%
2003	11,992,061	11,754,907	98.02%	65,839	11,820,746	98.57%
2004	12,542,668	11,894,869	94.84%	106,686	12,001,555	95.69%
2005	13,080,114	12,666,607	96.84%	124,837	12,791,444	97.79%
2006	13,727,555	13,060,920	95.14%	283,842	13,344,763	97.21%
2007	14,540,987	13,815,590	95.01%	290,073	14,105,663	97.01%
2008	15,441,283	14,652,075	94.89%	357,253	15,009,328	97.20%
2009	16,969,508	(A)				

(A) Collections for the 2009 Tax Levy Year will not be received until fiscal year 2010.

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

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	TIF Bonds Payable	TIF Notes Payable	Installment Contracts Payable	General Obligation Bonds	Installment Notes Payable	Capital Leases			
2000	\$ 36,240,000	\$ 185,897,705	\$ 51,531,187	\$ 801,392	\$ -	\$ -	\$ -	\$ 274,470,284	20.8%	\$ 5,545
2001	33,250,000	174,968,773	61,081,826	632,524	-	-	-	269,933,123	20.4%	5,454
2002	30,125,000	161,369,196	79,186,080	458,519	-	-	-	271,138,795	20.5%	5,478
2003	26,985,000	143,266,563	86,789,188	279,222	-	-	-	257,319,973	19.1%	5,088
2004	24,180,000	121,410,341	89,750,593	94,471	-	-	-	235,435,405	17.5%	4,655
2005	76,170,000	105,856,847	92,730,674	-	-	-	-	274,757,521	20.4%	5,433
2006	73,020,000	77,247,623	95,914,221	-	-	-	-	246,181,844	18.3%	4,868
2007	68,670,000	45,600,000	113,624,749	-	-	-	-	227,894,749	13.2%	4,506
2008	84,043,750	34,900,000	112,976,570	-	6,661,250	-	-	238,581,570	15.5%	4,718
2009	57,768,750	23,800,000	105,882,371	-	58,371,250	-	-	245,822,371	14.3%	4,861

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

* See the Schedule of Demographic and Economic Statistics on page 167 for personal income and population data.

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
2000	\$ 36,240,000	\$ 1,332,078	\$ 34,907,922	1.00%	\$ 705
2001	33,250,000	609,138	32,640,862	0.79%	659.48
2002	30,125,000	557,999	29,567,001	0.66%	597.37
2003	26,985,000	511,235	26,473,765	0.59%	523.48
2004	24,180,000	541,239	23,638,761	0.47%	467.42
2005 (A)	76,170,000	5,152,212	71,017,788	1.29%	1,404.26
2006	73,020,000	3,809,110	69,210,890	1.21%	1,368.53
2007	68,670,000	2,886,519	65,783,481	0.98%	1,300.76
2008	84,043,750	4,206,373	79,837,377	1.06%	1,578.66
2009	57,768,750	4,354,605	53,414,145	0.63%	1,056.18

(A) The fiscal year 2005 General Obligation Bonds listed here include \$54,935,000 related to the G.O. Taxable Bond Series 2005A. In fiscal year 2009 these bonds were transferred to Business-type activities.

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

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on page 160 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2009

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Hoffman Estates (A)	Village of Hoffman Estates Share of Debt
Village of Hoffman Estates	\$ 116,140,000	100.000%	\$ 116,140,000
Dundee Township	12,600,000	0.092%	11,592
Dundee Township Park District	1,678,900	0.092%	1,545
Hoffman Estates Park District	10,165,000	93.722%	9,526,841
Palatine Park District	13,015,000	2.510%	326,677
South Barrington Park District	651,000	0.033%	215
Schools			
District No. 211	33,615,000	12.259%	4,120,863
District No. 54	17,230,000	14.491%	2,496,799
District No. 15	34,018,602	7.376%	2,509,212
District No. 220	98,460,000	11.160%	10,988,136
District No. 300	309,159,248	1.376%	4,254,031
District No. 46	343,177,752	3.253%	11,163,572
Junior College District No. 512	193,570,000	6.267%	12,131,032
Junior College District No. 509	99,903,488	2.275%	2,272,804
Metropolitan Water Reclamation District	1,974,013,378	1.108%	21,872,068
Cook County including Forest Preserve District	3,189,435,000	1.086%	34,637,264
Kane County including Forest Preserve District	240,240,866	0.012%	28,829
Gail Borden Library District	24,250,000	5.640%	1,367,700
Palatine Library District	1,615,000	9.918%	160,176
Poplar Creek Library District	22,300,000	7.597%	1,694,131
Schaumburg Library District	4,460,000	14.858%	662,667
	<u>6,623,558,234</u>		<u>120,226,154</u>
	<u>\$ 6,739,698,234</u>		<u>\$ 236,366,154</u>

(A) Determined by ratio of assessed valuation of property subject to taxation in the Village of Hoffman Estates to valuation of property subject to taxation in overlapping unit.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2009

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		
					Principal	Interest			Principal	Interest	Coverage
1999	\$ 18,753,853	\$ (3,782,845)	\$ (35,410)	\$ 14,935,598	\$ 10,935,000	\$ 7,469,978	0.81	\$ -	\$ -	\$ -	N/A
2000	19,886,213	(3,988,755)	(25,707)	15,871,751	12,500,000	6,827,555	0.82	-	-	-	N/A
2001	21,176,305	(4,268,800)	(29,818)	16,877,687	15,880,000	6,026,050	0.77	-	-	-	N/A
2002	21,824,262	(4,480,565)	(7,000)	17,336,697	18,910,000	5,013,935	0.72	-	-	-	N/A
2003	23,354,774	(4,872,744)	(31,509)	18,450,521	23,135,000	4,256,795	0.67	-	-	-	N/A
2004	23,323,096	(5,427,930)	(33,438)	17,861,728	26,070,000	3,844,545	0.60	-	-	-	N/A
2005	21,521,947	(5,722,070)	(278,175)	15,521,702	18,210,000	2,510,398	0.75	-	-	-	N/A
2006	23,200,881	(6,125,072)	(490,250)	16,585,559	30,610,000	1,811,299	0.51	-	-	-	N/A
2007	23,313,072	(6,478,656)	(407,425)	16,426,991	32,215,000	1,484,344	0.49	-	-	-	N/A
2008	25,642,341	(7,441,624)	(349,379)	17,851,338	10,700,000	1,143,544	1.51	4,135,496	4,135,496	-	1.00
2009	18,518,043	(4,960,636)	(213,359)	13,344,048	11,100,000	789,964	1.12	10,181,363	10,181,363	-	1.00

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

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

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
2000	49,495	\$ 1,319,982,155	\$ 26,669	4.2
2001	49,495	1,319,982,155	26,669	3.9
2002	49,495	1,319,982,155	26,669	4.3
2003	50,573	1,348,731,337	26,669	4.7
2004	50,573	1,348,731,337	26,669	4.9
2005	50,573	1,348,731,337	26,669	4.5
2006	50,573	1,348,731,337	26,669	3.4
2007	50,573	1,722,718,672	34,064	3.5
2008	50,573	1,722,718,672	34,064	5.5
2009	50,573	1,722,718,672	34,064	8.8

Data Sources

(1) U.S. Department of Commerce, Bureau of the Census. In 2003, a Partial Special Census certified by the State of Illinois established the updated figure shown here.

(2) Illinois Bureau of Employment Security

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
AT&T (Ameritech)	4,700	1	9.3%	4,000	2	8.1%
Sears Holdings	4,500	2	8.9%	5,700	1	11.5%
St. Alexius Medical Center	2,121	3	4.2%	1,250	3	2.5%
Career Education Corporation	1,000	4	2.0%			
TransAmerica				800	5	1.6%
Automated Data Processing	600	5	1.2%	500	6	1.0%
GE Commercial Finance	550	6	1.1%			
Siemens Medical Systems	500	7	1.0%	950	4	1.9%
Leopardo Companies, Inc.	400	8	0.8%			
Liberty Mutual	400	9	0.8%			
CBI Distributing Corp (Claire's)				400	7	0.8%
Village of Hoffman Estates	377	10	0.7%	368	8	0.7%
Township High School No. 211 (Conant)				331	9	0.7%
Township High School No. 211 (Hoffman Estates)				311	10	0.6%
Total	15,148			14,610		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES
 Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Management Services	23	25	27	27	25	25	26	29	29	26
Finance	16	16	17	16	15	15	15	16	16	14
Public Safety										
Police										
Officers	96	94	95	94	95	94	97	99	101	95
Civilians	21	24	24	24	24	24	24	25	25	23
Fire										
Firefighters and officers	92	92	92	99	98	98	100	103	113	102
Civilians	4	4	4	4	4	5	5	4	3	3
Highways and Streets										
Administration	3	3	3	3	3	3	3	4	3	3
Engineering	12	12	11	11	11	11	11	12	11	9
Street Maintenance	68	70	69	70	70	70	72	73	75	71
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	24	24	24	24	23	23	24	24	25	21
Culture and Recreation	1	1	2	2	2	2	2	1	2	2
Economic Development	7	9	10	10	10	10	9	10	9	8
Total	367	374	378	384	380	380	388	399	413	377

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
OPERATING INDICATORS
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Physical arrests	8,072	2,247	2,200	1,877	2,008	1,956	2,838	2,418	2,360	2,259
Parking violations	37,080	8,042	7,331	4,497	5,553	6,321	8,750	8,503	9,608	8,336
Traffic violations	70,538	16,966	16,604	16,488	16,189	17,765	18,834	12,641	18,700	18,111
Fire										
Emergency responses	2,721	2,624	2,854	2,889	2,860	2,994	4,984	5,276	5,414	5,272
Fire/Miscellaneous responses	1,766	1,817	1,646	1,681	1,731	1,758	1,751	1,721	1,956	1,670
Inspections	2,932	2,669	2,796	3,156	3,023	2,923	3,415	3,136	3,282	2,006
Public Works										
Vehicles Maintained by Dept	168	179	177	179	178	182	191	201	230	223
Street reconstruction (miles)	6.5	4.2	1.1	1.4	1.5	1.4	1.8	2.0	0.5	0.3
Street resurfacing (miles)	5.1	8.6	8.0	4.7	7.1	2.5	5.2	3.4	4.3	4.8
Water										
New connections	51	202	237	190	224	237	200	227	54	16
Water main breaks	7	12	18	35	23	45	41	66	53	42
Average daily consumption	5,304,614	5,502,910	5,542,619	5,314,263	5,346,751	5,829,000	5,318,000	5,349,000	5,082,000	5,258,000
Peak daily consumption	7,768,000	9,400,000	9,631,000	8,781,000	12,586,000	11,478,000	8,653,000	9,885,000	8,417,000	10,388,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 CAPITAL ASSET STATISTICS
 Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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	41	39	41	40	41	42	47	47	51	51
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	9	9	9	9	9	9	9	10	12	11
Public Works										
Miles of Streets	140	141	141	142	142	145	145	157	158	158
Streetlights	N/A	N/A	N/A	N/A	2,196	2,246	2,261	2,261	2,261	2,388
Traffic signals	2	2	2	2	2	2	3	3	3	3
Water										
Water mains (miles)	202	208	213	218	221	224	226	228	232	232
Fire hydrants	2,427	2,527	2,581	2,671	2,727	2,775	2,815	2,854	2,926	2,827
Storage capacity (gallons)	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000
Wastewater										
Sanitary sewers (miles)	166	167	169	171	172	173	175	176	179	176
Storm sewers (miles)	N/A	10	11							

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, 2009

"Annual Report"

Prepared by:
Finance Department
Michael DuCharme, Director of Finance
847-882-9100

Village of Hoffman Estates
Comparative General Fund Balance Sheet
Fiscal Years Ended December 31

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assets					
Cash and Investments	\$14,366,578	\$14,501,358	\$12,213,972	\$10,574,805	\$7,596,239
Receivables:					
Property Taxes	11,426,163	12,061,945	13,604,904	13,456,391	16,194,251
Accounts	40,584	84,793	25,448	121,345	170,362
Accrued Interest	81,970	55,154	30,738	15,984	322
Other	429,213	410,277	711,378	807,566	789,802
Prepaid Items	16,993	17,324	6,154	63,294	1,386
Inventory	166,857	188,866	190,218	216,620	194,019
Due from Other Governments	3,192,471	3,619,080	4,019,113	3,900,678	4,748,143
Due from Other Funds	52,416	113,418	1,066,479	2,646,552	931,939
Due from Fiduciary Funds	-	-	-	112,976	252,745
Advance to Other Funds	1,237,885	287,849	-	-	796,291
Advance to Fiduciary Funds	-	4,000	11,000	5,000	-
Total Assets	<u>\$31,011,130</u>	<u>\$31,344,064</u>	<u>\$31,879,404</u>	<u>\$31,921,211</u>	<u>\$31,675,499</u>
Liabilities					
Accounts Payable	\$716,456	\$1,041,934	\$1,471,498	\$1,752,815	\$1,486,298
Accrued Payroll	786,865	851,509	1,021,549	1,325,720	642,542
Deferred Revenues	12,082,680	12,905,051	13,770,134	14,440,946	17,124,924
Due to Other Funds	2,363	129,309	-	87,799	-
Due to Fiduciary Funds	58,588	25,707	187,916	5,906	-
Deposits Payable	1,336,823	1,378,658	1,414,371	1,468,273	1,352,392
Total Liabilities	<u>\$14,983,775</u>	<u>\$16,332,168</u>	<u>\$17,865,468</u>	<u>\$19,081,459</u>	<u>\$20,606,156</u>
Fund Balances					
Reserved for Prepaid Items	\$16,993	\$17,324	\$6,154	\$63,294	\$1,386
Reserved for Inventory	166,857	188,866	190,218	216,620	194,019
Reserved for Advances to Other Funds	1,237,885	291,849	11,000	5,000	796,291
Reserved for Public Safety	142,319	121,797	116,371	114,324	126,964
Reserved for Employee Loan Program	99,468	89,998	81,721	70,399	64,106
Unreserved	14,363,833	14,302,062	13,608,472	12,370,115	9,886,577
Total Equity and Credits	<u>\$16,027,355</u>	<u>\$15,011,896</u>	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>
 Total Liabilities, Equity and Other Credits	 <u>\$31,011,130</u>	 <u>\$31,344,064</u>	 <u>\$31,879,404</u>	 <u>\$31,921,211</u>	 <u>\$31,675,499</u>

Sources Comprehensive Annual Financial Reports, FY 2005 - 2009

Village of Hoffman Estates
General Fund Revenues & Expenditures

Fiscal Years Ended December 31

	2005	2006	2007	2008	2009	Budget 2010
Revenues:						
Taxes	\$21,358,959	\$20,909,646	\$21,710,526	\$22,702,394	\$22,629,437	\$24,216,873
Licenses and Permits	2,032,103	1,974,164	2,637,624	1,313,427	1,103,880	889,500
Intergovernmental	10,191,818	11,781,393	12,713,142	13,474,956	11,670,548	11,997,620
Charges for Services	3,754,742	4,100,996	4,950,909	4,566,938	4,483,868	4,576,400
Fines and Forfeits	597,037	825,005	1,160,360	1,451,980	966,369	967,000
Investment Income	426,348	745,136	700,628	345,136	56,881	150,000
Miscellaneous	279,439	151,937	362,605	602,449	246,975	257,800
Total Revenues	<u>\$38,640,446</u>	<u>\$40,488,277</u>	<u>\$44,235,794</u>	<u>\$44,457,280</u>	<u>\$41,157,958</u>	<u>\$43,055,193</u>
Expenditures:						
General Government	\$4,559,935	\$5,096,565	\$5,534,581	\$5,817,443	\$5,352,058	\$5,732,450
Public Safety	21,932,451	23,836,847	26,217,176	27,011,405	26,913,669	28,520,033
Highways and Streets	4,265,588	4,436,085	5,286,342	6,261,272	5,471,434	5,230,060
Health and Welfare	1,671,142	1,800,992	1,898,681	1,945,636	1,783,070	1,688,300
Culture and Recreation	223,112	241,172	289,403	276,335	367,578	286,300
Economic Development	1,219,030	971,705	1,393,040	1,932,884	1,808,471	1,841,170
Miscellaneous	-	-	-	-	-	-
Total Expenditures	<u>\$33,871,258</u>	<u>\$36,383,366</u>	<u>\$40,619,223</u>	<u>\$43,244,975</u>	<u>\$41,696,280</u>	<u>\$43,298,313</u>
Excess (Deficiency) of Revenues Over Exp	\$4,769,188	\$4,104,911	\$3,616,571	\$1,212,305	(\$538,322)	(\$243,120)
Other Financing Sources (Uses)	<u>(\$2,399,916)</u>	<u>(\$5,120,370)</u>	<u>(\$4,614,531)</u>	<u>(\$2,386,489)</u>	<u>(\$1,232,087)</u>	<u>(\$822,620)</u>
Net Change in Fund Balance	2,369,272	(1,015,459)	(997,960)	(1,174,184)	(1,770,409)	(1,065,740)
Fund Balance, January 1	<u>13,658,083</u>	<u>16,027,355</u>	<u>\$15,011,896</u>	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>
Ending Fund Balance	<u>\$16,027,355</u>	<u>\$15,011,896</u>	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$10,003,603</u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2005 - 2009; Budget, Fiscal Year 2010

Village of Hoffman Estates
Combined Statement - Fund Balances - All Funds
Fiscal Years Ended December 31

	2005	2006	2007	2008	2009
Governmental Fund Types:					
General Fund	\$16,027,355	\$15,011,896	\$14,013,936	\$12,839,752	\$11,069,343
Special Revenue Funds:					
Motor Fuel Tax Fund	209,497	222,347	219,094	137,107	91,469
Com. Development Block Grant Fund	-	-	1	1	1
Asset Seizure Fund	90,630	89,661	96,522	128,209	152,689
Econ. Dev. Area Admin.	151,904	751,429	359,265	453,451	714,816
E911	859,443	1,011,980	1,157,635	924,651	888,747
Roselle Rd TIF	332,708	483,744	1,172,555	2,126,206	538,050
Municipal Waste	226,853	599,953	373,656	126,568	69,366
Total Special Revenue	<u>\$1,871,035</u>	<u>\$3,159,114</u>	<u>\$3,378,728</u>	<u>\$3,896,193</u>	<u>\$2,455,138</u>
Debt Service Funds	\$17,360,240	\$26,682,454	\$26,571,279	\$28,505,183	\$18,143,679
Capital Project Funds	62,223,501	13,224,198	14,074,558	15,706,446	24,894,345
Total Governmental	<u>\$97,482,131</u>	<u>\$58,077,662</u>	<u>\$58,038,501</u>	<u>\$60,947,574</u>	<u>\$56,562,505</u>
Proprietary Fund Types:					
Waterworks and Sewerage	\$33,181,114	\$33,600,225	\$34,477,794	\$34,672,776	\$32,162,906
Sears Centre	-	-	-	-	32,852,437
Insurance	103,957	23,151	954,825	599,874	429,802
Information Systems	229,519	378,882	678,423	570,450	373,820
Total Proprietary	<u>\$33,514,590</u>	<u>\$34,002,258</u>	<u>\$36,111,042</u>	<u>\$35,843,100</u>	<u>\$65,818,965</u>
Fiduciary Fund Types:					
Expendable Trust Funds	-	-	-	-	-
Pension Trust:					
Police Pension	\$38,197,403	\$41,968,210	\$45,509,710	\$40,439,193	\$46,170,267
Firefighters' Pension	43,322,571	46,581,608	49,711,799	43,975,311	48,459,349
Total Fiduciary	<u>\$81,519,974</u>	<u>\$88,549,818</u>	<u>\$95,221,509</u>	<u>\$84,414,504</u>	<u>\$94,629,616</u>
<i>Total All Funds (Memo Only)</i>	<u>\$212,516,695</u>	<u>\$180,629,738</u>	<u>\$189,371,052</u>	<u>\$181,205,178</u>	<u>\$217,011,086</u>

Sources Comprehensive Annual Financial Reports, FY 2005 - 2009

Village of Hoffman Estates
Combined Statement - Cash and Investments - All Funds
As of December 31

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund	\$14,366,578	\$14,501,358	\$12,213,972	\$10,574,805	\$7,596,239
Special Revenue Funds	3,106,000	3,962,652	3,776,172	4,585,577	3,038,268
Debt Service - GO Bonds	5,038,205	3,791,960	2,696,779	4,192,144	4,616,286
Debt Service - EDA Related	12,291,217	22,936,906	23,762,202	24,475,971	13,833,257
Total Debt Service Funds	<u>\$17,329,422</u>	<u>\$26,728,866</u>	<u>\$26,458,981</u>	<u>\$28,668,115</u>	<u>\$18,449,543</u>
Capital Project Funds	\$56,984,193	\$9,050,771	\$11,772,164	\$18,167,827	\$24,472,630
Capital Projects - EDA, Series 1991	6,336,199	5,702,157	4,973,716	4,517,254	4,287,319
Total Capital Project Funds	<u>\$63,320,392</u>	<u>\$14,752,928</u>	<u>\$16,745,880</u>	<u>\$22,685,081</u>	<u>\$28,759,949</u>
Waterworks and Sewerage	\$8,747,938	\$8,554,011	\$8,733,814	\$12,696,513	\$8,679,680
Sears Centre	-	-	-	-	770,078
Total Enterprise Funds	<u>\$8,747,938</u>	<u>\$8,554,011</u>	<u>\$8,733,814</u>	<u>\$12,696,513</u>	<u>\$9,449,758</u>
Insurance	\$1,179,764	\$1,038,953	\$2,032,468	\$2,098,246	\$1,840,307
Information Systems	223,549	462,428	733,055	655,694	121,176
Total Internal Service Funds	<u>\$1,403,313</u>	<u>\$1,501,381</u>	<u>\$2,765,523</u>	<u>\$2,753,940</u>	<u>\$1,961,483</u>
Pension Funds	\$1,049,948	\$3,357,826	\$2,499,588	\$2,541,339	\$2,905,028
All Other Funds	1,672,447	7,717,363	6,814,816	13,170,550	25,620,650
Total	<u>\$110,996,038</u>	<u>\$81,076,385</u>	<u>\$80,008,746</u>	<u>\$97,675,920</u>	<u>\$97,010,840</u>

Sources Comprehensive Annual Financial Reports, FY 2005 - 2009

Village of Hoffman Estates
General Fund - Major Sources of Revenue

Fiscal Years Ended December 31

Revenues	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Property Taxes	\$8,198,660	\$8,783,938	\$9,007,836	\$9,563,610	\$10,276,657
Sales Tax	5,055,579	6,233,965	6,590,165	6,990,526	6,069,966
Home Rule Sales tax	2,591,899	3,216,848	3,456,973	3,938,726	3,508,616
Local Use Tax	578,229	662,370	670,755	748,732	614,640
State Income Tax	3,773,525	4,140,270	4,475,720	4,781,261	3,991,678
Licenses and Permits	2,032,103	1,974,164	2,637,624	1,313,427	1,103,879
Charges for Services	3,754,742	4,100,996	4,950,909	4,566,938	4,483,869
Fines and Forfeits	597,037	825,005	1,160,360	1,451,980	941,060
Investment Income	426,348	745,136	700,625	345,136	56,866
Hotel Tax	750,028	1,070,456	1,106,043	1,263,922	923,549
Real Estate Transfer Tax	3,040,388	1,111,758	1,323,132	755,637	510,990
Telecommunications Tax	4,097,034	3,753,103	3,378,962	3,404,303	3,119,398
All Other	3,748,035	3,877,106	4,785,947	5,349,802	5,565,084
Total Revenue.....	<u>\$38,643,607</u>	<u>\$40,495,115</u>	<u>\$44,245,051</u>	<u>\$44,474,000</u>	<u>\$41,166,252</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2009

	Outstanding Bonds	Applicable to Village	
		Percentage	Amount
Direct Debt			
General Obligation Bonds Outstanding	\$116,140,000	100.0%	\$116,140,000
Overlapping Debt			
Cook County	\$3,080,770,000	1.086%	\$33,457,162
Cook County Forest Preserve	\$108,665,000	1.086%	1,180,102
Metropolitan Water Reclamation District	1,974,013,378	1.108%	21,872,068
Kane County	4,760,000	0.012%	571
Kane County Forest Preserve	235,480,866	0.012%	28,258
Dundee Township	12,600,000	0.092%	11,592
Dundee Township Park District	1,678,900	0.092%	1,545
Hoffman Estates Park District	10,165,000	93.722%	9,526,841
Palatine Park District	13,015,000	2.510%	326,677
South Barrington Park District	651,000	0.033%	215
Gail Borden Public Library District	24,250,000	5.640%	1,367,700
Palatine Public Library District	1,615,000	9.918%	160,176
Poplar Creek Library District	22,300,000	7.597%	1,694,131
Schaumburg Township Library District	4,460,000	14.858%	662,667
School District #15	34,018,602	7.376%	2,509,212
Community Unit School District #46	343,177,752	3.253%	11,163,572
School District #54	17,230,000	14.491%	2,496,799
Community Unit School District #220	98,460,000	11.160%	10,988,136
Community Unit School District #300	309,159,248	1.376%	4,254,031
High School District #211	33,615,000	12.259%	4,120,863
Community College #509	99,903,488	2.275%	2,272,804
Community College #512	193,570,000	6.267%	<u>12,131,032</u>
			\$120,226,154
Total Direct and Overlapping General Obligation Bonded Debt			\$236,366,154

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates, Illinois
Total General Obligation Bond Debt Service

As of December 31, 2009

Year Ended (December 1)	Prior Principal and Interest			Series 2005A Bonds			Series 2008A & 2009A Bonds			Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2010	\$3,355,000	\$291,713	\$3,646,713	\$1,175,000	\$2,724,338	\$3,899,338	-	\$2,846,106	\$2,846,106	\$4,530,000	\$5,862,157	\$10,392,157
2011	2,610,000	161,310	2,771,310	1,230,000	2,669,700	3,899,700	-	2,846,106	2,846,106	3,840,000	5,677,116	9,517,116
2012	1,465,000	59,973	1,524,973	1,285,000	2,611,890	3,896,890	-	2,846,106	2,846,106	2,750,000	5,517,969	8,267,969
2013	-	-	-	1,345,000	2,550,210	3,895,210	1,200,000	2,846,106	4,046,106	2,545,000	5,396,316	7,941,316
2014	-	-	-	1,415,000	2,484,305	3,899,305	1,235,000	2,810,106	4,045,106	2,650,000	5,294,411	7,944,411
2015	-	-	-	1,485,000	2,414,263	3,899,263	1,295,000	2,751,444	4,046,444	2,780,000	5,165,707	7,945,707
2016	-	-	-	1,555,000	2,340,013	3,895,013	1,360,000	2,689,931	4,049,931	2,915,000	5,029,944	7,944,944
2017	-	-	-	1,635,000	2,261,485	3,896,485	1,410,000	2,635,531	4,045,531	3,045,000	4,897,016	7,942,016
2018	-	-	-	1,720,000	2,177,283	3,897,283	1,485,000	2,565,031	4,050,031	3,205,000	4,742,314	7,947,314
2019	-	-	-	1,810,000	2,087,843	3,897,843	1,555,000	2,490,781	4,045,781	3,365,000	4,578,624	7,943,624
2020	-	-	-	1,905,000	1,992,818	3,897,818	1,640,000	2,409,144	4,049,144	3,545,000	4,401,962	7,946,962
2021	-	-	-	2,005,000	1,892,805	3,897,805	1,725,000	2,323,044	4,048,044	3,730,000	4,215,849	7,945,849
2022	-	-	-	2,110,000	1,787,543	3,897,543	1,815,000	2,232,481	4,047,481	3,925,000	4,020,024	7,945,024
2023	-	-	-	2,225,000	1,674,130	3,899,130	1,910,000	2,137,194	4,047,194	4,135,000	3,811,324	7,946,324
2024	-	-	-	2,345,000	1,554,536	3,899,536	2,010,000	2,036,919	4,046,919	4,355,000	3,591,455	7,946,455
2025	-	-	-	2,470,000	1,428,493	3,898,493	2,115,000	1,931,394	4,046,394	4,585,000	3,359,887	7,944,887
2026	-	-	-	2,600,000	1,295,730	3,895,730	2,225,000	1,820,356	4,045,356	4,825,000	3,116,086	7,941,086
2027	-	-	-	2,740,000	1,155,330	3,895,330	2,335,000	1,710,219	4,045,219	5,075,000	2,865,549	7,940,549
2028	-	-	-	2,890,000	1,007,370	3,897,370	2,455,000	1,590,550	4,045,550	5,345,000	2,597,920	7,942,920
2029	-	-	-	3,045,000	851,310	3,896,310	2,585,000	1,464,731	4,049,731	5,630,000	2,316,041	7,946,041
2030	-	-	-	3,210,000	686,880	3,896,880	2,415,000	1,332,250	3,747,250	5,625,000	2,019,130	7,644,130
2031	-	-	-	3,385,000	513,540	3,898,540	2,540,000	1,211,500	3,751,500	5,925,000	1,725,040	7,650,040
2032	-	-	-	3,565,000	330,750	3,895,750	2,665,000	1,084,500	3,749,500	6,230,000	1,415,250	7,645,250
2033	-	-	-	2,560,000	138,240	2,698,240	2,795,000	951,250	3,746,250	5,355,000	1,089,490	6,444,490
2034	-	-	-	-	-	-	2,935,000	811,500	3,746,500	2,935,000	811,500	3,746,500
2035	-	-	-	-	-	-	3,085,000	664,750	3,749,750	3,085,000	664,750	3,749,750
2036	-	-	-	-	-	-	3,240,000	510,500	3,750,500	3,240,000	510,500	3,750,500
2037	-	-	-	-	-	-	3,400,000	348,500	3,748,500	3,400,000	348,500	3,748,500
2038	-	-	-	-	-	-	3,570,000	178,500	3,748,500	3,570,000	178,500	3,748,500
	<u>\$7,430,000</u>	<u>\$512,996</u>	<u>\$7,942,996</u>	<u>\$51,710,000</u>	<u>\$40,630,805</u>	<u>\$92,340,805</u>	<u>\$57,000,000</u>	<u>\$54,076,530</u>	<u>\$111,076,530</u>	<u>\$116,140,000</u>	<u>\$95,220,331</u>	<u>\$211,360,331</u>

Village of Hofman 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2007 v.</u> <u>2008</u>	<u>2008 v.</u> <u>2009</u>
January	October	\$ 401,340	\$ 362,896	\$ 490,417	\$ 614,831	\$ 505,056	25%	-18%
February	November	380,001	370,157	500,844	567,087	581,207	13%	2%
March	December	422,742	555,981	614,877	651,535	609,438	6%	-6%
April	January	437,891	506,421	436,642	537,730	468,904	23%	-13%
May	February	421,752	422,455	482,243	527,687	428,140	9%	-19%
June	March	408,345	566,616	527,647	572,460	542,983	8%	-5%
July	April	435,966	561,962	529,255	609,868	490,141	15%	-20%
August	May	411,570	570,342	550,515	585,116	506,613	6%	-13%
September	June	473,621	492,612	617,219	633,604	529,597	3%	-16%
October	July	456,655	555,596	539,236	592,928	484,807	10%	-18%
November	August	459,373	491,131	541,242	613,051	534,471	13%	-13%
December	September	394,610	519,588	569,370	580,285	481,247	2%	-17%
Year Totals		<u>\$ 5,103,866</u>	<u>\$ 5,975,757</u>	<u>\$ 6,399,508</u>	<u>\$ 7,086,181</u>	<u>\$ 6,162,604</u>	<u>11%</u>	<u>-13%</u>

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2006 v.</u> <u>2007</u>	<u>2007 v.</u> <u>2008</u>
January	October	\$ 205,617	\$ 221,472	\$ 266,186	\$ 334,762	\$ 310,368	26%	-7%
February	November	201,726	196,668	263,335	330,135	338,610	25%	3%
March	December	228,014	304,762	334,386	383,795	381,069	15%	-1%
April	January	183,273	211,546	204,165	311,781	265,394	53%	-15%
May	February	201,009	208,890	231,916	285,826	252,890	23%	-12%
June	March	201,650	255,858	268,747	299,470	295,060	11%	-1%
July	April	236,093	289,267	260,833	320,295	268,645	23%	-16%
August	May	214,381	261,775	287,708	324,084	284,606	13%	-12%
September	June	221,855	302,261	306,232	341,857	303,447	12%	-11%
October	July	219,767	297,866	289,547	341,887	273,130	18%	-20%
November	August	239,857	249,237	279,871	349,666	314,903	25%	-10%
December	September	227,859	305,864	328,669	331,086	286,566	1%	-13%
Year Totals		<u>\$ 2,581,101</u>	<u>\$ 3,105,466</u>	<u>\$ 3,321,595</u>	<u>\$ 3,954,646</u>	<u>\$ 3,574,688</u>	<u>19%</u>	<u>-10%</u>

Source: Village Finance Department