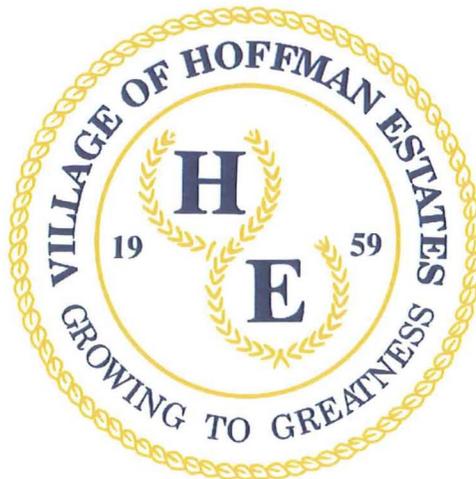


**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2010**



**VILLAGE OF HOFFMAN ESTATES,
ILLINOIS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
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FINANCIAL STATEMENTS
December 31, 2010

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2010

LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Karen V. Mills

Raymond M. Kincaid

Jacquelyn Green

Anna Newell

Gary J. Pilafas

Gary G. Stanton

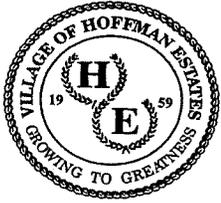
Bev Romanoff, Village Clerk

ADMINISTRATIVE

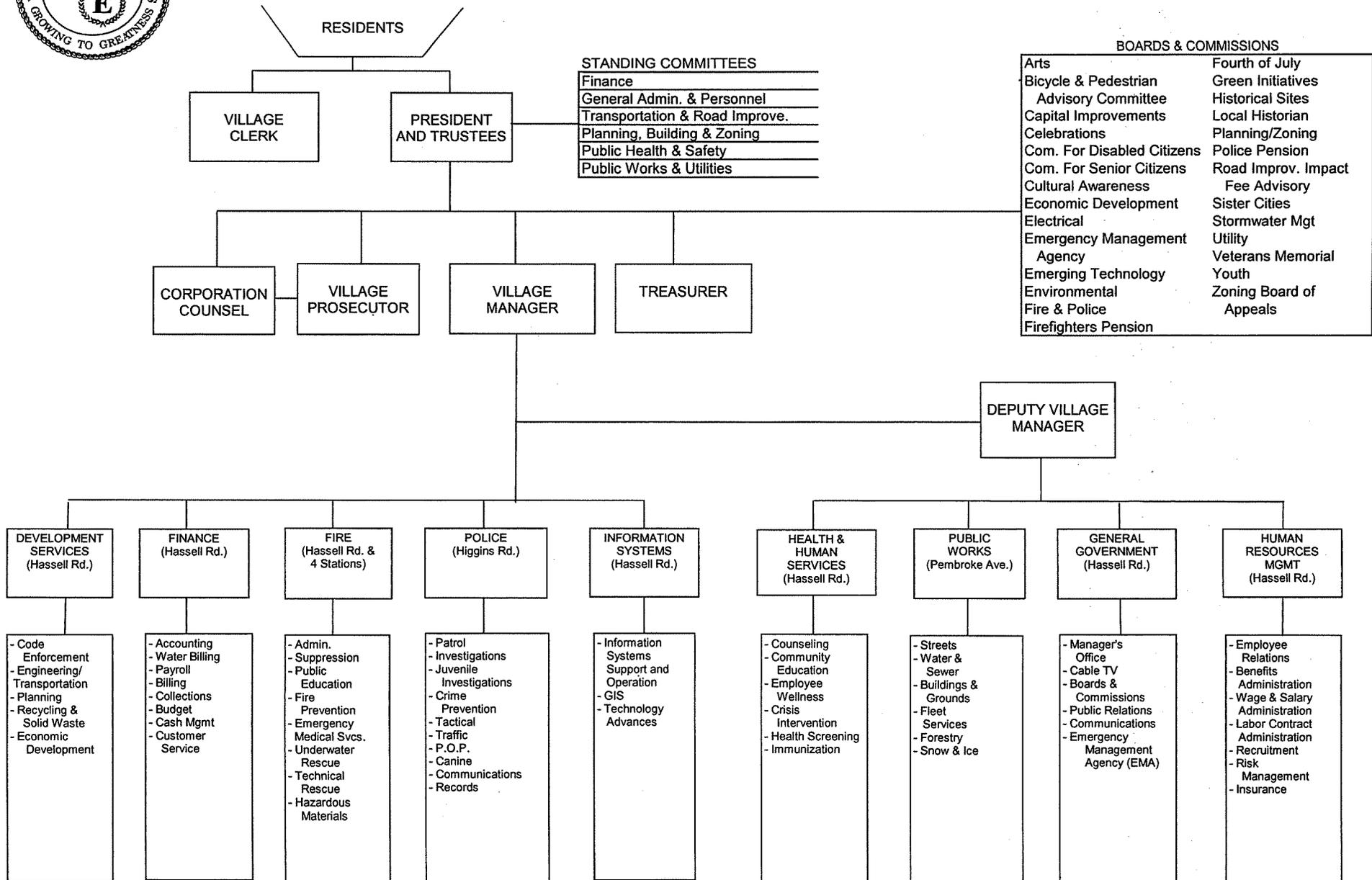
James H. Norris, Village Manager

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, 2009

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.



A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



HOFFMAN ESTATES

June 24, 2011

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, 2010.

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

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

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

the Village of Hoffman Estates is comprised of all funds of the primary government (i.e., the Village of Hoffman Estates as legally defined) and its pension trust funds: the Hoffman Estates Police Pension Fund and the Hoffman Estates Firefighters' Pension Fund. These funds were determined to be pension trust funds due to their fiduciary and fiscal relationship with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers and firefighters. Tax increment financing 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

In 2010, the Village of Hoffman Estates continued to be affected by the economic recession that has persisted since 2008. Although the economy still falters, the Village has worked to retain and promote existing businesses, as well as stimulate opportunities for growth.

NSK America Corporation, a leading manufacturer of high-speed precision rotary tools, broke ground in the new Huntington 90 business park. In 2010, the Hoffman Estates also welcomed the companies BIG Kaiser, JCL Bioassay and Americare College of Nursing to the Village. These companies have brought 256 high-quality jobs to the community.

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. As a positive sign of recovery during these economic times, the Village welcomed back Cost Plus World Market as they reopened their store during 2010. Additional retailers, restaurants and service providers occupy outlot buildings, including the newly opened Rookies restaurant/sports pub.

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 in 2009 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 area saw a lease for a pizza store during 2010 and two pending lease/sale contracts for a drive-thru building in the Prairie Stone Crossing Center. The hope is for a completed contract in the first or second quarter of 2011.

Crossroads Commons Shopping Center underwent a major facade renovation in 2010. Aside from this new facade, India House and Bombay Chopsticks opened their doors for business. Early reviews of the new look and restaurants have been very positive. In 2010, a new Sherwin Williams paint store opened next to Comp USA to complete that center.

While some centers undergo upgrades and obtain new tenants, others remain in transition. Hoffman Village was sold and the new owner, like Crossroads Commons, plans for a new facade to attract new tenants, as does the smaller Strawberry Hill Plaza.

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 additional site and building upgrades in 2008. The estimated total cost was \$2 million, with no public dollars expended from the TIF fund. The shopping center is experiencing the effects of the economy with

a number of vacancies. However, these provide a chance for new tenants and development to change the mix of services available. The new Royal Seafood buffet will occupy the former Harlem Furniture building and is undergoing a major remodeling of the interior. Once open, the restaurant will help bring new visitors to the center and generate new revenue. Efforts continue to market the vacant store fronts in the center to interested businesses.

The Hoffman Plaza Shopping Center (across the street from Golf Center) presents an opportunity for potential new ownership for upgrades or development. The renovated Jewel store continues to be a solid anchor for the center with increased sales since their 2008 upgrade. Outlots in the northwest corner of the center at Golf and Roselle Roads are undergoing major renovations, including a new facade and building expansion to accommodate a planned Chipotle restaurant and a Sprint store, among others. The former Shell station outlot received some interest from potential buyers.

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. Operation of the 11,000 seat arena, a multi-purpose indoor entertainment and sports facility, transitioned to the Village during 2010. The Village contracted with Global Spectrum to operate the Sears Centre Arena on a daily basis and book events. By all accounts, 2010 was a success, as the Sears Centre hosted acclaimed events, achieved the highest amount of event income to date and exceeded budget projections.

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 Sears Tower (now 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 encourage 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 Elm Building (one of the seven office buildings).

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. The vacant acreage is currently at about 115 acres.

Long-term Financial Planning

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

adapted to meet changing conditions. Many of the policies of the plan are proposed with this need for flexibility in mind.

The Village 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 states:

"The Village will strive to maintain an unallocated/unreserved fund balance within the General Fund equal to 18 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board."

As of December 31, 2010, General Fund unreserved fund balance is 22.1 percent of budgeted operating expenditures.

Relevant Financial Policies

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

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

Major Initiatives

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

- 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. *[Completed]*
- 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. *[Completed]*
- 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. *[Completed]*
- 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.
- 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, 2009. This was the twenty-seventh consecutive year the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Village of Hoffman Estates received the GFOA's Distinguished Budget Presentation Award for its annual budget for the 2010 fiscal year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This is the second year the Village has received this award, and for the 2010 budget document our award included special capital recognition and special performance measures recognition.

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

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, 2010, 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, 2010, 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 States 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 opinions on the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental data and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village. The combining and individual fund financial statements and schedules and the supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The 2009 comparative actual amounts for the combining and individual fund financial statements and schedules were subjected to the auditing procedures applied by us and in the report dated June 3, 2010 was fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole. 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 them.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2011 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 considered in assessing the results of our audit.


Crowe Horwath LLP

Oak Brook, Illinois
June 24, 2011

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

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, 2010. 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.

Fund Financial Statements

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

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

(See independent auditor's report.)

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

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 29 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 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 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 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.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 56 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 57 through 64 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 65 through 125 of this report.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Beyond presenting current-year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior years in the Management's Discussion and Analysis. By doing so, the Village believes that it is providing the best means of analyzing its financial condition and position as of December 31, 2010.

Net Assets

The table below reflects the condensed Statement of Net Assets.

**Table 1
Statement of Net Assets
As of December 31, 2010**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Current and Other Assets	\$ 88,820,911	\$ 64,040,981	\$ 11,835,625	\$ 9,234,550	\$ 100,656,536	\$ 73,275,531
Capital Assets	144,150,830	147,112,100	112,766,613	113,844,871	256,917,443	260,956,971
Total Assets	232,971,741	211,153,081	124,602,238	123,079,421	357,573,979	334,232,502
Long-Term Liabilities	192,427,190	159,189,632	58,450,415	57,424,407	250,877,605	216,614,039
Other Liabilities	28,594,811	26,898,404	1,136,480	3,097,966	29,731,291	29,996,370
Total Liabilities	221,022,001	186,088,036	59,586,895	60,522,373	280,608,896	246,610,409
Net Assets:						
Invested in Capital Assets,						
Net of Debt	104,590,958	97,434,737	57,239,680	57,838,788	161,830,638	155,273,525
Restricted	25,487,777	11,808,484	-	-	25,487,777	11,808,484
Unrestricted	(118,128,995)	(84,178,176)	7,775,663	4,718,260	(110,353,332)	(79,459,916)
Total Net Assets	\$ 11,949,740	\$ 25,065,045	\$ 65,015,343	\$ 62,557,048	\$ 76,965,083	\$ 87,622,093

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

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

Tax Increment Revenue Notes in the amount of \$95,719,844 (as of December 31, 2010). 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 following table displays the Village's net assets without the EDA TIF activity, which is a better measure of the financial position of the Village.

Table 1-a
Statement of Net Assets Excluding EDA TIF Activity
As of December 31, 2010

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2009	2010	2009	2010	2009	2010
Current and Other Assets	\$ 69,299,601	\$ 57,307,749	\$ 11,835,625	\$ 9,234,550	\$ 81,135,226	\$ 66,542,299
Capital Assets	144,150,830	147,112,100	112,766,613	113,844,871	256,917,443	260,956,971
Total Assets	213,450,431	204,419,849	124,602,238	123,079,421	338,052,669	327,499,270
Long-Term Liabilities	66,329,659	63,469,788	58,450,415	57,424,407	124,780,074	120,894,195
Other Liabilities	28,111,649	26,777,351	1,136,480	3,097,966	29,248,129	29,875,317
Total Liabilities	94,441,308	90,247,139	59,586,895	60,522,373	154,028,203	150,769,512
Net Assets:						
Invested in Capital Assets,						
Net of Debt	104,590,958	97,434,737	57,239,680	57,838,788	161,830,638	155,273,525
Restricted	6,734,090	5,201,282	-	-	6,734,090	5,201,282
Unrestricted	7,684,075	11,536,691	7,775,663	4,718,260	15,459,738	16,254,951
Total Net Assets	\$ 119,009,123	\$ 114,172,710	\$ 65,015,343	\$ 62,557,048	\$ 184,024,466	\$ 176,729,758

As you can see, the governmental activities no longer shows a deficit in unrestricted net assets when the EDA financial information is excluded. 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 \$176,729,758 as of December 31, 2010. The Village's combined net assets decreased by \$7,294,708 from 2009, primarily due to the spending of bond proceeds for capital projects.

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, 2010

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2009	2010	2009	2010	2009	2010
Capital Assets	\$ 144,150,830	\$ 147,112,100	\$ 112,766,613	\$ 113,844,871	\$ 256,917,443	\$ 260,956,971
Less Outstanding Related Debt:						
1997A G.O. Bonds	(1,515,000)	(1,035,000)	-	-	(1,515,000)	(1,035,000)
2001 G.O. Bonds	(1,610,000)	(520,000)	-	-	(1,610,000)	(520,000)
2003 G.O. Bonds	(1,595,000)	(680,000)	-	-	(1,595,000)	(680,000)
2004 G.O. Bonds	(2,710,000)	(1,840,000)	-	-	(2,710,000)	(1,840,000)
2005A G.O. Bonds	-	-	(51,710,000)	(50,535,000)	(51,710,000)	(50,535,000)
2008 G.O. Bonds	(19,983,750)	(19,983,750)	(6,661,250)	(6,661,250)	(26,645,000)	(26,645,000)
2009 G.O. Bonds	(30,355,000)	(30,355,000)	-	-	(30,355,000)	(30,355,000)
Less Outstanding Premiums	(1,266,283)	(1,183,099)	-	-	(1,266,283)	(1,183,099)
Plus Outstanding Discounts	222,400	214,732	344,714	312,093	567,114	526,825
Plus Unamort. Loss on Refunding	81,479	48,641	-	-	81,479	48,641
Plus Unspent Bond Proceeds	19,171,282	5,656,113	2,499,603	878,074	21,670,885	6,534,187
Total	104,590,958	97,434,737	57,239,680	57,838,788	161,830,638	155,273,525

The second portion of the Village's net assets in the amount of \$16,254,951 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 \$5,201,282 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, 2010

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2009	2010	2009	2010	2009	2010
REVENUES						
Program Revenues:						
Charges for Services	\$ 8,161,426	\$ 8,342,247	\$ 9,843,473	\$ 12,458,038	\$ 18,004,899	\$ 20,800,285
Operating Grants	2,436,373	2,566,593	-	-	2,436,373	2,566,593
Capital Grants/Contributions	4,040,726	899,366	85,357,119	145,117	89,397,845	1,044,483
General Revenues:						
Property Taxes	33,379,672	44,460,848	-	-	33,379,672	44,460,848
Other Taxes	22,059,361	19,258,760	42,580	1,154,561	22,101,941	20,413,321
Other	1,964,513	1,330,963	2,802,127	4,682,278	4,766,640	6,013,241
Total Revenues	72,042,071	76,858,777	98,045,299	18,439,994	170,087,370	95,298,771
EXPENSES						
General Government	2,140,888	6,793,067	-	-	2,140,888	6,793,067
Public Safety	36,731,733	36,228,810	-	-	36,731,733	36,228,810
Highways and Streets	11,426,047	9,238,037	-	-	11,426,047	9,238,037
Sanitation	1,190,740	1,114,830	-	-	1,190,740	1,114,830
Health and Welfare	1,820,973	1,712,597	-	-	1,820,973	1,712,597
Culture and Recreation	234,883	237,733	-	-	234,883	237,733
Economic Development	4,948,669	1,989,694	-	-	4,948,669	1,989,694
Water and Sewer	-	-	12,965,546	11,981,864	12,965,546	11,981,864
Sears Centre	-	-	4,800,908	8,623,330	4,800,908	8,623,330
Interest on Long-Term Debt	6,776,076	6,721,799	-	-	6,776,076	6,721,799
Total Expenses	65,270,009	64,036,567	17,766,454	20,605,194	83,036,463	84,641,761
Excess (Deficiency)						
Before Transfers	6,772,062	12,822,210	80,278,845	(2,165,200)	87,050,907	10,657,010
Transfers In (Out)	49,936,278	293,095	(49,936,278)	(293,095)	-	-
Change in Net Assets	\$ 56,708,340	\$ 13,115,305	\$ 30,342,567	\$ (2,458,295)	\$ 87,050,907	\$ 10,657,010
Net Assets (Deficit),						
January 1	\$ (44,758,600)	\$ 11,949,740	\$ 34,672,776	\$ 65,015,343	\$ (10,085,824)	\$ 76,965,083
Net Assets (Deficit),						
December 31	\$ 11,949,740	\$ 25,065,045	\$ 65,015,343	\$ 62,557,048	\$ 76,965,083	\$ 87,622,093

For the fiscal year ended December 31, 2010, revenues from governmental activities totaled \$76.9 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$44 million. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

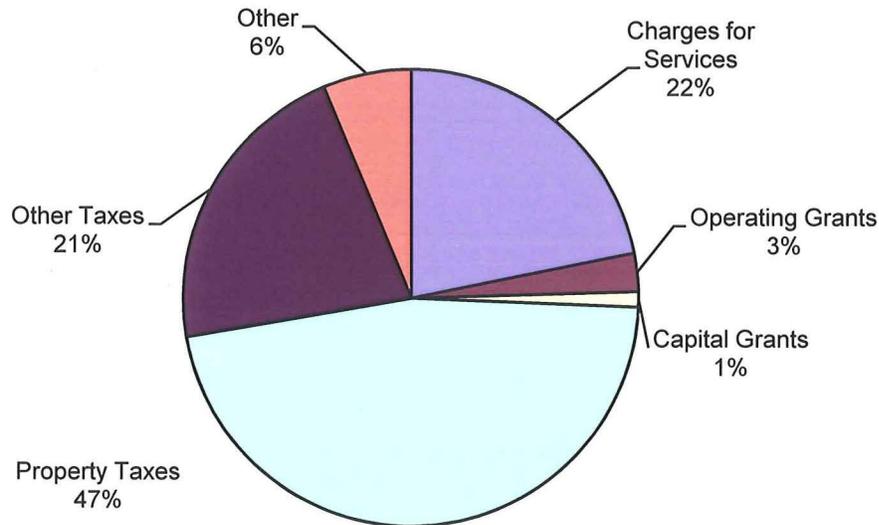
The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale.

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

While the ROT is a 9.5 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 2010, state-shared sales tax revenues were \$6,023,007 compared to \$5,993,252 in 2009. However, home-rule sales tax revenues decreased from \$3,472,774 to \$3,397,574 between the two years, due to a decline in retail sales other than autos. Automobile sales are not subject to home-rule sales taxes.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2010



Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2009 and 2010, the Village's income and local use tax revenues decreased from \$5,314,607 to \$4,305,515. The reason for the decrease is due to a drop in the per capita share distributed by the state.

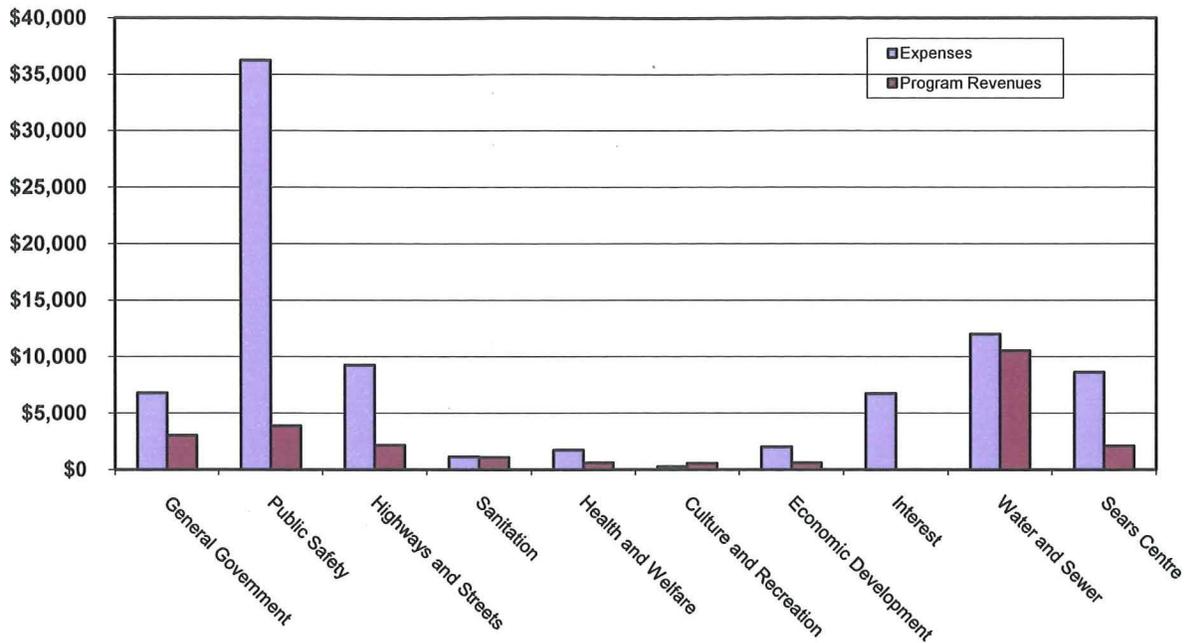
A major revenue component of the "charges for services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$10,367,612 in 2010 compared to \$9,843,473 in 2009. The minor increase in these revenues is due to the annual rate increase that occurs each December 1st of about 5.8 percent.

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

(See independent auditor's report.)

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

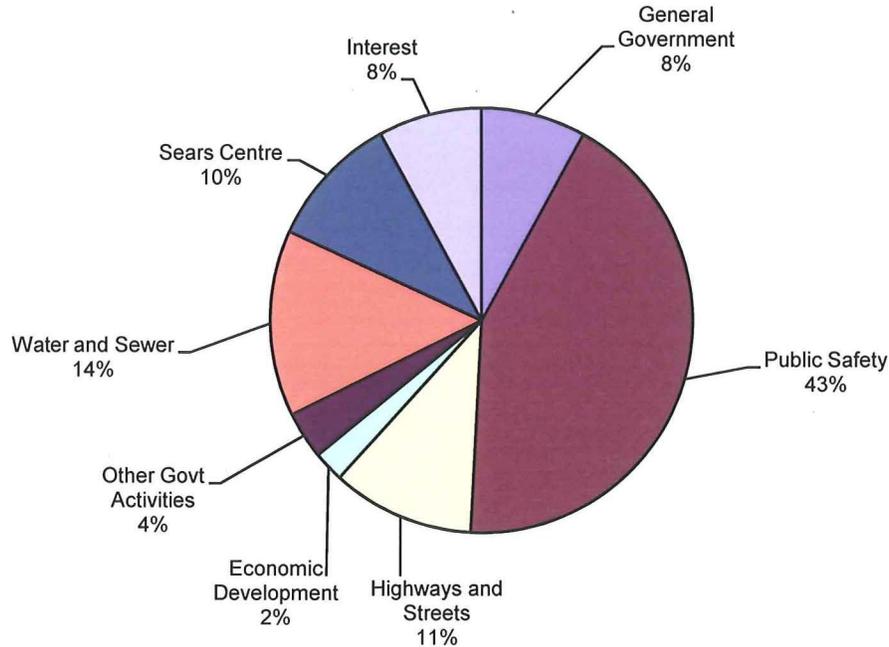
Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2010
(Dollars in Thousands)



Village expenses amounted to \$84.6 million in 2010. Accounting for the largest share of the total expenses are public safety expenses related to the operations of the Police and Fire Departments. In 2010, due to strained financial resources, no new personnel was added to any Village department and many vacant positions were left unfilled. Also, a Voluntary Separation Plan was offered to eligible employees and a total of 19 employees accepted the plan.

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, fiscal year 2010 saw no increases given to its non-union employees as well as the Public Works union employees in an effort to save positions. The Fire union delayed their contractual salary increase from January 1, 2010 until December 31, 2010, also saving positions. The specified salary increases per the Police collective bargaining agreement stayed in effect, resulting in the elimination of four police officers.

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2010



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 \$25,971,445, which represents general revenue to the governmental activities. There is also some miscellaneous and investment income in the amount of \$103,013. On the expense side, the Village recognized interest expense of \$3,914,079 related to the Senior Lien Bonds as well as \$4,176,611 of general government, public safety and infrastructure improvements for the EDA. Removing this activity from the governmental activities results in the following:

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

Table 3-a
Changes in Net Assets Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2010

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 8,152,393	\$ 8,336,213	\$ 9,843,473	\$ 12,458,038	\$ 17,995,866	\$ 20,794,251
Operating Grants	2,436,373	2,566,593	-	-	2,436,373	2,566,593
Capital Grants/Contributions	4,040,726	899,366	85,357,119	145,117	89,397,845	1,044,483
General Revenues:						
Property Taxes	17,192,444	18,489,403	-	-	17,192,444	18,489,403
Other Taxes	22,059,361	19,258,760	42,580	1,154,561	22,101,941	20,413,321
Other	1,344,934	1,233,984	2,802,127	4,682,278	4,147,061	5,916,262
Total Revenues	55,226,231	50,784,319	98,045,299	18,439,994	153,271,530	69,224,313
EXPENSES						
General Government	1,599,021	6,448,895	-	-	1,599,021	6,448,895
Public Safety	33,108,122	32,607,837	-	-	33,108,122	32,607,837
Highways and Streets	11,187,206	9,026,571	-	-	11,187,206	9,026,571
Sanitation	1,190,740	1,114,830	-	-	1,190,740	1,114,830
Health and Welfare	1,820,973	1,712,597	-	-	1,820,973	1,712,597
Culture and Recreation	234,883	237,733	-	-	234,883	237,733
Economic Development	4,334,569	1,989,694	-	-	4,334,569	1,989,694
Water and Sewer	-	-	12,965,546	11,981,864	12,965,546	11,981,864
Sears Centre	-	-	4,800,908	8,623,330	4,800,908	8,623,330
Interest on Long-Term Debt	2,318,891	2,807,720	-	-	2,318,891	2,807,720
Total Expenses	55,794,405	55,945,877	17,766,454	20,605,194	73,560,859	76,551,071
Excess (Deficiency)						
Before Transfers	(568,174)	(5,161,558)	80,278,845	(2,165,200)	79,710,671	(7,326,758)
Transfers In (Out)	49,936,278	325,145	(49,936,278)	(293,095)	-	32,050
Change in Net Assets	\$ 49,368,104	\$ (4,836,413)	\$ 30,342,567	\$ (2,458,295)	\$ 79,710,671	\$ (7,294,708)

As can be seen, when the EDA activity is removed, a clearer picture of the Village's finances is revealed. The high revenues realized in fiscal year 2009 were from the contribution of the Sears Centre assets when the Village took over ownership. As for fiscal year 2010, the reduction of net assets is primarily due to the spending of bond proceeds for capital projects.

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, 2010, the governmental funds reported combined ending fund balances of over \$34 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 \$9,903,991, while total fund balance equaled \$11,390,026. Unreserved fund balance may serve as a useful measure of a

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

government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.1 percent of budgeted General Fund expenditures, while total fund balance represents 25.4 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	
			2010	2009
REVENUES & SALE OF CAPITAL ASSETS				
Taxes	\$24,216,873	\$24,216,873	\$23,526,451	\$22,629,437
Inter-Governmental	11,997,620	12,079,620	12,101,914	11,670,548
Other	6,840,700	6,877,200	7,530,127	6,866,267
Total Revenues	43,055,193	43,173,693	43,158,492	41,166,252
EXPENDITURES AND TRANSFERS				
Expenditures	(43,298,313)	(43,445,513)	(42,106,822)	(41,696,280)
Transfers Out	(822,620)	(822,620)	(730,987)	(1,240,381)
Total Expenditures and Transfers	(44,120,933)	(44,268,133)	(42,837,809)	(42,936,661)
Change in Fund Balance	(\$1,065,740)	(\$1,094,440)	\$320,683	(\$1,770,409)

The fund balance of the Village's General Fund increased by \$320,683 during the current fiscal year, which was a positive result when compared to the planned drawdown of over \$1 million. In years where revenues exceed expenditures within the General Fund, excess funds are utilized according to the Village's Fund Balance Policy. This policy states that the Village will strive to maintain an unallocated/unreserved fund balance within the General Fund equal to 18 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board.

Actual General Fund revenues exceeded original budgeted revenues by \$103,299 during fiscal year 2010, which hopefully is a sign that the economic downturn is leveling off. During fiscal years 2008 and 2009, revenues fell short of projections and the economic downturn had a tremendous impact on Hoffman Estates' overall budget. Village revenues had dropped almost \$7 million during these two previous years. All of the Village's economy or consumption driven revenues, like sales tax, food & beverage tax, hotel tax, development fees, real estate transfer tax, and building permits all saw significant decreases.

Budget reduction plans had to be implemented at mid-year 2008 and mid-year 2009 for over \$6.1 million. Fiscal year 2010, which was budgeted based on the reduced numbers from the budget reduction plans, did not require a budget reduction plan, and actual General Fund expenditures and transfers ended up being under the original budget by \$1,283,124 and less than the amended budget by \$1,430,324. This is due to every department being conscientious of their spending, not knowing if the economic downturn was really coming to an end. This conscientious spending continues into fiscal year 2011.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2010. 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, 2010.

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

The 2005 EDA TIF Refunding Bond Fund has a total fund balance of only \$39,760, down from \$13,789,074 in fiscal year 2009. The significant reduction of this fund balance was due to the payment of the final debt service payment in 2010, which included the utilization of a debt service reserve investment contract in the amount of \$12,098,000. This fund contributed to the combined fund balance of the governmental funds with a decrease of \$13,749,314 which was entirely principal retirement.

The 2009 Capital Project Fund has a total fund balance of \$3,860,467, also showing a reduction from the fiscal year 2009 amount 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 a decrease of \$9,277,827.

With respect to the business-type activities, the Waterworks and Sewerage Fund recorded a decrease in net assets in the amount of \$1,313,809, which was significantly lower than the \$4.1 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 2010. Unrestricted net assets of the Waterworks and Sewerage Fund at the end of the year amounted to \$4,283,436.

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, 2010 this fund had unrestricted net assets in the amount of \$454,819.

The Village Board amended the fiscal year 2010 budget once. This budget amendment was primarily for the following purposes related to the General Fund:

- The Emergency Operations Division had to increase their budget for department equipment due to the spending of grant revenues in the amount of \$66,200.

Of the total budgeted expense increases of \$15,648,820, \$10,146,800 represented EDA incremental property taxes to pay outstanding EDA revenue notes; \$3,159,420 was to be funded from available fund balance in various funds; and the remaining increases were funded out of miscellaneous increases in various revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for both its governmental and business type activities as of December 31, 2010 amounted to \$260,956,971 (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 by 1.5 percent from 2009.

Major capital asset events during 2010 included the following:

- Construction in Progress was recorded for the construction of a new police station, \$21,989,375, and the construction of a new water tower, \$3,522,247.
- Five streets were reconstructed as part of the 2010 Street Revitalization Program. This resulted in net additions of \$1,472,443 in revitalized streets.
- After a detailed analysis of the Retention and Detention properties recorded, it was determined that the responsibility and ownership of some of the sites had been transferred to the park district or private owners. Thus, \$730,500 in properties were removed from the Village's financial records.

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

- The roof of the Village Hall underwent a restoration, partially funded by a grant, which resulted in a \$252,829 improvement to the building.
- The Police Department purchased four new vehicles totaling \$116,933.
- The Public Works department purchased a portable power generator for \$224,000.
- JCL Bioassay and Prairie Pointe Phase II subdivision were accepted into the Village, adding \$145,117 in water main and sanitary sewer assets.
- Critical sanitary sewer repairs were made within the Village resulting in an addition of \$250,982 to the sanitary sewer assets.

The schedule below reflects the Village's capital asset balances as of December 31, 2010.

Table 5
Capital Assets
As of December 31, 2010

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
Land and Land Right of Way	\$ 46,820,770	\$ 46,090,270	\$ 6,499,000	\$ 6,499,000	\$ 53,319,770	\$ 52,589,270
Plant System and Equipment	-	-	46,759,726	47,155,826	46,759,726	47,155,826
Buildings and Improvements	29,351,655	29,663,249	72,643,000	74,059,000	101,994,655	103,722,249
Machinery, Vehicles and Equipment	12,005,382	12,101,513	7,106,945	7,348,117	19,112,327	19,449,630
Infrastructure	96,951,397	98,423,840	-	-	96,951,397	98,423,840
Construction in Progress	16,097,141	21,989,375	2,176,607	5,317,358	18,273,748	27,306,733
Less:						
Accumulated Depreciation	(57,075,515)	(61,156,147)	(22,418,665)	(26,534,430)	(79,494,180)	(87,690,577)
Total	144,150,830	147,112,100	112,766,613	113,844,871	256,917,443	260,956,971

Additional information on the Village's capital assets can be found in note 4 on pages 27 and 28 of this report.

Long-Term Debt

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

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

Table 6
Bonded and Similar Indebtedness
As of December 31, 2010

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2010</i>
General Obligation Bonds	\$ 57,768,750	\$ 54,413,750	\$ 58,371,250	\$ 57,196,250	\$ 116,140,000	\$ 111,610,000
Unamortized Prem/(Discount)	1,043,881	968,366	(344,714)	(312,093)	699,167	656,273
TIF Revenue Bonds	23,800,000	-	-	-	23,800,000	-
TIF Revenue Notes	105,882,371	99,304,684	-	-	105,882,371	99,304,684
Net Pension Obligation	221,470	283,497	-	-	221,470	283,497
Capital Lease	-	-	-	21,083	-	21,083
Compensated Absences	2,441,697	2,628,529	325,679	328,410	2,767,376	2,956,939
Net OPEB	1,237,913	1,139,753	98,200	127,031	1,336,113	1,266,784
Termination Benefits	31,108	451,053	-	63,726	31,108	514,779
Total	\$ 192,427,190	\$ 159,189,632	\$ 58,450,415	\$ 57,424,407	\$ 250,877,605	\$ 216,614,039

At the end of the current fiscal year, the Village had total debt outstanding of \$216,614,039. Of this amount, \$111,610,000 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.

In 2010, the Village's total long-term debt decreased by \$34,263,566 which was 13.6 percent. This was primarily due to the final payment of the EDA Senior Lien bonds.

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 29 through 36 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. Both of the pension fund levies, which are actuarially determined, went up significantly in fiscal year 2010 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). Recognizing the financial impact on taxpayers, the IMRF board took steps to mitigate its

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

investment loss and offered options to municipalities to cap their fund contribution for municipal employees (except police and fire).

However, due to the failure of the Illinois State Legislature to enact meaningful pension reform related to police and fire pensions in 2009 through the passage of SB 2011, various public and private sector organizations across the State of Illinois formed the Pension Fairness for Illinois Communities Coalition. The Village of Hoffman Estates has been an active participant. During the regular 2010 legislative session, major negotiations occurred between coalition members and representatives of the Police and Fire labor groups. Legislation passed which created a second tier system for all new hires effective January 1, 2011. In addition, increased investment authority combined with a 30 year rolling amortization will help to stabilize employer public safety pension costs. Regardless, the Village of Hoffman Estates and other municipalities across the State of Illinois will continue to have to monitor their individual downstate pension funds in terms of overall percentage of pension fund funding.

The 2000 census (complete data from the 2010 census is not yet available) found that the median household income was \$73,685 and the median home value was \$181,700. The Village's population, per the 2010 census, is 51,895, an increase of 2,400 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 2011 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased from \$9,886,577 to \$9,903,991 primarily due to the deferral of some capital expenditures. The Village is planning on utilizing \$874,870 of this fund balance in the 2011 fiscal year budget.

The water and sewer rates were increased in December 2009 by an average of 5.8 percent for all customers, and again in December 2010 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.

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
December 31, 2010

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Investments	\$ 32,560,327	\$ 7,892,044	\$ 40,452,371
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property taxes	21,003,702	-	21,003,702
Accounts	214,524	1,814,433	2,028,957
Accrued Interest	63,443	14	63,457
Other	2,040,770	238,208	2,278,978
Deposits	59,200	-	59,200
Prepaid Expenses	120,934	58,542	179,476
Event Prepaid Expenses	-	64,720	64,720
Inventory	161,322	190,055	351,377
Other Assets	46,357	-	46,357
Due from Other Governments	5,102,147	-	5,102,147
Internal Balances	1,689,342	(1,689,342)	-
Advance to Fiduciary Funds	65,100	-	65,100
Net Pension Asset	420,933	-	420,933
Capital Assets			
Not Depreciated	68,079,645	11,816,358	79,896,003
Depreciated (Net of Accumulated Depreciation)	79,032,455	102,028,513	181,060,968
Deferred Charges	492,880	665,876	1,158,756
TOTAL ASSETS	211,153,081	123,079,421	334,232,502
LIABILITIES			
Accounts Payable	2,338,573	1,576,069	3,914,642
Accrued Payroll	518,545	51,003	569,548
Accrued Interest Payable	222,863	250,230	473,093
Claims Payable	1,053,287	-	1,053,287
Benefits Payable	126,659	-	126,659
Due to Fiduciary Funds	51,273	-	51,273
Unearned Revenues	19,131,488	1,185,264	20,316,752
Deposits Payable	3,455,716	35,400	3,491,116
Long-Term Liabilities			
Due Within One Year	4,657,390	1,435,115	6,092,505
Due in More than One Year	154,532,242	55,989,292	210,521,534
TOTAL LIABILITIES	186,088,036	60,522,373	246,610,409
NET ASSETS			
Invested in capital assets, net of related debt	97,434,737	57,838,788	155,273,525
Restricted for:			
Highways and Streets	198,055	-	198,055
Emergency Equipment	370,297	-	370,297
Public Safety	257,177	-	257,177
Economic Development	7,982,331	-	7,982,331
Bridge Maintenance and Repairs	345,742	-	345,742
Debt service	2,654,882	-	2,654,882
Unrestricted (Deficit)	(84,178,176)	4,718,260	(79,459,916)
TOTAL NET ASSETS	\$ 25,065,045	\$ 62,557,048	\$ 87,622,093

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 6,793,067	\$ 2,960,974	\$ -	\$ 67,170	\$ (3,764,923)		\$ (3,764,923)
Public Safety	36,228,810	2,869,878	155,442	832,196	(32,371,294)		(32,371,294)
Highways and Streets	9,238,037	153,363	2,000,810	-	(7,083,864)		(7,083,864)
Sanitation	1,114,830	1,072,654	-	-	(42,176)		(42,176)
Health and Welfare	1,712,597	590,515	-	-	(1,122,082)		(1,122,082)
Culture and Recreation	237,733	521,449	-	-	283,716		283,716
Economic Development	1,989,694	173,414	410,341	-	(1,405,939)		(1,405,939)
Interest	6,721,799	-	-	-	(6,721,799)		(6,721,799)
Total Governmental Activities	64,036,567	8,342,247	2,566,593	899,366	(52,228,361)		(52,228,361)
Business-Type Activities:							
Waterworks and Sewerage	11,981,864	10,367,612	-	145,117	-	\$ (1,469,135)	(1,469,135)
Sears Centre	8,623,330	2,090,426	-	-	-	(6,532,904)	(6,532,904)
Total Business-Type Activities	20,605,194	12,458,038	-	145,117	-	(8,002,039)	(8,002,039)
Total Primary Government	\$ 84,641,761	\$ 20,800,285	\$ 2,566,593	\$ 1,044,483	(52,228,361)	(8,002,039)	(60,230,400)
General Revenues:							
Taxes:							
Property					44,460,848	-	44,460,848
Sales					6,023,007	-	6,023,007
Home Rule Sales					3,397,574	-	3,397,574
Real Estate Transfer					406,333	-	406,333
Income and Local Use					4,305,515	-	4,305,515
Hotel/Motel					1,005,562	-	1,005,562
Telecommunications					2,928,445	-	2,928,445
Food and Beverage					864,787	865,658	1,730,445
Entertainment					5,343	288,903	294,246
Replacement					287,434	-	287,434
Other					34,760	-	34,760
Investment Income					211,216	18,470	229,686
Miscellaneous					1,119,747	4,663,808	5,783,555
Transfers In (Out)					293,095	(293,095)	-
Total General Revenues and Transfers					65,343,666	5,543,744	70,887,410
Change in Net Assets					13,115,305	(2,458,295)	10,657,010
Net Assets, Beginning of Year					11,949,740	65,015,343	76,965,083
Net Assets, End of Year					\$ 25,065,045	\$ 62,557,048	\$ 87,622,093

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	Major Governmental Funds					Total
	General	EDA General Account	2005 EDA TIF Refunding Bond	2009 Capital Projects	Other Governmental Funds	
ASSETS						
Cash and Investments	\$ 6,014,780	\$ -	\$ 39,760	\$ 3,800,861	\$ 20,567,625	\$ 30,423,026
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):						
Property Taxes	18,284,432	-	-	-	2,719,270	21,003,702
Accounts	214,524	-	-	-	-	214,524
Accrued Interest	-	-	-	2,879	60,564	63,443
Other	1,054,720	-	-	500,000	486,050	2,040,770
Prepaid Items	52,253	-	-	-	68,681	120,934
Inventory	161,322	-	-	-	-	161,322
Other Assets	-	-	-	-	46,357	46,357
Due from Other Governments	4,993,233	-	-	-	108,914	5,102,147
Due from Other Funds	317,618	-	-	-	677,265	994,883
Due from Fiduciary Funds	882,861	-	-	-	-	882,861
Advances to Other Funds	550,180	-	-	-	1,000,000	1,550,180
TOTAL ASSETS	\$ 32,525,923	\$ -	\$ 39,760	\$ 4,303,740	\$ 25,734,726	\$ 62,604,149
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 1,230,311	\$ -	\$ -	\$ 442,940	\$ 265,541	\$ 1,938,792
Accrued Payroll	467,968	-	-	-	41,497	509,465
Current Compensated Absences	216,739	-	-	-	4,977	221,716
Deferred Revenues	16,500,482	-	-	-	3,974,461	20,474,943
Due to Other Funds	163,869	-	-	333	633,774	797,976
Due to Fiduciary Funds	934,134	-	-	-	-	934,134
Deposits Payable	1,622,394	-	-	-	1,833,322	3,455,716
TOTAL LIABILITIES	21,135,897	-	-	443,273	6,753,572	28,332,742
FUND BALANCES						
Reserved for:						
Prepaids Items	52,253	-	-	-	68,681	120,934
Inventories	161,322	-	-	-	-	161,322
Advances to Other Funds	550,180	-	-	-	1,000,000	1,550,180
Employee Loan Program	71,927	-	-	-	-	71,927
Highways & Streets	-	-	-	-	198,055	198,055
Emergency Equipment	-	-	-	-	370,297	370,297
Public Safety	98,502	-	-	-	158,675	257,177
Economic Development	-	-	-	-	7,982,331	7,982,331
Bridge Maintenance & Repairs	-	-	-	-	345,742	345,742
Debt Service	-	-	39,760	-	2,615,122	2,654,882
Capital Developments	-	-	-	3,860,467	-	3,860,467
Insurance Deposits	551,851	-	-	-	-	551,851
Unreserved:						
Designated for Compensated Absences						
General Fund	216,739	-	-	-	-	216,739
Special Revenue Funds	-	-	-	-	4,977	4,977
Designated for Capital Projects	-	-	-	-	6,278,772	6,278,772
Undesignated - Special Revenue Funds	-	-	-	-	(7,953)	(7,953)
Undesignated - General Fund	9,687,252	-	-	-	-	9,687,252
Undesignated - Debt Service Funds	-	-	-	-	(33,545)	(33,545)
TOTAL FUND BALANCES	11,390,026	-	39,760	3,860,467	18,981,154	34,271,407
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,525,923	\$ -	\$ 39,760	\$ 4,303,740	\$ 25,734,726	\$ 62,604,149

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
December 31, 2010

Total Fund Balances - Governmental Funds		\$ 34,271,407
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	\$ 208,268,247	
Accumulated depreciation	(61,156,147)	
Net capital assets	147,112,100	
Less Capital Assets of Internal Service Funds Included Below	(268,076)	
		146,844,024
Net Pension Asset is Reported as an Asset on the Statement of Net Assets		420,933
Unamortized Loss on Refunding is Shown as a Deferred Charge on the Statement of Net Assets		48,641
Unamortized Bond Issuance Costs are Shown as a Deferred Charge on the Statement of Net Assets		444,239
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	(2,406,813)	
Plus Compensated Absences of Internal Service Funds Included Above	24,119	
Net Other Post-Employment Benefit Obligation	(1,139,753)	
Plus Net Other Post-Employment Benefit Obligation of Internal Service Funds Included Above	17,643	
Net Pension Obligation	(210,197)	
Termination Benefits Payable	(451,053)	
Net IMRF Pension Obligation	(73,300)	
Unamortized Bond Premium/Discount	(968,366)	
General Obligation Bonds Payable	(54,413,750)	
Tax Increment Financing Notes Payable	(99,304,684)	
		(158,926,154)
Accrued Interest on Long-Term Liabilities is Shown as a Liability on the Statement of Net Assets		(222,863)
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue on the Statement of Net Assets		1,343,455
The Net Assets of the Internal Service Funds are Included in the Governmental Activities in the Statement of Net Assets		841,363
Net Assets of Governmental Activities		<u>\$ 25,065,045</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2010

	Major Governmental Funds					Total
	General	EDA General Account	2005 EDA TIF Refunding Bond	2009 Capital Projects	Other Governmental Funds	
REVENUES						
Taxes	\$ 23,526,451	\$ 10,146,764	\$ 10,095,108	\$ -	\$ 8,969,013	\$ 52,737,336
Licenses and Permits	1,276,000	-	-	-	-	1,276,000
Intergovernmental	12,101,914	-	-	825,000	2,130,674	15,057,588
Charges for Services	4,830,580	-	-	-	1,294,906	6,125,486
Fines and Forfeits	884,908	-	-	-	144,476	1,029,384
Interest Income	37,508	-	40,584	27,625	102,564	208,281
Miscellaneous	501,131	-	-	-	762,444	1,263,575
TOTAL REVENUES	43,158,492	10,146,764	10,135,692	852,625	13,404,077	77,697,650
EXPENDITURES						
Current:						
General Government	5,259,070	-	-	-	344,172	5,603,242
Public Safety	28,239,314	-	-	-	3,770,960	32,010,274
Highways and Streets	4,896,159	-	-	-	229,839	5,125,998
Sanitation	-	-	-	-	1,114,830	1,114,830
Health and Welfare	1,680,372	-	-	-	-	1,680,372
Culture and Recreation	248,571	-	-	-	-	248,571
Economic Development	1,783,336	-	-	-	195,733	1,979,069
Capital Outlay	-	-	-	9,380,452	2,886,360	12,266,812
Debt Service						
Principal Retirement	-	10,146,764	23,800,000	-	3,355,000	37,301,764
Interest and Fiscal Charges	-	-	85,006	-	2,807,458	2,892,464
TOTAL EXPENDITURES	42,106,822	10,146,764	23,885,006	9,380,452	14,704,352	100,223,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,051,670	-	(13,749,314)	(8,527,827)	(1,300,275)	(22,525,746)
OTHER FINANCING SOURCES (USES)						
Transfers In	596,120	-	-	-	3,940,584	4,536,704
Transfers (Out)	(1,327,107)	-	-	(750,000)	(2,224,949)	(4,302,056)
TOTAL OTHER FINANCING SOURCES (USES)	(730,987)	-	-	(750,000)	1,715,635	234,648
Net Change in Fund Balances	320,683	-	(13,749,314)	(9,277,827)	415,360	(22,291,098)
Fund Balances at Beginning of Year	11,069,343	-	13,789,074	13,138,294	18,565,794	56,562,505
Fund Balances at End of Year	\$ 11,390,026	\$ -	\$ 39,760	\$ 3,860,467	\$ 18,981,154	\$ 34,271,407

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, 2010

Net Change in Total Fund Balances - Governmental Funds	\$(22,291,098)
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	8,213,742
Sale of Capital Assets are Reported as a Proceed in the Governmental Funds but the Loss is Recorded in General Government Expenses in the Statement of Activities	(759,094)
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	37,301,764
Certain Items are Reported as Interest Expense on the Statement of Activities:	
Accretion of Interest on Bonds	\$ (3,569,077)
Change in Accrued Interest Payable	56,894
Amortization of Certain Deferred Charges	<u>(317,152)</u>
	(3,829,335)
Depreciation Expense Does not Require the Use of Current Financial Resources, and Therefore, is not Reported as Expenditures in the Governmental Funds	(4,523,498)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Fund Statements	(841,808)
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	(419,945)
Change in Net Other Post-Employment Benefit Obligations	106,876
Change in Net Pension Asset	74,717
Change in Net Pension Obligation	11,273
Change in Net IMRF Pension Obligation	(73,300)
Change in Compensated Absences	<u>40,939</u>
	(259,440)
The Change in Net Assets of Certain Activities of Internal Service Funds (Excluding Depreciation Included Above) is in Governmental Funds	<u>104,072</u>
Change in Net Assets of Governmental Activities	<u>\$ 13,115,305</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
ASSETS				
Current				
Cash and Investments	\$ 5,119,462	\$ 2,772,582	\$ 7,892,044	\$ 2,137,301
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Accounts	1,757,864	56,569	1,814,433	-
Accrued Interest	-	14	14	-
Other	-	238,208	238,208	-
Prepaid Items	-	58,542	58,542	-
Event Prepaid Items	-	64,720	64,720	-
Deposits	-	-	-	59,200
Inventories	190,055	-	190,055	-
Due from Other Funds	-	-	-	10,317
Deferred Charges	57,909	607,967	665,876	-
Total Current Assets	<u>7,125,290</u>	<u>3,798,602</u>	<u>10,923,892</u>	<u>2,206,818</u>
Noncurrent Assets				
Capital Assets Not Being Depreciated	5,816,358	6,000,000	11,816,358	-
Capital Assets Being Depreciated	50,565,676	77,997,267	128,562,943	449,291
Accumulated Depreciation	(24,084,779)	(2,449,651)	(26,534,430)	(181,215)
Total Noncurrent Assets	<u>32,297,255</u>	<u>81,547,616</u>	<u>113,844,871</u>	<u>268,076</u>
TOTAL ASSETS	<u>39,422,545</u>	<u>85,346,218</u>	<u>124,768,763</u>	<u>2,474,894</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	1,224,891	351,178	1,576,069	399,781
Accrued Payroll	46,696	4,307	51,003	9,080
Accrued Interest Payable	27,755	222,475	250,230	-
Deferred Revenues	-	1,185,264	1,185,264	-
Claims Payable	-	-	-	1,053,287
Benefits Payable	-	-	-	126,659
Due to Other Funds	129,866	74,396	204,262	2,962
Advances	-	1,485,080	1,485,080	-
Deposits Payable	35,400	-	35,400	-
Long-term Obligations, Due within One Year:				
General Obligation Bonds Payable	-	1,230,000	1,230,000	-
Capital Lease Payable	-	4,600	4,600	-
Compensated Absences Payable	136,789	-	136,789	24,119
Total Current Liabilities	<u>1,601,397</u>	<u>4,557,300</u>	<u>6,158,697</u>	<u>1,615,888</u>
NonCurrent Liabilities				
General Obligation Bonds Payable	6,661,250	49,305,000	55,966,250	-
Capital Lease Payable	-	16,483	16,483	-
Compensated Absences Payable	191,621	-	191,621	-
Other Post-Employment Benefit Obligations	127,031	-	127,031	17,643
Termination Benefits Payable	63,726	-	63,726	-
Unamortized Discount on Bonds	(71,577)	(240,516)	(312,093)	-
Total Noncurrent Liabilities	<u>6,972,051</u>	<u>49,080,967</u>	<u>56,053,018</u>	<u>17,643</u>
TOTAL LIABILITIES	<u>8,573,448</u>	<u>53,638,267</u>	<u>62,211,715</u>	<u>1,633,531</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	26,585,656	31,253,132	57,838,788	268,076
Unrestricted	4,263,441	454,819	4,718,260	573,287
TOTAL NET ASSETS	<u>\$ 30,849,097</u>	<u>\$ 31,707,951</u>	<u>\$ 62,557,048</u>	<u>\$ 841,363</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
OPERATING REVENUES				
Charges for Services	\$ 10,367,612	\$ 2,061,842	\$ 12,429,454	\$ 2,753,660
TOTAL OPERATING REVENUES	<u>10,367,612</u>	<u>2,061,842</u>	<u>12,429,454</u>	<u>2,753,660</u>
OPERATING EXPENSES				
Operations	-	-	-	932,308
Claims and Insurance	-	-	-	1,778,662
Water Division	7,931,864	-	7,931,864	-
Sewer Division	1,946,656	-	1,946,656	-
Sears Centre	-	3,445,658	3,445,658	-
Depreciation	1,783,933	2,351,827	4,135,760	66,331
TOTAL OPERATING EXPENSES	<u>11,662,453</u>	<u>5,797,485</u>	<u>17,459,938</u>	<u>2,777,301</u>
Operating Income (Loss)	<u>(1,294,841)</u>	<u>(3,735,643)</u>	<u>(5,030,484)</u>	<u>(23,641)</u>
NONOPERATING INCOME (EXPENSES)				
Entertainment and Food & Beverage Tax	-	1,154,561	1,154,561	-
Licenses and Permits	-	28,584	28,584	-
Interest Income	17,100	1,370	18,470	2,935
Interest Expense	(314,786)	(2,719,785)	(3,034,571)	-
Amortization Expense	(4,625)	(106,060)	(110,685)	-
Miscellaneous Revenue	431,321	4,232,487	4,663,808	-
TOTAL NONOPERATING INCOME (EXPENSES)	<u>129,010</u>	<u>2,591,157</u>	<u>2,720,167</u>	<u>2,935</u>
Income (Loss) before Transfers and Contributions	<u>(1,165,831)</u>	<u>(1,144,486)</u>	<u>(2,310,317)</u>	<u>(20,706)</u>
TRANSFERS				
Transfers In	-	-	-	58,447
Transfers (Out)	(293,095)	-	(293,095)	-
TOTAL TRANSFERS	<u>(293,095)</u>	<u>-</u>	<u>(293,095)</u>	<u>58,447</u>
CONTRIBUTIONS	<u>145,117</u>	<u>-</u>	<u>145,117</u>	<u>-</u>
Change in Net Assets	(1,313,809)	(1,144,486)	(2,458,295)	37,741
Net Assets at Beginning of Year	<u>32,162,906</u>	<u>32,852,437</u>	<u>65,015,343</u>	<u>803,622</u>
Net Assets at End of Year	<u>\$ 30,849,097</u>	<u>\$ 31,707,951</u>	<u>\$ 62,557,048</u>	<u>\$ 841,363</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers and Users	\$ 10,286,542	\$ 1,808,073	\$ 12,094,615	\$ -
Cash Received from Interfund Services Transactions	-	-	-	2,753,660
Cash Payments to Suppliers	(6,509,214)	(2,128,001)	(8,637,215)	(1,852,391)
Cash Payments for Interfund Services Transactions	(216,350)	-	(216,350)	-
Cash Payments to Employees	(2,463,076)	-	(2,463,076)	(458,651)
Net Cash Provided By (Used In) Operating Activities	<u>1,097,902</u>	<u>(319,928)</u>	<u>777,974</u>	<u>442,618</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Borrowing (Lending)	538,155	(190,331)	347,824	(298,113)
Entertainment Tax	-	1,154,561	1,154,561	-
Licenses and Permits	-	28,584	28,584	-
Miscellaneous Revenues	431,321	4,232,487	4,663,808	-
Transfers In (Out)	(293,095)	-	(293,095)	58,447
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>676,381</u>	<u>5,225,301</u>	<u>5,901,682</u>	<u>(239,666)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(5,176,851)	(37,167)	(5,214,018)	(30,121)
Principal Payment on Bonds	-	(1,175,000)	(1,175,000)	-
Interest and Fiscal Charges Paid on Bonds	(333,063)	(2,724,338)	(3,057,401)	-
Proceeds from Capital Leases	-	21,083	21,083	-
Proceeds from Capital Contributions	145,117	-	145,117	-
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(5,364,797)</u>	<u>(3,915,422)</u>	<u>(9,280,219)</u>	<u>(30,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	30,296	1,370	31,666	2,987
Net Cash Provided By (Used In) Investing Activities	<u>30,296</u>	<u>1,370</u>	<u>31,666</u>	<u>2,987</u>
Net Increase (Decrease) in Cash	(3,560,218)	991,321	(2,568,897)	175,818
Cash and Cash Equivalents, Beginning of Year	8,679,680	1,781,261	10,460,941	1,961,483
Cash and Cash Equivalents, End of Year	<u>\$ 5,119,462</u>	<u>\$ 2,772,582</u>	<u>\$ 7,892,044</u>	<u>\$ 2,137,301</u>
Reconciliation of Operating Income to				
Net Cash Used in Operating Activities:				
Operating Income (Loss)	\$ (1,294,841)	\$ (3,735,643)	\$ (5,030,484)	\$ (23,641)
Adjustment to Reconcile Operating Income				
to Net Cash Used in Operating Activities:				
Depreciation	1,783,933	2,351,827	4,135,760	66,331
(Increase) Decrease in Receivable	(81,070)	(253,769)	(334,839)	-
(Increase) Decrease in Prepaid Expenses	-	(123,262)	(123,262)	-
Increase (Decrease) in Deposits	(1,866)	-	(1,866)	-
(Increase) Decrease in Inventory	51,195	-	51,195	-
Increase (Decrease) in Accounts Payable	533,796	275,655	809,451	154,575
Increase (Decrease) in Salaries Payable	11,467	-	11,467	1,784
Increase (Decrease) in Benefits Payable	-	-	-	62,675
Increase (Decrease) in Claims Payable	-	-	-	166,123
Increase (Decrease) in Deferred Revenue	-	1,165,264	1,165,264	-
Increase (Decrease) in Compensated Absences Payable	2,731	-	2,731	6,055
Increase (Decrease) in Termination Benefits Payable	63,726	-	63,726	-
Increase (Decrease) in Other Post-Employment Benefits Payable	28,831	-	28,831	8,716
Total Adjustments	<u>2,392,743</u>	<u>3,415,715</u>	<u>5,808,458</u>	<u>466,259</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,097,902</u>	<u>\$ (319,928)</u>	<u>\$ 777,974</u>	<u>\$ 442,618</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 3,893,073	\$ 18,960,647
Investments, at Fair Value		
U.S. Treasury Securities	31,531,706	-
U.S. Agency Securities	20,183,241	-
Mutual Funds	36,104,351	-
Money Market Mutual Funds	1,490,579	-
Equity Securities	11,974,007	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Interest Receivable	453,125	-
Due from Primary Government	934,134	-
Assets Held by Agents	-	105,619
TOTAL ASSETS	106,564,216	\$ 19,066,266
LIABILITIES		
Accounts Payable	41,338	\$ 4,447,207
Due to Participants	-	40,519
Due to General Fund	-	882,861
Advances from Other Funds	-	65,100
Due to Other Entities	-	13,630,579
TOTAL LIABILITIES	41,338	\$ 19,066,266
NET ASSETS		
Held in Trust for Pension Benefits	\$ 106,522,878	

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
Year ended December 31, 2010

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer Contributions	\$ 4,995,969
Employee Contributions	1,643,587
Other Contributions	2,977
Total Contributions	<u>6,642,533</u>
Investment Income	
Net Appreciation in Fair Value of Investments	7,853,871
Interest Revenue	2,633,927
Investment Expense	<u>(282,030)</u>
Net Investment Income	<u>10,205,768</u>
TOTAL ADDITIONS	<u>16,848,301</u>
DEDUCTIONS	
Benefits and Refunds	4,890,893
Miscellaneous	<u>64,146</u>
TOTAL DEDUCTIONS	<u>4,955,039</u>
Net Change in Plan Net Assets	11,893,262
Plan Net Assets at Beginning of Year	<u>94,629,616</u>
Plan Net Assets at End of Year	<u>\$ 106,522,878</u>

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

<u>Footnote Number</u>	<u>Description</u>	<u>Page Number(s)</u>
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Economic Development Area (EDA) General Account, 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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

For the year ended December 31, 2010, a portion of the Village's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, or \$1,079,026, in order to properly present 12 months of revenue on the financial statements.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2010 attach as an enforceable lien on January 1, 2010 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, 2011 and August 1, 2011, and are payable in two installments, on or about March 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. Since the 2010 levy is intended to finance the 2011 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2009 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, 2010

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 using the straight-line method.

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
Software	5-15

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$17,289,833 at December 31, 2010, while the bank balances were \$17,638,051.

At December 31, 2010, the Pension Trust Funds' carrying amount and bank balances of cash were \$1,005.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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, 2010.

B. Investments

Village

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2010:

Investment type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Certificate of Deposits	\$ 2,549,900	\$ 2,193,900	\$ 356,000	\$ -	\$ -
IMET	2,470,839	2,470,839	-	-	-
Money market mutual funds	1,801,271	1,801,271	-	-	-
Investment contracts	8,829,228	8,829,228	-	-	-
Illinois funds	<u>26,577,566</u>	<u>26,577,566</u>	-	-	-
Total	\$ 42,228,804	\$ 41,872,804	\$ 356,000	\$ -	\$ -

Police Pension

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	\$ 15,102,637	\$ 1,480,171	\$ 8,666,077	\$ 4,956,389	\$ -
U.S. Agency Securities	8,895,037	776,409	3,847,335	2,055,855	2,215,438
Mutual Funds	24,417,563	24,417,563	-	-	-
Money Market Mutual Funds	765,548	765,548	-	-	-
Illinois Funds	<u>2,185,128</u>	<u>2,185,128</u>	-	-	-
Total	\$ 51,365,913	\$ 29,624,819	\$ 12,513,412	\$ 7,012,244	\$ 2,215,438

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	\$ 16,429,069	\$ 1,007,540	\$ 7,938,420	\$ 6,899,439	\$ 583,670
U.S. Agency Securities	11,288,204	231,704	5,408,353	2,074,260	3,573,887
Mutual Funds	11,686,788	11,686,788	-	-	-
Equities	11,974,007	11,974,007	-	-	-
Money Market Mutual Funds	725,031	725,031	-	-	-
Illinois Funds	<u>1,706,940</u>	<u>1,706,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>53,810,039</u>	\$ <u>27,332,010</u>	\$ <u>13,346,773</u>	\$ <u>8,973,699</u>	\$ <u>4,157,557</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, 2010

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	\$17,289,833	Statement of Net Assets –	
Carrying Amount of Pension's Funds	1,005	Cash and Investments	\$ 40,452,371
Village's Investments	42,228,804	Statement of Fiduciary Net Assets–	
Police Pension Fund Investments	51,365,913	Cash and Investments	
Fire Pension Fund Investments	<u>53,810,039</u>	Pension Funds' Cash and Short-Term	
Total Cash and Investments per Note	<u>\$164,695,594</u>	Investments	3,893,073
		Pension Funds' Investments	
		U.S. Treasury Securities	31,531,706
		U.S. Agency Securities	20,183,241
		Mutual Funds	36,104,351
		Money Market Mutual Funds	1,490,579
		Equity Securities	11,974,007
		Agency Fund Cash and Short-Term	
		Investments	18,960,647
		Agency Fund Assets Held by Agents	<u>105,619</u>
		Total Cash and Investments	
		per Statements	<u>\$164,695,594</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 3 – RECEIVABLES

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

Governmental activities	
Hotel tax	\$ 193,139
Cable franchise fees	128,284
IPBC terminal reserve	551,851
Grants	792,483
Waste management franchise fees	39,520
Wireless fee	43,726
911 surcharge	3,920
Tipping fees	44,259
Food and beverage tax	75,936
Employee computer program	71,927
KCAT salary reimbursement	36,242
Installment note	17,474
Refund from Vendor	41,667
Other miscellaneous	<u>342</u>
Total governmental activities	<u>\$ 2,040,770</u>
Business-type activities	
Entertainment tax	\$ 162,272
Food & Beverage	<u>75,936</u>
Total business-type activities	<u>\$ 238,208</u>

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

Governmental activities	
Sales tax	\$ 1,512,777
Home rule sales tax	862,494
Income tax	1,690,490
Local use tax	185,259
Motor fuel tax	108,914
Simplified telecommunications tax	652,771
Court fines	<u>89,442</u>
Total governmental activities	<u>\$ 5,102,147</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 4 - CAPITAL ASSETS

	Balances January 1	Increases	Decreases	Balances December 31
Governmental Activities				
Capital assets not being				
Depreciated				
Land	\$ 7,161,162	\$ -	\$ 730,500	\$ 6,430,662
Land Right of Way	39,659,608	-	-	39,659,608
Construction in Progress	16,097,141	5,892,234	-	21,989,375
Total capital assets not being depreciated	<u>62,917,911</u>	<u>5,892,234</u>	<u>730,500</u>	<u>68,079,645</u>
Capital Assets being depreciated				
Buildings and improvements	29,351,655	311,594	-	29,663,249
Department equipment	2,243,871	145,741	112,520	2,277,092
Vehicles	9,609,448	142,196	154,197	9,597,447
Office furniture	15,225	-	-	15,225
Office equipment	136,838	-	-	136,838
Software	-	74,911	-	74,911
Infrastructure	96,951,397	1,752,908	280,465	98,423,840
Total capital assets being depreciated	<u>138,308,434</u>	<u>2,427,350</u>	<u>547,182</u>	<u>140,188,602</u>
Less accumulated depreciation for				
Buildings and improvements	7,945,085	750,381	-	8,695,466
Department equipment	1,092,068	203,447	72,815	1,222,700
Vehicles	5,078,406	716,071	89,586	5,704,891
Office furniture	12,180	1,015	-	13,195
Office equipment	127,717	9,123	-	136,840
Software	-	45,746	-	45,746
Infrastructure	42,820,059	2,797,715	280,465	45,337,309
Total accumulated depreciation	<u>57,075,515</u>	<u>4,523,498</u>	<u>442,866</u>	<u>61,156,147</u>
Total capital assets be depreciated, net	<u>81,232,919</u>	<u>(2,096,148)</u>	<u>104,316</u>	<u>79,032,455</u>
Governmental activities capital assets net	<u>\$ 144,150,830</u>	<u>\$ 3,796,086</u>	<u>\$ 834,816</u>	<u>\$ 147,112,100</u>

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

Governmental Activities	
General government	\$ 394,795
Public safety	876,020
Highways and streets, including depreciation of general infrastructure asset:	3,191,670
Health and welfare	13,818
Culture and recreation	24,534
Economic development	22,661
Total depreciable expense - governmental activities	<u>\$ 4,523,498</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 4 - CAPITAL ASSETS (Continued)

	Balances January 1	Increases	Decreases	Balances December 31
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in progress	2,176,607	3,140,751	-	5,317,358
Total capital assets not being depreciated	8,675,607	3,140,751	-	11,816,358
Capital assets be depreciated				
Buildings and improvements	72,643,000	1,416,000	-	74,059,000
Plant system and equipment	46,759,726	396,100	-	47,155,826
Vehicles	1,077,401	-	19,994	1,057,407
Department equipment	6,029,543	261,167	-	6,290,710
Total capital assets being depreciated	126,509,670	2,073,267	19,994	128,562,943
Less accumulated depreciation for				
Buildings and improvements	75,670	2,562,425	-	2,638,095
Plant system and equipment	21,079,047	993,324	-	22,072,371
Vehicles	801,613	45,473	95,894	751,192
Department equipment	462,334	610,438	-	1,072,772
Total accumulated depreciation	22,418,664	4,211,660	95,894	26,534,430
Total capital assets being depreciated, net	104,091,006	(2,138,393)	(75,900)	102,028,513
Business-type activities capital assets, net	\$ 112,766,613	\$ 1,002,358	\$ (75,900)	\$ 113,844,871

Depreciation expense was charged to functions of the business-type activities as follows:

Business-type Activities	
Waterworks and Sewerage	\$ 1,859,833
Sears Centre Operating	2,351,827
Total depreciable expense - governmental activities	\$ 4,211,660

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

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%.	Street Improvements and Fire Equipment	Debt Service	\$ 1,515,000	\$ -	\$ 480,000	\$ 1,035,000	\$ 505,000
\$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	1,610,000	-	1,090,000	520,000	520,000
\$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	1,595,000	-	915,000	680,000	680,000
\$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	2,710,000	-	870,000	1,840,000	905,000
\$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	51,710,000	-	1,175,000	50,535,000	1,230,000
\$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 19,983,750	- -	- -	6,661,250 19,983,750	- -
\$30,355,000 General Obligation Taxable Bonds, Series 2009A, Dated April 1, 2009 with interest at 3.00% to 5.25%.	Police Station Construction and Road Improvements	Debt Service	30,355,000	-	-	30,355,000	-
Total general obligation bonds			\$ 116,140,000	\$ -	\$ 4,530,000	\$ 111,610,000	\$ 3,840,000

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

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>Balance 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	\$ 23,800,000	\$ -	\$ 23,800,000	\$ -	\$ -
Total tax increment financing bonds		<u>\$ 23,800,000</u>	<u>\$ -</u>	<u>\$ 23,800,000</u>	<u>\$ -</u>	<u>\$ -</u>
Tax Increment Revenue						
Notes due in annual installments only if tax increment revenues are available	Debt Service	\$ 102,297,531	\$ 3,569,077	\$ 10,146,764	\$ 95,719,844	\$ -
Total tax increment financing bonds		<u>\$ 105,882,371</u>	<u>\$ 3,569,077</u>	<u>\$ 10,146,764</u>	<u>\$ 99,304,684</u>	<u>\$ -</u>

The increase of \$3,569,077 in the Tax Increment Revenue Notes represents interest due March 31 and September 30, 2010 of \$3,569,077 that accrues to the principal balance if not paid.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

C. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31	General Obligation Bonds	
	Governmental Activities	
	Principal	Interest
2011	\$ 2,610,000	\$ 2,674,353
2012	1,465,000	2,573,017
2013	-	2,513,044
2014	1,200,000	2,513,044
2015	1,235,000	2,477,044
2016-2020	7,105,000	11,467,406
2021-2025	9,100,000	9,473,470
2026-2030	13,526,250	6,851,938
2031-2035	10,515,000	3,542,625
2036-2038	7,657,500	778,125
Total	<u>\$ 54,413,750</u>	<u>\$ 44,864,066</u>

Year Ending December 31	Tax Increment Revenue Notes *		General Obligation Bonds - Business-type Activities	
	Principal	Interest	Principal	Interest
	2011	\$ -	\$ -	\$ 1,230,000
2012	-	-	1,285,000	2,944,953
2013	-	-	1,345,000	2,883,273
2014	-	-	1,415,000	2,817,368
2015	-	-	1,485,000	2,747,326
2016-2020	-	-	8,625,000	12,524,753
2021-2025	-	-	11,155,000	10,002,818
2026-2030	-	-	15,088,750	6,661,933
2031-2035	-	-	13,015,000	2,163,405
2036-2038	-	-	2,552,500	259,375
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,196,250</u>	<u>\$ 46,007,967</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, 2010

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:

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds payable	\$ 57,768,750	\$ -	\$ 3,355,000	\$ 54,413,750	\$ 2,610,000
Unamortized bond premium	1,266,282	-	83,184	1,183,098	-
Unamortized bond discount	(222,401)	-	(7,669)	(214,732)	-
Tax increment financing					
Bonds payable	23,800,000	-	23,800,000	-	-
Notes payable	105,882,371	3,569,077	10,146,764	99,304,684	-
Net pension obligation	221,470	-	11,273	210,197	-
Net IMRF pension obligation	-	73,300	-	73,300	-
Compensated absences payable - governmental funds*	2,423,633	1,532,505	1,351,728	2,604,410	1,572,218
Compensated absences payable - internal service	18,064	24,119	18,064	24,119	24,119
Net other post-employment benefit obligations	1,228,986	-	106,876	1,122,110	-
Net other post-employment benefit obligations - Internal Service Fund	8,927	8,716	-	17,643	-
Termination benefit **	<u>31,108</u>	<u>451,053</u>	<u>31,108</u>	<u>451,053</u>	<u>451,053</u>
Total governmental activities	<u>\$ 192,427,190</u>	<u>\$ 5,658,770</u>	<u>\$ 38,896,328</u>	<u>\$ 159,189,632</u>	<u>\$ 4,657,390</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, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

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

	Balances <u>January 1</u>	Issuances or <u>Accretions</u>	<u>Reductions</u>	Balances <u>December 1</u>	Current <u>Portion</u>
General obligations payable	\$ 58,371,250	\$ -	\$ 1,175,000	\$ 57,196,250	\$ 1,230,000
Unamortized bond discount	(344,714)	-	(32,621)	(312,093)	-
Capital lease payable	-	23,000	1,917	21,083	4,600
Compensated absences payable	325,679	128,877	126,146	328,410	136,789
Net other post-employment benefit obligations	98,200	28,831	-	127,031	-
Termination benefit	-	63,726	-	63,726	63,726
Total business-type activities	<u>\$ 58,450,415</u>	<u>\$ 244,434</u>	<u>\$ 1,270,442</u>	<u>\$ 57,424,407</u>	<u>\$ 1,435,115</u>

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.

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:

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

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:

<u>Tax Levy Year</u>	<u>Phase I Increment Revenues</u>	<u>Percentage of Phase II Tax Increment Revenues</u>
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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

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.

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 127-142.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

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.

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, 2010.

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, 2010.

J. Capital Lease

On July 12, 2010, the Village entered into a capital lease for copier equipment. Lease payments are due monthly in the amount of \$1,085 and the term is sixty months. \$462 of the monthly payment relates to the service portion and \$623 relates to the leasing of the equipment. The copier equipment was recorded at a cost of \$23,000 and accumulated depreciation as of December 31, 2010 is \$1,917. Payments are made by the Sears Centre Operating Fund. The following are the future minimum rental payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 4,600	\$ 2,876	\$ 7,476
2012	4,600	2,876	7,476
2013	4,600	2,876	7,476
2014	4,600	2,876	7,476
2015	<u>2,683</u>	<u>1,678</u>	<u>4,361</u>
Total	<u>\$ 21,083</u>	<u>\$ 13,182</u>	<u>\$ 34,265</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 6 - INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2010 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 1,200,479	\$ 1,098,003
2009 Capital Projects	-	333
Nonmajor Governmental	677,265	633,774
Waterworks and Sewerage	-	129,866
Sears Centre Operating	-	74,396
Internal Service	10,317	2,962
Fiduciary	<u>934,134</u>	<u>882,861</u>
Total	<u>\$ 2,822,195</u>	<u>\$ 2,822,195</u>

\$882,861 in the General Fund due from the Fiduciary Funds relates to property taxes that are owed the General Fund but received late. This amount will be repaid within one year.

\$934,134 in the Fiduciary Funds due from the General Fund relate to property taxes that are owed the Fiduciary Funds but received late. These amounts will be repaid within one year.

The remainder of the above due from/due to amounts outstanding primarily relate to the payment of debt service and capital projects. These amounts will be repaid within one year.

Advances from/to other funds at December 31, 2010 consisted of the following:

	<u>Advance From</u>	<u>Advance To</u>
General	\$ 550,180	\$ -
Nonmajor Governmental	1,000,000	-
Sears Centre Operating	-	1,485,080
Fiduciary	<u>-</u>	<u>65,100</u>
Total	<u>\$ 1,550,180</u>	<u>\$ 1,550,180</u>

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

\$485,080 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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 6 - INTERFUND ACCOUNTS (Continued)

Interfund transfers during the year ended December 31, 2010 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 596,120	\$ 1,327,107
2009 Capital Projects	-	750,000
Nonmajor Governmental	3,940,584	2,224,949
Waterworks and Sewerage	-	293,095
Internal Service	<u>58,447</u>	<u>-</u>
Total	<u>\$ 4,595,151</u>	<u>\$ 4,595,151</u>

\$1,327,107 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 (\$454,660), 1997A General Obligation Debt Service Fund (\$518,430), 2004 General Obligation Debt Service Fund (\$158,250), Capital Improvements Fund (\$102,320), Capital Vehicle and Equipment Fund (\$35,000), and the Information Systems Fund (\$58,447) for the payment of debt service and capital project costs. The transfers will not be repaid.

\$750,000 transferred to other funds from the 2009 Capital Projects Fund. This relates to a transfer to the Capital Improvements Fund, a nonmajor fund, for the reallocation of bond proceeds for allowable road improvements. This amount will not be repaid.

\$2,224,949 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.

\$293,949 transferred to other funds from the Waterworks & Sewerage Fund. This relates to a transfer to the 2008 G.O. Debt Service Fund, a nonmajor fund, from the Waterworks & Sewerage Fund for the payment of debt service. This amount will not be repaid.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

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, 2009, and 2010 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. IPBC currently has \$1,971,960 available on deposit for use by the Village. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 887,164	\$ 1,117,061
Incurred claims (including IBNR)	1,122,403	992,005
Claim payments	<u>(956,280)</u>	<u>(1,221,902)</u>
Unpaid claims, end of year	<u>\$ 1,053,287</u>	<u>\$ 887,164</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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 7 - RISK MANAGEMENT (Continued)

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

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

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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.

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:

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

<u>Year Ending December 31</u>	<u>Amount</u>
2011	\$ 93,580
2012	93,580
2013	93,580
2014	93,580
2015	93,580
2016-2018	280,740

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>
2011	\$ 5,100,000
2012	5,100,000
2013	5,100,000
2014	5,100,000
2015	5,100,000
2016-2020	25,500,000
2021-2022	10,200,000

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:

<u>Year Ending December 31</u>	<u>Amount</u>
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 2011. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

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 (\$3,292,160 paid as of December 31, 2010) and are payable over 7 to 17 years solely from sales taxes and property taxes generated by the commercial entities. The rebates are to be paid semi-annually beginning in 1999 by each March 31st and September 30th for the previous six months ending December 31st and June 30th, respectively, or annually within 120 days after the end of the Village's fiscal year for amounts collected by the state for the prior fiscal year or quarterly. At December 31, 2010, the Village has accrued an estimated rebate liability of \$291,224 for amounts collected by the state through December 31, 2010. 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, 2010, the Village was committed for the following:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Work Completed as of December 31, 2010</u>	<u>Total Contract Outstanding at December 31, 2010</u>
Police station construction	\$ 22,199,694	\$ 21,930,947	\$ 268,747
Water Storage Tank	<u>4,039,661</u>	<u>3,924,358</u>	<u>115,303</u>
Total	<u>\$ 26,239,355</u>	<u>\$ 25,855,305</u>	<u>\$ 384,050</u>

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 10 - JOINT VENTURES (Continued)

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 \$5,076,865 to JAWA for 2010. The Village does not have an equity interest in JAWA at December 31, 2010.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 10 - JOINT VENTURES (Continued)

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

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

In accordance with the contract, the Village made payments totaling \$784,967 to SWANCC in 2010. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2010.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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 2010 used by the employer was 12.33% of the annual covered payroll. The employer annual required contribution rate for 2010 was 13.00%. 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 2010, the Village's actual contributions for pension cost for the Regular were \$1,348,938. Its required contribution for 2010 was \$1,422,238.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 1,422,238	95%	\$ 73,300
12/31/09	1,342,307	100%	-
12/31/08	1,196,303	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 20.00% 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, 2008, was 30 years.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the plan was 68.02% funded. The actuarial accrued liability for benefits was \$34,328,423 and the actuarial value of assets was \$23,351,347 resulting in an underfunded actuarial accrued liability (UAAL) of \$10,977,076. The covered payroll for 2010 (annual payroll of active employees covered by the plan) was \$10,940,296 and the ratio of the UAAL to the covered payroll was 100 percent.

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, 2010

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, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	53
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	80
Nonvested	<u>17</u>
Total	<u>150</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, 2009, the Village's contribution was 24.28% of covered payroll.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	45
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	59
Nonvested	<u>42</u>
Total	<u>146</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, 2009, the Village's contribution was 21.63% of covered payroll.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

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, 2010	December 31, 2009	December 31, 2009
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	30 Years, Closed	24 Years, Closed	24 Years, 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, 2010

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 Year</u>	<u>Illinois Municipal Retirement</u>	<u>Fiscal Year</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual pension cost (APC)	2008	\$ 1,196,303	2007	\$ 1,655,145	\$ 1,432,057
	2009	1,342,307	2008	1,777,957	1,550,898
	2010	1,422,238	2009	1,905,067	1,759,858
Actual contribution	2008	\$ 1,196,303	2007	\$ 1,638,142	\$ 1,426,737
	2009	1,342,307	2008	1,800,870	1,561,796
	2010	1,348,938	2009	1,979,784	1,771,131
Percentage of APC contributed	2008	100.00%	2007	98.97%	99.63%
	2009	100.00%	2008	101.30%	100.70%
	2010	95.00%	2009	103.90%	100.60%
NPO (asset)	2008	\$ -	2007	\$ (323,303)	\$ 232,368
	2009	-	2008	(346,216)	221,470
	2010	73,300	2009	(420,933)	210,197

D. Funded Status and Funding Progress

The funded status and funding progress of the pension plans as of December 31, 2009 and for Illinois Municipal Retirement as of December 31, 2010 were as follows:

	<u>Illinois Municipal Retirement</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Actuarial accrued liability (AAL)	\$ 34,328,423	\$ 76,001,039	\$ 70,358,756
Actuarial value of plan assets	23,351,347	46,170,267	48,459,349
Unfunded actuarial accrued liability (UAAL)	10,977,076	29,830,772	21,899,407
Funded ratio (actuarial value of plan assets/AAL)	68.02%	60.70%	68.90%
Covered payroll (active plan members)	10,940,296	8,155,245	8,186,783
UAAL as a percentage of covered payroll	100.34%	365.80%	267.50%

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

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	\$ 1,912,498	\$ 1,755,105
Interest on net pension obligation	(25,967)	16,610
Adjustment to annual required contribution	<u>18,536</u>	<u>(11,857)</u>
Annual pension cost	1,905,067	1,759,858
Contributions made	<u>1,979,784</u>	<u>1,771,131</u>
Change in net pension obligation (asset)	(74,717)	(11,273)
Net pension obligation (asset), beginning of year	<u>(346,216)</u>	<u>221,470</u>
Net pension obligation (asset), end of year	<u>\$ (420,933)</u>	<u>\$ 210,197</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

F. Pension Information

Fiduciary Net Assets

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ASSETS			
Cash and short-term investments	\$ 2,185,133	\$ 1,707,940	\$ 3,893,073
Investments, at fair value			
U.S. treasury securities	15,102,637	16,429,069	31,531,706
U.S. agency securities	8,895,037	11,288,204	20,183,241
Mutual funds	24,417,563	11,686,788	36,104,351
Money market mutual funds	765,548	725,031	1,490,579
Equities	-	11,974,007	11,974,007
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	231,261	221,864	453,125
Due from primary government	<u>507,212</u>	<u>426,922</u>	<u>934,134</u>
Total assets	<u>52,104,391</u>	<u>54,459,825</u>	<u>106,564,216</u>
LIABILITIES			
Accounts payable	<u>11,447</u>	<u>29,891</u>	<u>41,338</u>
Total liabilities	<u>11,447</u>	<u>29,891</u>	<u>41,338</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 52,092,944</u>	<u>\$ 54,429,934</u>	<u>\$ 106,522,878</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Plan Net Assets	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer contributions	\$ 2,541,814	\$ 2,454,155	\$ 4,995,969
Employee contributions	836,606	806,981	1,643,587
Other contributions	233	2,744	2,977
Total contributions	3,378,653	3,263,880	6,642,533
Investment income			
Net appreciation (depreciation) in fair value of investments	3,864,322	3,989,549	7,853,871
Interest	1,351,268	1,282,659	2,633,927
Total investment income	5,215,590	5,272,208	10,487,798
Less investment expense	(103,783)	(178,247)	(282,030)
Net investment income	5,111,807	5,093,961	10,205,768
Total additions	8,490,460	8,357,841	16,848,301
DEDUCTIONS			
Benefits and refunds	2,540,174	2,350,719	4,890,893
Miscellaneous	27,609	36,537	64,146
Total deductions	2,567,783	2,387,256	4,955,039
NET INCREASE (DECREASE)	5,922,677	5,970,585	11,893,262
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	46,170,267	48,459,349	94,629,616
December 31	\$ 52,092,944	\$ 54,429,934	\$ 106,522,878

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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, 2010, the balance is \$514,779.

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.

C. Membership

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

Retirees and Beneficiaries Currently Receiving Benefits	43
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees - Vested	221
Active Employees - Nonvested	<u>95</u>
Total	<u>359</u>
Participating Employees	<u>1</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2010 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, 2010. The Village's annual OPEB cost (expense) was \$432,848 for the year ended December 31, 2010. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 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, 2008	\$ 614,449	\$201,364	32.77%	\$1,108,424
December 31, 2009	429,053	201,364	46.90%	1,336,113
December 31, 2010	432,848	502,177	116.00%	1,266,783

The net OPEB obligation as of December 31, 2010, was calculated as follows:

Annual required contribution	\$ 410,579
Interest on net OPEB obligation	66,806
Adjustment to annual required contribution	<u>(44,537)</u>
Annual OPEB cost	432,848
Contributions made	<u>502,177</u>
Increase in net OPEB obligation	(69,329)
Net OPEB obligation, beginning of year	<u>1,336,113</u>
Net OPEB obligation, end of year	<u>\$ 1,266,784</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress.

The funded status of the plan as of December 31, 2010 was as follows:

Actuarial accrued liability (AAL)	\$10,111,315
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	10,111,315
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.

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, 2010 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 advanced 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, 2010 was 30 years.

NOTE 14 - DEFICIT FUND BALANCE

The following fund had deficit fund balances as of December 31, 2010:

2001 General Obligation Refunding Bond Fund	\$33,545
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(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

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 June 2010 the GASB issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

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, 2010
 (with comparative totals for 2009)

	General Fund					EDA General Account				
	2010			Variance From Final Budget Positive (Negative)	2009	2010			Variance From Final Budget Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual	Original Budget	Final Budget	Actual		Actual
REVENUES										
Taxes	\$ 24,216,873	\$ 24,216,873	\$ 23,526,451	\$ (690,422)	\$ 22,629,437	\$ -	\$ 10,146,800	\$ 10,146,764	\$ (36)	\$ 10,181,363
Licenses and Permits	1,039,500	1,039,500	1,276,000	236,500	1,103,880	-	-	-	-	-
Intergovernmental	11,997,620	12,079,620	12,101,914	22,294	11,670,548	-	-	-	-	-
Charges for Services	4,516,400	4,552,900	4,830,580	277,680	4,483,868	-	-	-	-	-
Fines and Forfeits	997,000	997,000	884,908	(112,092)	966,369	-	-	-	-	-
Interest Income	150,000	150,000	37,508	(112,492)	56,881	-	-	-	-	-
Miscellaneous	137,800	137,800	501,131	363,331	246,975	-	-	-	-	-
TOTAL REVENUES	43,055,193	43,173,693	43,158,492	(15,201)	41,157,958	-	10,146,800	10,146,764	(36)	10,181,363
EXPENDITURES										
Current										
General Government	5,732,450	5,781,050	5,259,070	521,980	5,352,058	-	-	-	-	-
Public safety	28,520,033	28,601,033	28,239,314	361,719	26,913,669	-	-	-	-	-
Highways and Streets	5,230,060	5,230,060	4,896,159	333,901	5,471,434	-	-	-	-	-
Health and Welfare	1,688,300	1,705,900	1,680,372	25,528	1,783,070	-	-	-	-	-
Culture and Recreation	286,300	286,300	248,571	37,729	367,578	-	-	-	-	-
Economic Development	1,841,170	1,841,170	1,783,336	57,834	1,808,471	-	-	-	-	-
Debt Service										
Principal Retirement	-	-	-	-	-	-	9,746,800	10,146,764	(399,964)	10,181,363
Interest and Fiscal Charges	-	-	-	-	-	-	400,000	-	400,000	-
TOTAL EXPENDITURES	43,298,313	43,445,513	42,106,822	1,338,691	41,696,280	-	10,146,800	10,146,764	36	10,181,363
Excess (Deficiency) of Revenues Over Expenditures	(243,120)	(271,820)	1,051,670	1,323,490	(538,322)	-	-	-	-	-
OTHER FINANCING SOURCES (USES)										
Transfers In (Out)	(822,620)	(822,620)	(730,987)	91,633	(1,240,381)	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	8,294	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(822,620)	(822,620)	(730,987)	91,633	(1,232,087)	-	-	-	-	-
Net change in fund balances	\$ (1,065,740)	\$ (1,094,440)	320,683	\$ 1,415,123	(1,770,409)	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances at beginning of year			11,069,343		12,839,752					
Fund balances at end of year			\$ 11,390,026		\$ 11,069,343		\$ -		\$ -	

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

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.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 December 31, 2010

Trend Information

Seven-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)
12/31/05	\$ 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%
12/31/10	23,351,347	34,328,423	10,977,076	68.02%	10,940,296	100.34%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$25,023,049. On a market value basis, the funded ratio would be 72.90%.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUNDS
 December 31, 2010

POLICE PENSION FUND

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1/2)	(4) Unfunded AAL (UAAL) (2-1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (b-a)/c
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	46,170,267	76,001,039	60.75%	29,830,772	8,155,245	365.79%
12/31/2010	N/A	N/A	N/A	N/A	N/A	N/A

FIREFIIGHTERS' PENSION FUND

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1/2)	(4) Unfunded AAL (UAAL) (2-1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (b-a)/c
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	48,459,349	70,358,756	68.87%	21,899,407	8,186,783	267.50%
12/31/2010	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, 2010

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1/2)	(4) Unfunded AAL (UAAL) (2-1)	(5) Covered Payroll	(6) 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	*	*	*	*	*	*
12/31/2010	-	10,111,315	0.00%	10,111,315	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, 2010

<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%
12/31/2010	1,348,938	1,422,238	95%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PENSION TRUST FUNDS
 December 31, 2010

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	1,979,784	1,912,498	103.52%	12/31/2009	1,771,131	1,755,105	100.91%
12/31/2010	2,541,814	N/A	N/A	12/31/2010	2,454,155	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, 2010

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	*	410,579	*
12/31/2010	502,177	410,579	122.31%

*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.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMPARATIVE BALANCE SHEET
 GENERAL FUND
 December 31, 2010
 (with comparative totals for 2009)

	2010	2009
ASSETS		
Cash and Investments	\$ 6,014,780	\$ 7,596,239
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Property Taxes	18,284,432	16,194,251
Accounts	214,524	170,362
Accrued Interest	-	322
Other	1,054,720	789,802
Prepaid Items	52,253	1,386
Inventories	161,322	194,019
Due from Other Governments	4,993,233	4,748,143
Due from Other Funds	317,618	931,939
Due from Fiduciary Funds	882,861	252,745
Advances to Other Funds	550,180	796,291
	<u>\$ 32,525,923</u>	<u>\$ 31,675,499</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 1,230,311	\$ 1,486,298
Accrued Payroll	467,968	642,542
Current Compensated Absences	216,739	-
Deferred Revenues	16,500,482	17,124,924
Due to Other Funds	163,869	-
Due to Fiduciary Funds	934,134	-
Deposits Payable	1,622,394	1,352,392
	<u>21,135,897</u>	<u>20,606,156</u>
FUND BALANCE		
Reserved for:		
Prepaid Items	52,253	1,386
Inventories	161,322	194,019
Advances to Other Funds	550,180	796,291
Public Safety	98,502	126,964
Employee Loan Program	71,927	64,106
Insurance Deposits	551,851	305,720
Unreserved:		
Designated for Compensated Absences	216,739	2,426,816
Undesignated	9,687,252	7,154,041
	<u>11,390,026</u>	<u>11,069,343</u>
	<u>\$ 32,525,923</u>	<u>\$ 31,675,499</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2010
(with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 348,100	\$ 348,100	\$ 305,864	\$ 328,712
Administrative	603,740	603,740	598,135	629,474
Legal	581,070	581,070	452,623	588,465
Finance	819,340	819,340	805,316	771,354
Village Clerk	180,050	180,050	179,640	179,657
Human Resources Management	453,640	453,640	422,002	475,360
Buildings and Grounds	1,127,520	1,109,920	955,372	862,247
Equipment and Supply	1,271,460	1,271,460	1,180,434	1,156,221
Police and Fire Commission	22,980	22,980	1,468	2,321
Emergency Operations	147,670	213,870	214,056	156,600
Miscellaneous Boards and Commission	176,880	176,880	144,160	201,647
TOTAL GENERAL GOVERNMENT	5,732,450	5,781,050	5,259,070	5,352,058
PUBLIC SAFETY				
Police Department				
Administration	1,689,340	1,689,340	1,689,435	1,699,094
Juvenile Investigations	669,640	669,640	666,184	653,731
Problem Oriented Policing	2,150	2,150	536	245,023
Tactical	721,570	721,570	720,224	690,317
Patrol and Response	8,990,471	8,990,471	8,910,617	7,901,380
Traffic Control	881,490	881,490	874,413	851,252
Investigations	1,059,740	1,059,740	1,025,631	1,086,138
Community Relations	10,450	10,450	3,400	246,341
Communications	738,030	738,030	741,099	718,706
Canine	141,860	141,860	145,325	144,333
Special Services	101,450	137,950	136,245	130,255
Records	362,170	362,170	356,459	371,884
Administrative Services	677,660	677,660	650,772	695,942
Total Police Department	16,046,021	16,082,521	15,920,340	15,434,396
Fire Department				
Administration	764,420	808,920	827,368	689,504
Public Education	36,130	36,130	40,112	75,636
Suppression	5,861,582	5,861,582	5,678,171	5,631,874
Emergency Medical Services	5,336,990	5,336,990	5,315,361	4,701,165
Fire Prevention	450,500	450,500	442,737	332,591
Fire Stations	24,390	24,390	15,225	48,503
Total Fire Department	12,474,012	12,518,512	12,318,974	11,479,273
TOTAL PUBLIC SAFETY	28,520,033	28,601,033	28,239,314	26,913,669
HIGHWAYS AND STREETS				
Administration - Public Works	256,670	256,670	258,511	326,462
Snow and Ice Control	1,759,050	1,759,050	1,595,510	1,843,898
Asphalt	376,830	376,830	363,145	364,045
Forestry	840,620	840,620	743,998	813,398
Maintenance	209,270	209,270	196,548	228,157

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year Ended December 31, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
Storm Sewers	\$ 205,320	\$ 205,320	\$ 195,234	\$ 206,332
Utilities	582,900	582,900	573,285	581,444
Engineering	999,400	999,400	969,928	1,107,698
TOTAL HIGHWAYS AND STREETS	<u>5,230,060</u>	<u>5,230,060</u>	<u>4,896,159</u>	<u>5,471,434</u>
HEALTH AND WELFARE				
Health and Human Services	626,010	626,010	601,496	650,629
Code Enforcement	1,062,290	1,079,890	1,078,876	1,132,441
TOTAL HEALTH AND WELFARE	<u>1,688,300</u>	<u>1,705,900</u>	<u>1,680,372</u>	<u>1,783,070</u>
CULTURE AND RECREATION				
Cable T.V.	133,350	133,350	131,930	223,072
4th of July	152,950	152,950	116,641	144,506
TOTAL CULTURE AND RECREATION	<u>286,300</u>	<u>286,300</u>	<u>248,571</u>	<u>367,578</u>
ECONOMIC DEVELOPMENT				
Administration - Community Development	196,470	196,470	194,116	162,936
Planning	481,200	481,200	468,101	494,233
Economic Development	1,163,500	1,163,500	1,121,119	1,151,302
TOTAL ECONOMIC DEVELOPMENT	<u>1,841,170</u>	<u>1,841,170</u>	<u>1,783,336</u>	<u>1,808,471</u>
TOTAL EXPENDITURES	<u>\$ 43,298,313</u>	<u>\$ 43,445,513</u>	<u>\$ 42,106,822</u>	<u>\$ 41,696,280</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ 10,146,800	\$ 10,146,764	\$ 10,181,363
TOTAL REVENUES	<u>-</u>	<u>10,146,800</u>	<u>10,146,764</u>	<u>10,181,363</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	10,146,800	10,146,764	10,181,363
TOTAL EXPENDITURES	<u>-</u>	<u>10,146,800</u>	<u>10,146,764</u>	<u>10,181,363</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 11,861,170	\$ 11,861,170	\$ 10,095,108	\$ 999,974
Investment Income	-	-	40,584	597,828
TOTAL REVENUES	<u>11,861,170</u>	<u>11,861,170</u>	<u>10,135,692</u>	<u>1,597,802</u>
EXPENDITURES				
Debt Service				
Principal Retirement	23,800,000	23,800,000	23,800,000	11,100,000
Interest and Fiscal Charges	159,170	159,170	85,006	1,007,538
TOTAL EXPENDITURES	<u>23,959,170</u>	<u>23,959,170</u>	<u>23,885,006</u>	<u>12,107,538</u>
Net Change in Fund Balance	<u>\$ (12,098,000)</u>	<u>\$ (12,098,000)</u>	(13,749,314)	(10,509,736)
Fund Balance at Beginning of Year			<u>13,789,074</u>	<u>24,298,810</u>
Fund Balance at End of Year			<u>\$ 39,760</u>	<u>\$ 13,789,074</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 2009 CAPITAL PROJECTS FUND
 Year Ended December 31, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 825,000	\$ -
Investment Income	100,000	100,000	27,625	170,246
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>852,625</u>	<u>170,246</u>
EXPENDITURES				
General Government	-	-	-	272,059
Capital Outlay	11,563,160	11,563,160	9,380,452	13,136,199
TOTAL EXPENDITURES	<u>11,563,160</u>	<u>11,563,160</u>	<u>9,380,452</u>	<u>13,408,258</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,463,160)</u>	<u>(11,463,160)</u>	<u>(8,527,827)</u>	<u>(13,238,012)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(750,000)	(750,000)	(750,000)	(5,240,722)
Bonds Issued, at Par	-	-	-	30,355,000
Discount on Issuance of Bonds	-	-	-	1,262,028
TOTAL OTHER FINANCING SOURCES (USES)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>26,376,306</u>
Net Change in Fund Balance	<u>\$ (12,213,160)</u>	<u>\$ (12,213,160)</u>	<u>(9,277,827)</u>	<u>13,138,294</u>
Fund Balance at Beginning of Year			<u>13,138,294</u>	<u>-</u>
Fund Balance at End of Year			<u>\$ 3,860,467</u>	<u>\$ 13,138,294</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 5,788,453	\$ 2,650,611	\$ 12,128,561	\$ 20,567,625
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	868,654	1,850,616	-	2,719,270
Accrued Interest	-	60,564	-	60,564
Other	135,431	75,936	274,683	486,050
Prepaid Items	68,681	-	-	68,681
Other Assets	-	-	46,357	46,357
Due from Other Governments	108,914	-	-	108,914
Due from Other Funds	-	597	676,668	677,265
Advances to Other Funds	-	-	1,000,000	1,000,000
TOTAL ASSETS	<u>\$ 6,970,133</u>	<u>\$ 4,638,324</u>	<u>\$ 14,126,269</u>	<u>\$ 25,734,726</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 94,866	\$ 250	\$ 170,425	\$ 265,541
Accrued Payroll	41,497	-	-	41,497
Compensated Absences - Current	4,977	-	-	4,977
Deferred Revenues	2,189,461	1,550,000	235,000	3,974,461
Due to Other Funds	127,277	506,497	-	633,774
Deposits Payable	11,530	-	1,821,792	1,833,322
TOTAL LIABILITIES	<u>2,469,608</u>	<u>2,056,747</u>	<u>2,227,217</u>	<u>6,753,572</u>
FUND BALANCES				
Reserved for:				
Prepays Items	68,681	-	-	68,681
Advances to Other Funds	-	-	1,000,000	1,000,000
Highways and Streets	198,055	-	-	198,055
Emergency Equipment	370,297	-	-	370,297
Public Safety	158,675	-	-	158,675
Debt Service	-	2,615,122	-	2,615,122
Economic Development	3,707,793	-	4,274,538	7,982,331
Bridge Maintenance and Repairs	-	-	345,742	345,742
Unreserved:				
Designated for Compensated Absences	4,977	-	-	4,977
Designated for Capital Projects	-	-	6,278,772	6,278,772
Undesignated - (Deficit)	(7,953)	(33,545)	-	(41,498)
TOTAL FUND BALANCES	<u>4,500,525</u>	<u>2,581,577</u>	<u>11,899,052</u>	<u>18,981,154</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,970,133</u>	<u>\$ 4,638,324</u>	<u>\$ 14,126,269</u>	<u>\$ 25,734,726</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 6,560,463	\$ 2,408,550	\$ -	\$ 8,969,013
Intergovernmental	1,965,674	-	165,000	2,130,674
Charges for Services	994,841	268,500	31,565	1,294,906
Fines and Forfeits	144,476	-	-	144,476
Investment Income	9,739	64,855	27,970	102,564
Miscellaneous	222,977	-	539,467	762,444
TOTAL REVENUES	<u>9,898,170</u>	<u>2,741,905</u>	<u>764,002</u>	<u>13,404,077</u>
EXPENDITURES				
Current:				
General Government	344,172	-	-	344,172
Public Safety	3,770,960	-	-	3,770,960
Highways and Streets	229,839	-	-	229,839
Sanitation	1,114,830	-	-	1,114,830
Economic Development	195,733	-	-	195,733
Capital Outlay	-	-	2,886,360	2,886,360
Debt Service				
Principal Retirement	-	3,355,000	-	3,355,000
Interest and Fiscal Charges	-	2,807,458	-	2,807,458
TOTAL EXPENDITURES	<u>5,655,534</u>	<u>6,162,458</u>	<u>2,886,360</u>	<u>14,704,352</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,242,636</u>	<u>(3,420,553)</u>	<u>(2,122,358)</u>	<u>(1,300,275)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,647,525	2,293,059	3,940,584
Transfers (Out)	<u>(2,197,249)</u>	<u>-</u>	<u>(27,700)</u>	<u>(2,224,949)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,197,249)</u>	<u>1,647,525</u>	<u>2,265,359</u>	<u>1,715,635</u>
Net Change in Fund Balance	<u>2,045,387</u>	<u>(1,773,028)</u>	<u>143,001</u>	<u>415,360</u>
Fund Balance at Beginning of Year	<u>2,455,138</u>	<u>4,354,605</u>	<u>11,756,051</u>	<u>18,565,794</u>
Fund Balance at End of Year	<u>\$ 4,500,525</u>	<u>\$ 2,581,577</u>	<u>\$ 11,899,052</u>	<u>\$ 18,981,154</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 or the revenues and expenditures pertaining to the activity in the Roselle Road TIF district.

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2010

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
ASSETS				
Cash and Investments	\$ 107,566	\$ 1	\$ 1,478,790	\$ 2,415,659
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	-	-	-	-
Other	-	30,258	-	-
Prepaid Items	-	-	-	-
Due from Other Governments	108,914	-	-	-
TOTAL ASSETS	<u>\$ 216,480</u>	<u>\$ 30,259</u>	<u>\$ 1,478,790</u>	<u>\$ 2,415,659</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 18,425	\$ 4,125	\$ 419	\$ 16,759
Accrued Payroll	-	-	1,398	40,099
Compensated Absences - Current	-	-	-	4,977
Deferred Revenues	-	-	1,318,298	-
Due to Other Funds	-	26,133	-	44,413
Deposits Payable	-	-	-	11,530
TOTAL LIABILITIES	<u>18,425</u>	<u>30,258</u>	<u>1,320,115</u>	<u>117,778</u>
FUND BALANCES				
Reserved for:				
Prepays Items	-	-	-	-
Highways and Streets	198,055	-	-	-
Emergency Equipment	-	-	-	-
Public Safety	-	-	158,675	-
Economic Development	-	1	-	2,292,904
Unreserved:				
Designated for Compensated Absences	-	-	-	4,977
Undesignated - (Deficit)	-	-	-	-
TOTAL FUND BALANCES	<u>198,055</u>	<u>1</u>	<u>158,675</u>	<u>2,297,881</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 216,480</u>	<u>\$ 30,259</u>	<u>\$ 1,478,790</u>	<u>\$ 2,415,659</u>

Emergency 911	Municipal Waste System	Roselle Road TIF	Total Special Revenue Funds
\$ 366,377	\$ 20,137	\$ 1,399,923	\$ 5,788,453
-	-	868,654	868,654
3,920	83,779	17,474	135,431
-	68,681	-	68,681
-	-	-	108,914
<u>\$ 370,297</u>	<u>\$ 172,597</u>	<u>\$ 2,286,051</u>	<u>\$ 6,970,133</u>
\$ -	\$ 55,138	\$ -	\$ 94,866
-	-	-	41,497
-	-	-	4,977
-	-	871,163	2,189,461
-	56,731	-	127,277
-	-	-	11,530
-	<u>111,869</u>	<u>871,163</u>	<u>2,469,608</u>
-	68,681	-	68,681
-	-	-	198,055
370,297	-	-	370,297
-	-	-	158,675
-	-	1,414,888	3,707,793
-	-	-	4,977
-	(7,953)	-	(7,953)
<u>370,297</u>	<u>60,728</u>	<u>1,414,888</u>	<u>4,500,525</u>
<u>\$ 370,297</u>	<u>\$ 172,597</u>	<u>\$ 2,286,051</u>	<u>\$ 6,970,133</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended December 31, 2010

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 5,729,573
Intergovernmental	1,528,680	410,341	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	144,476	-
Investment Income	166	-	272	3,106
Miscellaneous	-	6,641	11,225	700
TOTAL REVENUES	<u>1,528,846</u>	<u>416,982</u>	<u>155,973</u>	<u>5,733,379</u>
EXPENDITURES				
Current:				
General Government	-	-	-	344,172
Public Safety	-	-	149,987	3,620,973
Highways and Streets	76,720	-	-	153,119
Sanitation	-	-	-	-
Economic Development	-	193,443	-	-
TOTAL EXPENDITURES	<u>76,720</u>	<u>193,443</u>	<u>149,987</u>	<u>4,118,264</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,452,126</u>	<u>223,539</u>	<u>5,986</u>	<u>1,615,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(1,345,540)</u>	<u>(223,539)</u>	<u>-</u>	<u>(32,050)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,345,540)</u>	<u>(223,539)</u>	<u>-</u>	<u>(32,050)</u>
Net Change in Fund Balance	<u>106,586</u>	<u>-</u>	<u>5,986</u>	<u>1,583,065</u>
Fund Balance at Beginning of Year	<u>91,469</u>	<u>1</u>	<u>152,689</u>	<u>714,816</u>
Fund Balance at End of Year	<u>\$ 198,055</u>	<u>\$ 1</u>	<u>\$ 158,675</u>	<u>\$ 2,297,881</u>

Emergency 911	Municipal Waste System	Roselle Road TIF	Total Special Revenue Funds
\$ -	\$ -	\$ 830,890	\$ 6,560,463
26,653	-	-	1,965,674
-	994,841	-	994,841
-	-	-	144,476
1,017	108	5,070	9,739
-	111,243	93,168	222,977
<u>27,670</u>	<u>1,106,192</u>	<u>929,128</u>	<u>9,898,170</u>
-	-	-	344,172
-	-	-	3,770,960
-	-	-	229,839
-	1,114,830	-	1,114,830
-	-	2,290	195,733
-	<u>1,114,830</u>	<u>2,290</u>	<u>5,655,534</u>
<u>27,670</u>	<u>(8,638)</u>	<u>926,838</u>	<u>4,242,636</u>
<u>(546,120)</u>	<u>-</u>	<u>(50,000)</u>	<u>(2,197,249)</u>
<u>(546,120)</u>	<u>-</u>	<u>(50,000)</u>	<u>(2,197,249)</u>
<u>(518,450)</u>	<u>(8,638)</u>	<u>876,838</u>	<u>2,045,387</u>
<u>888,747</u>	<u>69,366</u>	<u>538,050</u>	<u>2,455,138</u>
<u>\$ 370,297</u>	<u>\$ 60,728</u>	<u>\$ 1,414,888</u>	<u>\$ 4,500,525</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, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,357,070	\$ 1,357,070	\$ 1,528,680	\$ 1,320,117
Investment Income	1,000	1,000	166	381
TOTAL REVENUES	<u>1,358,070</u>	<u>1,358,070</u>	<u>1,528,846</u>	<u>1,320,498</u>
EXPENDITURES				
Current				
Highways and Streets	100,400	100,400	76,720	1,181,146
TOTAL EXPENDITURES	<u>100,400</u>	<u>100,400</u>	<u>76,720</u>	<u>1,181,146</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,257,670</u>	<u>1,257,670</u>	<u>1,452,126</u>	<u>139,352</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(1,345,540)	(1,345,540)	(1,345,540)	(184,990)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,345,540)</u>	<u>(1,345,540)</u>	<u>(1,345,540)</u>	<u>(184,990)</u>
Net Change in Fund Balance	<u>\$ (87,870)</u>	<u>\$ (87,870)</u>	106,586	(45,638)
Fund Balance at Beginning of Year			91,469	137,107
Fund Balance at End of Year			<u>\$ 198,055</u>	<u>\$ 91,469</u>

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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 420,500	\$ 420,500	\$ 410,341	\$ 611,739
Miscellaneous	-	-	6,641	-
TOTAL REVENUES	<u>420,500</u>	<u>420,500</u>	<u>416,982</u>	<u>611,739</u>
EXPENDITURES				
Current				
Economic Development	289,500	289,500	193,443	514,986
TOTAL EXPENDITURES	<u>289,500</u>	<u>289,500</u>	<u>193,443</u>	<u>514,986</u>
Excess (Deficiency) of Revenues over Expenditures	<u>131,000</u>	<u>131,000</u>	<u>223,539</u>	<u>96,753</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(131,000)</u>	<u>(131,000)</u>	<u>(223,539)</u>	<u>(96,753)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(131,000)</u>	<u>(131,000)</u>	<u>(223,539)</u>	<u>(96,753)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance at Beginning of Year			1	1
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, 2010
(with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 212,200	\$ 212,200	\$ 144,476	\$ 160,045
Investment Income	500	500	272	240
Miscellaneous	-	-	11,225	-
TOTAL REVENUES	<u>212,700</u>	<u>212,700</u>	<u>155,973</u>	<u>160,285</u>
EXPENDITURES				
Current				
Public Safety	<u>227,200</u>	<u>227,200</u>	<u>149,987</u>	<u>160,001</u>
TOTAL EXPENDITURES	<u>227,200</u>	<u>227,200</u>	<u>149,987</u>	<u>160,001</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,500)</u>	<u>(14,500)</u>	<u>5,986</u>	<u>284</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	-	<u>24,196</u>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	<u>24,196</u>
Net Change in Fund Balance	<u>\$ (14,500)</u>	<u>\$ (14,500)</u>	5,986	24,480
Fund Balance at Beginning of Year			<u>152,689</u>	<u>128,209</u>
Fund Balance at End of Year			<u>\$ 158,675</u>	<u>\$ 152,689</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 5,729,570	\$ 5,729,570	\$ 5,729,573	\$ 5,005,891
Investment Income	6,000	6,000	3,106	3,698
Miscellaneous	-	-	700	11,275
TOTAL REVENUES	<u>5,735,570</u>	<u>5,735,570</u>	<u>5,733,379</u>	<u>5,020,864</u>
EXPENDITURES				
Current				
General Government	303,090	380,410	344,172	541,867
Public Safety	3,534,460	3,625,460	3,620,973	3,623,611
Highways and Streets	175,170	175,170	153,119	154,321
TOTAL EXPENDITURES	<u>4,012,720</u>	<u>4,181,040</u>	<u>4,118,264</u>	<u>4,319,799</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,722,850</u>	<u>1,554,530</u>	<u>1,615,115</u>	<u>701,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(52,450)</u>	<u>(52,450)</u>	<u>(32,050)</u>	<u>(439,700)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(52,450)</u>	<u>(52,450)</u>	<u>(32,050)</u>	<u>(439,700)</u>
Net Change in Fund Balance	<u>\$ 1,670,400</u>	<u>\$ 1,502,080</u>	1,583,065	261,365
Fund Balance at Beginning of Year			<u>714,816</u>	<u>453,451</u>
Fund Balance at End of Year			<u>\$ 2,297,881</u>	<u>\$ 714,816</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, 2010
(with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 26,653	\$ 95,501
Investment Income	22,350	22,350	1,017	18,595
TOTAL REVENUES	<u>52,350</u>	<u>52,350</u>	<u>27,670</u>	<u>114,096</u>
EXPENDITURES				
Current				
Public Safety	-	-	-	150,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>52,350</u>	<u>52,350</u>	<u>27,670</u>	<u>(35,904)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(546,120)	(546,120)	(546,120)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(546,120)</u>	<u>(546,120)</u>	<u>(546,120)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (493,770)</u>	<u>\$ (493,770)</u>	(518,450)	(35,904)
Fund Balance at Beginning of Year			888,747	924,651
Fund Balance at End of Year			<u>\$ 370,297</u>	<u>\$ 888,747</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 1,028,120	\$ 1,028,120	\$ 994,841	\$ 1,064,852
Investment Income	360	360	108	133
Miscellaneous	<u>171,700</u>	<u>171,700</u>	<u>111,243</u>	<u>68,553</u>
TOTAL REVENUES	<u>1,200,180</u>	<u>1,200,180</u>	<u>1,106,192</u>	<u>1,133,538</u>
EXPENDITURES				
Current				
Sanitation	<u>1,194,210</u>	<u>1,194,210</u>	<u>1,114,830</u>	<u>1,190,740</u>
TOTAL EXPENDITURES	<u>1,194,210</u>	<u>1,194,210</u>	<u>1,114,830</u>	<u>1,190,740</u>
Net Change in Fund Balance	<u>\$ 5,970</u>	<u>\$ 5,970</u>	(8,638)	(57,202)
Fund Balance at Beginning of Year			<u>69,366</u>	<u>126,568</u>
Fund Balance at End of Year			<u>\$ 60,728</u>	<u>\$ 69,366</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, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 890,000	\$ 890,000	\$ 830,890	\$ 1,009,308
Investment Income	10,000	10,000	5,070	12,151
Miscellaneous	101,400	101,400	93,168	104,056
TOTAL REVENUES	<u>1,001,400</u>	<u>1,001,400</u>	<u>929,128</u>	<u>1,125,515</u>
EXPENDITURES				
Current				
Economic Development	41,000	706,000	2,290	2,713,671
TOTAL EXPENDITURES	<u>41,000</u>	<u>706,000</u>	<u>2,290</u>	<u>2,713,671</u>
Excess (Deficiency) of Revenues over Expenditures	<u>960,400</u>	<u>295,400</u>	<u>926,838</u>	<u>(1,588,156)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 960,400</u>	<u>\$ 245,400</u>	876,838	(1,588,156)
Fund Balance at Beginning of Year			<u>538,050</u>	<u>2,126,206</u>
Fund Balance at End of Year			<u>\$ 1,414,888</u>	<u>\$ 538,050</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.

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.

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2010

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
ASSETS			
Cash and Investments	\$ 5,486	\$ 82,948	\$ 40,874
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property Taxes	-	74,214	883,160
Accrued Interest	-	-	-
Other	-	75,936	-
Due from Other Funds	-	597	-
TOTAL ASSETS	<u>\$ 5,486</u>	<u>\$ 233,695</u>	<u>\$ 924,034</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenues	-	71,743	702,780
Due to Other Funds	-	195,497	195,000
TOTAL LIABILITIES	<u>-</u>	<u>267,240</u>	<u>897,780</u>
FUND BALANCES			
Reserved for:			
Debt Service	5,486	-	26,254
Unreserved:			
Undesignated - (Deficit)	-	(33,545)	-
TOTAL FUND BALANCES	<u>5,486</u>	<u>(33,545)</u>	<u>26,254</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,486</u>	<u>\$ 233,695</u>	<u>\$ 924,034</u>

2004 General Obligation Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ 27,019	\$ 83,448	\$ 2,410,836	\$ 2,650,611
893,242	-	-	1,850,616
-	-	60,564	60,564
-	-	-	75,936
-	-	-	597
<u>\$ 920,261</u>	<u>\$ 83,448</u>	<u>\$ 2,471,400</u>	<u>\$ 4,638,324</u>
\$ 250	\$ -	\$ -	\$ 250
775,477	-	-	1,550,000
116,000	-	-	506,497
<u>891,727</u>	<u>-</u>	<u>-</u>	<u>2,056,747</u>
28,534	83,448	2,471,400	2,615,122
-	-	-	(33,545)
<u>28,534</u>	<u>83,448</u>	<u>2,471,400</u>	<u>2,581,577</u>
<u>\$ 920,261</u>	<u>\$ 83,448</u>	<u>\$ 2,471,400</u>	<u>\$ 4,638,324</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended December 31, 2010

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
REVENUES			
Taxes	\$ -	\$ 869,875	\$ 927,050
Charges for Services	-	-	-
Investment Income	78	371	644
TOTAL REVENUES	<u>78</u>	<u>870,246</u>	<u>927,694</u>
EXPENDITURES			
Debt Service			
Principal Retirement	480,000	1,090,000	915,000
Interest and Fiscal Charges	70,473	73,050	52,203
TOTAL EXPENDITURES	<u>550,473</u>	<u>1,163,050</u>	<u>967,203</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(550,395)</u>	<u>(292,804)</u>	<u>(39,509)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	550,480	454,660	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>550,480</u>	<u>454,660</u>	<u>-</u>
Net Change in Fund Balances	<u>85</u>	<u>161,856</u>	<u>(39,509)</u>
Fund Balances at Beginning of Year	<u>5,401</u>	<u>(195,401)</u>	<u>65,763</u>
Fund Balances at End of Year	<u>\$ 5,486</u>	<u>\$ (33,545)</u>	<u>\$ 26,254</u>

2004 General Obligation Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ 611,625	\$ -	\$ -	\$ 2,408,550
-	-	268,500	268,500
439	14,930	48,393	64,855
<u>612,064</u>	<u>14,930</u>	<u>316,893</u>	<u>2,741,905</u>
870,000	-	-	3,355,000
97,688	999,688	1,514,356	2,807,458
<u>967,688</u>	<u>999,688</u>	<u>1,514,356</u>	<u>6,162,458</u>
<u>(355,624)</u>	<u>(984,758)</u>	<u>(1,197,463)</u>	<u>(3,420,553)</u>
348,790	293,595	-	1,647,525
<u>348,790</u>	<u>293,595</u>	<u>-</u>	<u>1,647,525</u>
<u>(6,834)</u>	<u>(691,163)</u>	<u>(1,197,463)</u>	<u>(1,773,028)</u>
<u>35,368</u>	<u>774,611</u>	<u>3,668,863</u>	<u>4,354,605</u>
<u>\$ 28,534</u>	<u>\$ 83,448</u>	<u>\$ 2,471,400</u>	<u>\$ 2,581,577</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 50	\$ 50	\$ 78	\$ 61
TOTAL REVENUES	<u>50</u>	<u>50</u>	<u>78</u>	<u>61</u>
EXPENDITURES				
Debt Service				
Principal Retirement	480,000	480,000	480,000	455,000
Interest and Fiscal Charges	71,080	71,080	70,473	91,403
TOTAL EXPENDITURES	<u>551,080</u>	<u>551,080</u>	<u>550,473</u>	<u>546,403</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(551,030)</u>	<u>(551,030)</u>	<u>(550,395)</u>	<u>(546,342)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	550,480	550,480	550,480	546,400
TOTAL OTHER FINANCING SOURCES (USES)	<u>550,480</u>	<u>550,480</u>	<u>550,480</u>	<u>546,400</u>
Net Change in Fund Balance	<u>\$ (550)</u>	<u>\$ (550)</u>	85	58
Fund Balance at Beginning of Year			<u>5,401</u>	<u>5,343</u>
Fund Balance at End of Year			<u>\$ 5,486</u>	<u>\$ 5,401</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 712,790	\$ 712,790	\$ 869,875	\$ 1,277,491
Investment Income	1,000	1,000	371	1,195
TOTAL REVENUES	<u>713,790</u>	<u>713,790</u>	<u>870,246</u>	<u>1,278,686</u>
EXPENDITURES				
Debt Service				
Principal Retirement	1,090,000	1,090,000	1,090,000	1,620,000
Interest and Fiscal Charges	73,050	73,050	73,050	145,950
TOTAL EXPENDITURES	<u>1,163,050</u>	<u>1,163,050</u>	<u>1,163,050</u>	<u>1,765,950</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(449,260)</u>	<u>(449,260)</u>	<u>(292,804)</u>	<u>(487,264)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	454,660	454,660	454,660	167,060
TOTAL OTHER FINANCING SOURCES (USES)	<u>454,660</u>	<u>454,660</u>	<u>454,660</u>	<u>167,060</u>
Net Change in Fund Balance	<u>\$ 5,400</u>	<u>\$ 5,400</u>	161,856	(320,204)
Fund Balance at Beginning of Year			<u>(195,401)</u>	<u>124,803</u>
Fund Balance at End of Year			<u>\$ (33,545)</u>	<u>\$ (195,401)</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 939,600	\$ 939,600	\$ 927,050	\$ 864,228
Investment Income	2,000	2,000	644	1,789
TOTAL REVENUES	<u>941,600</u>	<u>941,600</u>	<u>927,694</u>	<u>866,017</u>
EXPENDITURES				
Debt Service				
Principal Retirement	915,000	915,000	915,000	890,000
Interest and Fiscal Charges	52,210	52,210	52,203	77,123
TOTAL EXPENDITURES	<u>967,210</u>	<u>967,210</u>	<u>967,203</u>	<u>967,123</u>
Net Change in Fund Balance	<u>\$ (25,610)</u>	<u>\$ (25,610)</u>	(39,509)	(101,106)
Fund Balance at Beginning of Year			<u>65,763</u>	<u>166,869</u>
Fund Balance at End of Year			<u>\$ 26,254</u>	<u>\$ 65,763</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 620,400	\$ 620,400	\$ 611,625	\$ 272,745
Investment Income	500	500	439	381
TOTAL REVENUES	<u>620,900</u>	<u>620,900</u>	<u>612,064</u>	<u>273,126</u>
EXPENDITURES				
Debt Service				
Principal Retirement	870,000	870,000	870,000	835,000
Interest and Fiscal Charges	97,690	97,690	97,688	126,913
TOTAL EXPENDITURES	<u>967,690</u>	<u>967,690</u>	<u>967,688</u>	<u>961,913</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(346,790)</u>	<u>(346,790)</u>	<u>(355,624)</u>	<u>(688,787)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	348,790	348,790	348,790	637,710
TOTAL OTHER FINANCING SOURCES (USES)	<u>348,790</u>	<u>348,790</u>	<u>348,790</u>	<u>637,710</u>
Net Change in Fund Balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	(6,834)	(51,077)
Fund Balance at Beginning of Year			<u>35,368</u>	<u>86,445</u>
Fund Balance at End of Year			<u>\$ 28,534</u>	<u>\$ 35,368</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 40,000	\$ 40,000	\$ 14,930	\$ 35,009
TOTAL REVENUES	<u>40,000</u>	<u>40,000</u>	<u>14,930</u>	<u>35,009</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	<u>999,700</u>	<u>999,700</u>	<u>999,688</u>	<u>779,866</u>
TOTAL EXPENDITURES	<u>999,700</u>	<u>999,700</u>	<u>999,688</u>	<u>779,866</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(959,700)</u>	<u>(959,700)</u>	<u>(984,758)</u>	<u>(744,857)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>293,100</u>	<u>293,100</u>	<u>293,595</u>	<u>500</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>293,100</u>	<u>293,100</u>	<u>293,595</u>	<u>500</u>
Net Change in Fund Balance	<u>\$ (666,600)</u>	<u>\$ (666,600)</u>	(691,163)	(744,357)
Fund Balance at Beginning of Year			<u>774,611</u>	<u>1,518,968</u>
Fund Balance at End of Year			<u>\$ 83,448</u>	<u>\$ 774,611</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 500,000	\$ 500,000	\$ 268,500	\$ 334,800
Investment Income	40,000	40,000	48,393	47,800
TOTAL REVENUES	<u>540,000</u>	<u>540,000</u>	<u>316,893</u>	<u>382,600</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	<u>1,518,250</u>	<u>1,518,250</u>	<u>1,514,356</u>	<u>1,009,237</u>
TOTAL EXPENDITURES	<u>1,518,250</u>	<u>1,518,250</u>	<u>1,514,356</u>	<u>1,009,237</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(978,250)</u>	<u>(978,250)</u>	<u>(1,197,463)</u>	<u>(626,637)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	4,295,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,295,500</u>
Net Change in Fund Balance	<u>\$ (978,250)</u>	<u>\$ (978,250)</u>	(1,197,463)	3,668,863
Fund Balance at Beginning of Year			<u>3,668,863</u>	-
Fund Balance at End of Year			<u>\$ 2,471,400</u>	<u>\$ 3,668,863</u>

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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.

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.

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2010

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project
ASSETS				
Cash and Investments	\$ 494,438	\$ 253,520	\$ 708,529	\$ 4,238,130
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Other	-	-	-	39,683
Other Assets	-	-	-	-
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 494,438</u>	<u>\$ 253,520</u>	<u>\$ 708,529</u>	<u>\$ 4,277,813</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 28,562	\$ 3,275
Deferred Revenue	-	-	-	-
Deposits Payable	367,659	-	-	-
TOTAL LIABILITIES	<u>367,659</u>	<u>-</u>	<u>28,562</u>	<u>3,275</u>
FUND BALANCES				
Reserved for:				
Advances to Other Funds	-	-	-	-
Economic Development	-	-	-	4,274,538
Bridge Maintenance and Repairs	-	-	-	-
Unreserved:				
Designated for Capital Projects	126,779	253,520	679,967	-
TOTAL FUND BALANCES	<u>126,779</u>	<u>253,520</u>	<u>679,967</u>	<u>4,274,538</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 494,438</u>	<u>\$ 253,520</u>	<u>\$ 708,529</u>	<u>\$ 4,277,813</u>

Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	Total Capital Projects Funds
\$ 330,871	\$ 20,900	\$ 2,208,599	\$ 28,443	\$ 345,742	\$ 2,945,741	\$ 518,945	\$ 34,703	\$ 12,128,561
-	235,000	-	-	-	-	-	-	274,683
-	-	-	-	-	-	46,357	-	46,357
-	237,668	-	-	-	439,000	-	-	676,668
-	-	-	-	-	1,000,000	-	-	1,000,000
<u>\$ 330,871</u>	<u>\$ 493,568</u>	<u>\$ 2,208,599</u>	<u>\$ 28,443</u>	<u>\$ 345,742</u>	<u>\$ 4,384,741</u>	<u>\$ 565,302</u>	<u>\$ 34,703</u>	<u>\$ 14,126,269</u>
\$ 976	\$ 65,834	\$ 40,160	\$ -	\$ -	\$ -	\$ 29,218	\$ 2,400	\$ 170,425
-	235,000	-	-	-	-	-	-	235,000
-	25,080	1,429,053	-	-	-	-	-	1,821,792
<u>976</u>	<u>325,914</u>	<u>1,469,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,218</u>	<u>2,400</u>	<u>2,227,217</u>
-	-	-	-	-	1,000,000	-	-	1,000,000
-	-	-	-	-	-	-	-	4,274,538
-	-	-	-	345,742	-	-	-	345,742
<u>329,895</u>	<u>167,654</u>	<u>739,386</u>	<u>28,443</u>	<u>-</u>	<u>3,384,741</u>	<u>536,084</u>	<u>32,303</u>	<u>6,278,772</u>
<u>329,895</u>	<u>167,654</u>	<u>739,386</u>	<u>28,443</u>	<u>345,742</u>	<u>4,384,741</u>	<u>536,084</u>	<u>32,303</u>	<u>11,899,052</u>
<u>\$ 330,871</u>	<u>\$ 493,568</u>	<u>\$ 2,208,599</u>	<u>\$ 28,443</u>	<u>\$ 345,742</u>	<u>\$ 4,384,741</u>	<u>\$ 565,302</u>	<u>\$ 34,703</u>	<u>\$ 14,126,269</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 Year Ended December 31, 2010

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	6,034	-
Investment Income	654	363	1,190	12,906	603
Miscellaneous	-	-	-	39,683	-
TOTAL REVENUES	<u>654</u>	<u>363</u>	<u>1,190</u>	<u>58,623</u>	<u>603</u>
EXPENDITURES					
Capital Outlay	-	-	35,000	58,347	11,532
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>58,347</u>	<u>11,532</u>
Excess (Deficiency) of Revenues over Expenditures	<u>654</u>	<u>363</u>	<u>(33,810)</u>	<u>276</u>	<u>(10,929)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	(2,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>654</u>	<u>363</u>	<u>(35,810)</u>	<u>276</u>	<u>(10,929)</u>
Fund Balance at Beginning of Year	<u>126,125</u>	<u>253,157</u>	<u>715,777</u>	<u>4,274,262</u>	<u>340,824</u>
Fund Balance at End of Year	<u>\$ 126,779</u>	<u>\$ 253,520</u>	<u>\$ 679,967</u>	<u>\$ 4,274,538</u>	<u>\$ 329,895</u>

Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	Total Capital Projects Funds
\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,000
5,000	14,864	-	-	-	5,667	-	31,565
372	4,201	52	545	5,422	904	758	27,970
<u>427,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,395</u>	<u>-</u>	<u>539,467</u>
<u>597,761</u>	<u>19,065</u>	<u>52</u>	<u>545</u>	<u>5,422</u>	<u>78,966</u>	<u>758</u>	<u>764,002</u>
<u>2,531,396</u>	<u>40,671</u>	<u>16,729</u>	<u>41,967</u>	<u>67,701</u>	<u>-</u>	<u>83,017</u>	<u>2,886,360</u>
<u>2,531,396</u>	<u>40,671</u>	<u>16,729</u>	<u>41,967</u>	<u>67,701</u>	<u>-</u>	<u>83,017</u>	<u>2,886,360</u>
<u>(1,933,635)</u>	<u>(21,606)</u>	<u>(16,677)</u>	<u>(41,422)</u>	<u>(62,279)</u>	<u>78,966</u>	<u>(82,259)</u>	<u>(2,122,358)</u>
2,258,059	-	35,000	-	-	-	-	2,293,059
-	-	(25,200)	-	-	-	(500)	(27,700)
<u>2,258,059</u>	<u>-</u>	<u>9,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>2,265,359</u>
<u>324,424</u>	<u>(21,606)</u>	<u>(6,877)</u>	<u>(41,422)</u>	<u>(62,279)</u>	<u>78,966</u>	<u>(82,759)</u>	<u>143,001</u>
<u>(156,770)</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>\$ 167,654</u>	<u>\$ 739,386</u>	<u>\$ 28,443</u>	<u>\$ 345,742</u>	<u>\$ 4,384,741</u>	<u>\$ 536,084</u>	<u>\$ 32,303</u>	<u>\$ 11,899,052</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 610	\$ 610	\$ 654	\$ 450
Miscellaneous	-	-	-	797
TOTAL REVENUES	<u>610</u>	<u>610</u>	<u>654</u>	<u>1,247</u>
EXPENDITURES				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	-	<u>797</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>1,000</u>	-	<u>797</u>
Net Change in Fund Balance	<u>\$ (390)</u>	<u>\$ (390)</u>	654	450
Fund Balance at Beginning of Year			<u>126,125</u>	<u>125,675</u>
Fund Balance at End of Year			<u>\$ 126,779</u>	<u>\$ 126,125</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 CENTRAL ROAD CORRIDOR IMPROVEMENT FUND
 Year Ended December 31, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 840	\$ 840	\$ 363	\$ 585
TOTAL REVENUES	<u>840</u>	<u>840</u>	<u>363</u>	<u>585</u>
 Net Change in Fund Balance	 <u>\$ 840</u>	 <u>\$ 840</u>	 363	 585
 Fund Balance at Beginning of Year			 <u>253,157</u>	 <u>252,572</u>
 Fund Balance at End of Year			 <u>\$ 253,520</u>	 <u>\$ 253,157</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 4,580	\$ 4,580	\$ 1,190	\$ 3,198
TOTAL REVENUES	<u>4,580</u>	<u>4,580</u>	<u>1,190</u>	<u>3,198</u>
EXPENDITURES				
Capital Outlay	<u>56,000</u>	<u>56,000</u>	<u>35,000</u>	<u>21,889</u>
TOTAL EXPENDITURES	<u>56,000</u>	<u>56,000</u>	<u>35,000</u>	<u>21,889</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(51,420)</u>	<u>(51,420)</u>	<u>(33,810)</u>	<u>(18,691)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(2,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(2,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (141,420)</u>	<u>\$ (141,420)</u>	(35,810)	(18,691)
Fund Balance at Beginning of Year			<u>715,777</u>	<u>734,468</u>
Fund Balance at End of Year			<u>\$ 679,967</u>	<u>\$ 715,777</u>

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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 5,000	\$ 5,000	\$ 6,034	\$ 9,033
Investment Income	9,520	9,520	12,906	6,577
Miscellaneous	-	-	39,683	200
TOTAL REVENUES	<u>14,520</u>	<u>14,520</u>	<u>58,623</u>	<u>15,810</u>
EXPENDITURES				
Capital Outlay	<u>1,206,020</u>	<u>1,206,020</u>	<u>58,347</u>	<u>84,520</u>
TOTAL EXPENDITURES	<u>1,206,020</u>	<u>1,206,020</u>	<u>58,347</u>	<u>84,520</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,191,500)</u>	<u>(1,191,500)</u>	<u>276</u>	<u>(68,710)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(174,400)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,400)</u>
Net Change in Fund Balance	<u>\$ (1,191,500)</u>	<u>\$ (1,191,500)</u>	<u>276</u>	<u>(243,110)</u>
Fund Balance at Beginning of Year			<u>4,274,262</u>	<u>4,517,372</u>
Fund Balance at End of Year			<u>\$ 4,274,538</u>	<u>\$ 4,274,262</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 2,450	\$ 2,450	\$ 603	\$ 1,714
TOTAL REVENUES	<u>2,450</u>	<u>2,450</u>	<u>603</u>	<u>1,714</u>
EXPENDITURES				
Capital Outlay	-	11,600	11,532	1,105
TOTAL EXPENDITURES	<u>-</u>	<u>11,600</u>	<u>11,532</u>	<u>1,105</u>
Net Change in Fund Balance	<u>\$ 2,450</u>	<u>\$ (9,150)</u>	(10,929)	609
Fund Balance at Beginning of Year			<u>340,824</u>	<u>340,215</u>
Fund Balance at End of Year			<u>\$ 329,895</u>	<u>\$ 340,824</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, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 868,950
Intergovernmental	265,500	265,500	165,000	-
Charges for Services	-	-	5,000	5,313
Investment Income	1,500	1,500	372	645
Miscellaneous	256,000	256,000	427,389	96,493
TOTAL REVENUES	<u>523,000</u>	<u>523,000</u>	<u>597,761</u>	<u>971,401</u>
EXPENDITURES				
Capital Outlay	<u>2,759,820</u>	<u>2,759,820</u>	<u>2,531,396</u>	<u>1,824,224</u>
TOTAL EXPENDITURES	<u>2,759,820</u>	<u>2,759,820</u>	<u>2,531,396</u>	<u>1,824,224</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,236,820)</u>	<u>(2,236,820)</u>	<u>(1,933,635)</u>	<u>(852,823)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,263,520	2,263,520	2,258,059	748,375
Transfers (Out)	-	-	-	(5,313)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,263,520</u>	<u>2,263,520</u>	<u>2,258,059</u>	<u>743,062</u>
Net Change in Fund Balance	<u>\$ 26,700</u>	<u>\$ 26,700</u>	324,424	(109,761)
Fund Balance at Beginning of Year			(156,770)	(47,009)
Fund Balance at End of Year			<u>\$ 167,654</u>	<u>\$ (156,770)</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ 14,864	\$ 787
Investment Income	38,330	38,330	4,201	27,733
TOTAL REVENUES	<u>38,330</u>	<u>38,330</u>	<u>19,065</u>	<u>28,520</u>
EXPENDITURES				
Capital Outlay	-	40,700	40,671	787
TOTAL EXPENDITURES	<u>-</u>	<u>40,700</u>	<u>40,671</u>	<u>787</u>
Net Change in Fund Balance	<u>\$ 38,330</u>	<u>\$ (2,370)</u>	(21,606)	27,733
Fund Balance at Beginning of Year			<u>760,992</u>	<u>733,259</u>
Fund Balance at End of Year			<u>\$ 739,386</u>	<u>\$ 760,992</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ -	\$ -	\$ -	\$ 14,400
Investment Income	310	310	52	167
TOTAL REVENUES	<u>310</u>	<u>310</u>	<u>52</u>	<u>14,567</u>
EXPENDITURES				
Capital Outlay	87,000	87,000	16,729	149,803
TOTAL EXPENDITURES	<u>87,000</u>	<u>87,000</u>	<u>16,729</u>	<u>149,803</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(86,690)</u>	<u>(86,690)</u>	<u>(16,677)</u>	<u>(135,236)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	87,000	87,000	35,000	17,000
Transfers (Out)	<u>(25,200)</u>	<u>(25,200)</u>	<u>(25,200)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>61,800</u>	<u>61,800</u>	<u>9,800</u>	<u>17,000</u>
Net Change in Fund Balance	<u>\$ (24,890)</u>	<u>\$ (24,890)</u>	(6,877)	(118,236)
Fund Balance at Beginning of Year			<u>35,320</u>	<u>153,556</u>
Fund Balance at End of Year			<u>\$ 28,443</u>	<u>\$ 35,320</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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 1,320	\$ 1,320	\$ 545	\$ 904
TOTAL REVENUES	<u>1,320</u>	<u>1,320</u>	<u>545</u>	<u>904</u>
EXPENDITURES				
Capital Outlay	<u>7,500</u>	<u>42,000</u>	<u>41,967</u>	<u>5,700</u>
TOTAL EXPENDITURES	<u>7,500</u>	<u>42,000</u>	<u>41,967</u>	<u>5,700</u>
Net Change in Fund Balance	<u>\$ (6,180)</u>	<u>\$ (40,680)</u>	(41,422)	(4,796)
Fund Balance at Beginning of Year			<u>387,164</u>	<u>391,960</u>
Fund Balance at End of Year			<u>\$ 345,742</u>	<u>\$ 387,164</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, 2010
 (with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 90,000	\$ 90,000	\$ 5,422	\$ 64,363
Miscellaneous	-	-	-	2,600
TOTAL REVENUES	<u>90,000</u>	<u>90,000</u>	<u>5,422</u>	<u>66,963</u>
EXPENDITURES				
Capital Outlay	247,900	247,900	67,701	355,176
TOTAL EXPENDITURES	<u>247,900</u>	<u>247,900</u>	<u>67,701</u>	<u>355,176</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(157,900)</u>	<u>(157,900)</u>	<u>(62,279)</u>	<u>(288,213)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(226,622)
Proceeds from Sale of Capital Assets	-	-	-	135,382
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,240)</u>
Net Change in Fund Balance	<u>\$ (157,900)</u>	<u>\$ (157,900)</u>	(62,279)	(379,453)
Fund Balance at Beginning of Year			4,447,020	4,826,473
Fund Balance at End of Year			<u>\$ 4,384,741</u>	<u>\$ 4,447,020</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN CORRIDOR FUND
 Year Ended December 31, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 10,000	\$ 10,000	\$ 5,667	\$ 8,096
Investment Income	4,120	4,120	904	2,872
Miscellaneous	-	-	72,395	-
TOTAL REVENUES	14,120	14,120	78,966	10,968
Net Change in Fund Balance	\$ 14,120	\$ 14,120	78,966	10,968
Fund Balance at Beginning of Year			457,118	446,150
Fund Balance at End of Year			\$ 536,084	\$ 457,118

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, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 758	\$ 68,355
Miscellaneous	-	-	-	8,604
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>758</u>	<u>76,959</u>
EXPENDITURES				
Capital Outlay	-	83,200	83,017	4,758,953
TOTAL EXPENDITURES	<u>-</u>	<u>83,200</u>	<u>83,017</u>	<u>4,758,953</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(83,200)</u>	<u>(82,259)</u>	<u>(4,681,994)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	2,150,335
Transfers (Out)	-	(500)	(500)	(40,825)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(500)</u>	<u>(500)</u>	<u>2,109,510</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (83,700)</u>	<u>(82,759)</u>	<u>(2,572,484)</u>
Fund Balance at Beginning of Year			<u>115,062</u>	<u>2,687,546</u>
Fund Balance at End of Year			<u>\$ 32,303</u>	<u>\$ 115,062</u>

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
WATERWORKS AND SEWERAGE FUND
December 31, 2010
(with comparative totals for 2009)

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 5,119,462	\$ 8,679,680
Receivables		
Accounts - Billed	858,557	789,861
Accounts - Unbilled	891,539	866,896
Accounts - Other Invoices	7,768	20,037
Accrued Interest	-	13,196
Inventories	190,055	241,250
Due from Other Funds	-	555,767
Deferred Charges	57,909	59,977
TOTAL CURRENT ASSETS	7,125,290	11,226,664
CAPITAL ASSETS		
Not Depreciated	5,816,358	2,675,607
Depreciated	50,565,676	48,549,571
Accumulated Depreciation	(24,084,779)	(22,320,841)
NET CAPITAL ASSETS	32,297,255	28,904,337
TOTAL ASSETS	39,422,545	40,131,001
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	1,224,891	691,095
Accrued Payroll	46,696	35,229
Accrued Interest Payable	27,755	46,032
Due to Other Funds	129,866	147,478
Deposits Payable	35,400	37,266
Compensated Absences Payable	136,789	126,146
TOTAL CURRENT LIABILITIES	1,601,397	1,083,246
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	6,661,250	6,661,250
Compensated Absences Payable	191,621	199,533
Other Post-Employment Benefit Obligations	190,757	98,200
Unamortized Discount on Bonds	(71,577)	(74,134)
TOTAL LONG-TERM LIABILITIES	6,972,051	6,884,849
TOTAL LIABILITIES	8,573,448	7,968,095
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	26,585,656	24,816,824
Unrestricted	4,263,441	7,346,082
TOTAL NET ASSETS	\$ 30,849,097	\$ 32,162,906

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, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 10,759,500	\$ 10,759,500	\$ 10,367,612	\$ 9,844,267
TOTAL OPERATING REVENUES	<u>10,759,500</u>	<u>10,759,500</u>	<u>10,367,612</u>	<u>9,844,267</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	10,200,760	10,200,760	7,931,864	9,432,836
Sewer Division	3,539,000	3,539,000	1,946,656	1,873,525
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>13,739,760</u>	<u>13,739,760</u>	<u>9,878,520</u>	<u>11,306,361</u>
Operating Income (Loss) Before Depreciation	<u>(2,980,260)</u>	<u>(2,980,260)</u>	<u>489,092</u>	<u>(1,462,094)</u>
Depreciation	<u>1,085,540</u>	<u>1,085,540</u>	<u>1,783,933</u>	<u>1,083,399</u>
Operating Income (Loss)	<u>(4,065,800)</u>	<u>(4,065,800)</u>	<u>(1,294,841)</u>	<u>(2,545,493)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	185,000	185,000	17,100	160,182
Interest Expense	(333,070)	(333,070)	(314,786)	(571,161)
Amortization Expense	-	-	(4,625)	(4,625)
Gain on Sale of Capital Asset	-	-	-	16,950
Miscellaneous Revenue	398,100	398,100	431,321	21,083
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>250,030</u>	<u>250,030</u>	<u>129,010</u>	<u>(377,571)</u>
Net Income (Loss) Before Transfers and Contributions	<u>(3,815,770)</u>	<u>(3,815,770)</u>	<u>(1,165,831)</u>	<u>(2,923,064)</u>
TRANSFERS				
Transfers In	-	-	-	222,975
Transfers (Out)	(293,100)	(293,100)	(293,095)	(1,206,800)
TOTAL TRANSFERS	<u>(293,100)</u>	<u>(293,100)</u>	<u>(293,095)</u>	<u>(983,825)</u>
CONTRIBUTIONS	-	-	145,117	1,397,019
Change in Net Assets	<u>\$ (4,108,870)</u>	<u>\$ (4,108,870)</u>	<u>(1,313,809)</u>	<u>(2,509,870)</u>
Net Assets at Beginning of Year			<u>32,162,906</u>	<u>34,672,776</u>
Net Assets at End of Year			<u>\$ 30,849,097</u>	<u>\$ 32,162,906</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
SEARS CENTRE OPERATING FUND
December 31, 2010
(with comparative totals for 2009)

	2010	2009
CURRENT ASSETS		
Cash and Investments	\$ 2,772,582	\$ 1,781,261
Receivables:		
Accounts	56,569	-
Accrued Interest	14	14
Other	238,208	41,008
Prepaid Items	58,542	-
Event Prepaid Items	64,720	-
Due from Other Funds	-	12,484
Deferred Charges	607,967	683,963
Total Current Assets	3,798,602	2,518,730
CAPITAL ASSETS		
Not Depreciated	6,000,000	6,000,000
Depreciated	77,997,267	77,960,100
Accumulated Depreciation	(2,449,651)	(97,824)
Net Capital Assets	81,547,616	83,862,276
Total Assets	85,346,218	86,381,006
CURRENT LIABILITIES		
Accounts Payable	351,178	79,830
Accrued Payroll	4,307	-
Accrued Interest Payable	222,475	227,028
Due to Other Funds	74,396	-
Advances	1,485,080	1,762,291
Deferred Revenue	1,185,264	20,000
Long-term Obligations, Due within One Year:		
General Obligation Bonds Payable	1,230,000	1,175,000
Capital Lease Payable	4,600	-
Total Current Liabilities	4,557,300	3,264,149
NONCURRENT LIABILITIES		
General Obligation Bonds Payable	49,305,000	50,535,000
Capital Leases Payable	16,483	-
Unamortized Discount on Bonds	(240,516)	(270,580)
Total Long-Term Liabilities	49,080,967	50,264,420
Total Liabilities	53,638,267	53,528,569
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	31,253,132	32,422,856
Unrestricted	454,819	429,581
Total Net Assets	\$ 31,707,951	\$ 32,852,437

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, 2010

	2010		Actual
	Original Budget	Final Budget	
OPERATING REVENUES			
Charges for Services	\$ -	\$ 2,061,900	\$ 2,061,842
TOTAL OPERATING REVENUES	<u>-</u>	<u>2,061,900</u>	<u>2,061,842</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Sears Centre	136,030	2,587,830	3,445,658
Depreciation	-	2,351,900	2,351,827
TOTAL OPERATING EXPENSES	<u>136,030</u>	<u>4,939,730</u>	<u>5,797,485</u>
Operating Income (Loss)	<u>(136,030)</u>	<u>(2,877,830)</u>	<u>(3,735,643)</u>
NONOPERATING REVENUES (EXPENSES)			
Entertainment Tax	1,225,000	1,225,000	1,154,561
Licenses and Permits	-	-	28,584
Investment Income	10,000	10,000	1,370
Principal Retirement	(1,175,000)	(1,175,000)	(1,175,000)
Amount to Reduce Principal on Bonds	-	-	1,175,000
Interest Expense	(2,734,340)	(2,734,340)	(2,719,785)
Amortization Expense	-	-	(106,060)
Miscellaneous Revenue	3,899,340	3,899,340	4,232,487
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,225,000</u>	<u>1,225,000</u>	<u>2,591,157</u>
Net Income (Loss)	<u>1,088,970</u>	<u>(1,652,830)</u>	<u>(1,144,486)</u>
Change in Net Assets	<u>\$ 1,088,970</u>	<u>\$ (1,652,830)</u>	<u>(1,144,486)</u>
Net Assets at Beginning of Year			<u>32,852,437</u>
Net Assets at End of Year			<u>\$ 31,707,951</u>

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, 2010

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 302,410	\$ 1,834,891	\$ 2,137,301
Deposits	-	59,200	59,200
Due from Other Funds	10,317	-	10,317
TOTAL CURRENT ASSETS	312,727	1,894,091	2,206,818
CAPITAL ASSETS			
Depreciated	449,291	-	449,291
Accumulated Depreciation	(181,215)	-	(181,215)
NET CAPITAL ASSETS	268,076	-	268,076
TOTAL ASSETS	580,803	1,894,091	2,474,894
LIABILITIES			
Current Liabilities			
Accounts Payable	12,469	387,312	399,781
Accrued Payroll	9,080	-	9,080
Claims Payable	-	1,053,287	1,053,287
Benefits Payable	-	126,659	126,659
Due to Other Funds	2,962	-	2,962
Compensated Absences Payable	24,119	-	24,119
Total Current Liabilities	48,630	1,567,258	1,615,888
Long-Term Liabilities			
Other Post-Employment Benefit Obligation	17,643	-	17,643
TOTAL LIABILITIES	66,273	1,567,258	1,633,531
NET ASSETS			
Invested in Capital Assets	268,076	-	268,076
Unrestricted	246,454	326,833	573,287
TOTAL NET ASSETS	\$ 514,530	\$ 326,833	\$ 841,363

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2010

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,080,700	\$ 1,672,960	\$ 2,753,660
TOTAL OPERATING REVENUES	<u>1,080,700</u>	<u>1,672,960</u>	<u>2,753,660</u>
OPERATING EXPENSES			
Operations	932,308	-	932,308
Claims and Insurance	-	1,778,662	1,778,662
Depreciation	66,331	-	66,331
TOTAL OPERATING EXPENSES	<u>998,639</u>	<u>1,778,662</u>	<u>2,777,301</u>
Operating Income (Loss)	<u>82,061</u>	<u>(105,702)</u>	<u>(23,641)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	202	2,733	2,935
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>202</u>	<u>2,733</u>	<u>2,935</u>
Income (Loss) Before Transfers	<u>82,263</u>	<u>(102,969)</u>	<u>(20,706)</u>
TRANSFERS			
Transfers In	58,447	-	58,447
TOTAL TRANSFERS	<u>58,447</u>	<u>-</u>	<u>58,447</u>
Changes in Net Assets	<u>140,710</u>	<u>(102,969)</u>	<u>37,741</u>
Net Assets Beginning of Year	<u>373,820</u>	<u>429,802</u>	<u>803,622</u>
Net Assets End of Year	<u>\$ 514,530</u>	<u>\$ 326,833</u>	<u>\$ 841,363</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2010

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Interfund Services Transactions	\$ 1,080,700	\$ 1,672,960	\$ 2,753,660
Cash Payments to Suppliers	(471,230)	(1,381,161)	(1,852,391)
Cash Payments to Employees	(458,651)	-	(458,651)
Net Cash Provided By (Used In) Operating Activities	<u>150,819</u>	<u>291,799</u>	<u>442,618</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund Borrowing (Lending)	1,887	(300,000)	(298,113)
Transfers In (Out)	58,447	-	58,447
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>60,334</u>	<u>(300,000)</u>	<u>(239,666)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(30,121)	-	(30,121)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(30,121)</u>	<u>-</u>	<u>(30,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	202	2,785	2,987
Net Cash Provided By (Used In) Investing Activities	<u>202</u>	<u>2,785</u>	<u>2,987</u>
Net Increase (Decrease) in Cash	181,234	(5,416)	175,818
Cash and Cash Equivalents, Beginning of Year	121,176	1,840,307	1,961,483
Cash and Cash Equivalents, End of Year	<u>\$ 302,410</u>	<u>\$ 1,834,891</u>	<u>\$ 2,137,301</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating Income (Loss)	\$ 82,061	\$ (105,702)	\$ (23,641)
Adjustment to Reconcile Operating Income to Net Cash Used in Operating Activities:			
Depreciation	66,331	-	66,331
Increase (Decrease) in Accounts Payable	(14,128)	168,703	154,575
Increase (Decrease) in Salaries Payable	1,784	-	1,784
Increase (Decrease) in Benefits Payable	-	62,675	62,675
Increase (Decrease) in Claims Payable	-	166,123	166,123
Increase (Decrease) in Compensated Absences Payable	6,055	-	6,055
Increase (Decrease) in Other Post-Employment Benefits Payable	8,716	-	8,716
Total Adjustments	<u>68,758</u>	<u>397,501</u>	<u>466,259</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 150,819</u>	<u>\$ 291,799</u>	<u>\$ 442,618</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, 2010
(with comparative actual for 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,080,700	\$ 1,080,700	\$ 1,080,700	\$ 965,070
TOTAL OPERATING REVENUES	<u>1,080,700</u>	<u>1,080,700</u>	<u>1,080,700</u>	<u>965,070</u>
OPERATING EXPENSES				
Operations	1,105,720	1,105,720	932,308	1,199,257
Depreciation	38,480	38,480	66,331	34,596
TOTAL OPERATING EXPENSES	<u>1,144,200</u>	<u>1,144,200</u>	<u>998,639</u>	<u>1,233,853</u>
Operating Income (Loss)	<u>(63,500)</u>	<u>(63,500)</u>	82,061	<u>(268,783)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	5,000	5,000	202	1,502
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,000</u>	<u>5,000</u>	<u>202</u>	<u>1,502</u>
Income (Loss) Before Transfers	<u>(58,500)</u>	<u>(58,500)</u>	82,263	<u>(267,281)</u>
TRANSFERS				
Transfers In	58,480	58,480	58,447	70,651
TOTAL TRANSFERS	<u>58,480</u>	<u>58,480</u>	<u>58,447</u>	<u>70,651</u>
Changes in Net Assets	<u>\$ (20)</u>	<u>\$ (20)</u>	140,710	(196,630)
Net Assets at Beginning of Year			<u>373,820</u>	<u>570,450</u>
Net Assets at End of Year			<u>\$ 514,530</u>	<u>\$ 373,820</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF NET ASSETS - BY PROGRAM
INSURANCE FUND
December 31, 2010
(with comparative actual for 2009)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2010	2009
ASSETS						
Cash and Investments	\$ 2,409	\$ 126,659	\$ 1,104,703	\$ 601,120	\$ 1,834,891	\$ 1,840,307
Receivables						
Accrued Interest	-	-	-	-	-	52
Deposits	-	-	20,000	39,200	59,200	59,200
TOTAL ASSETS	<u>2,409</u>	<u>126,659</u>	<u>1,124,703</u>	<u>640,320</u>	<u>1,894,091</u>	<u>\$ 1,899,559</u>
LIABILITIES						
Accounts Payable	1,668	-	383,150	2,494	387,312	218,609
Claims Payable	-	-	741,553	311,734	1,053,287	887,164
Benefits Payable	-	126,659	-	-	126,659	63,984
Due to General Fund	-	-	-	-	-	300,000
TOTAL LIABILITIES	<u>1,668</u>	<u>126,659</u>	<u>1,124,703</u>	<u>314,228</u>	<u>1,567,258</u>	<u>1,469,757</u>
NET ASSETS						
Unrestricted	<u>741</u>	<u>-</u>	<u>-</u>	<u>326,092</u>	<u>326,833</u>	<u>429,802</u>
TOTAL NET ASSETS	<u>\$ 741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,092</u>	<u>\$ 326,833</u>	<u>\$ 429,802</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
 BUDGET AND ACTUAL
 INSURANCE FUND
 Year Ended December 31, 2010
 (with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,872,960	\$ 1,872,960	\$ 1,672,960	\$ 1,477,750
TOTAL OPERATING REVENUES	<u>1,872,960</u>	<u>1,872,960</u>	<u>1,672,960</u>	<u>1,477,750</u>
OPERATING EXPENSES				
Claims and Insurance	<u>1,867,960</u>	<u>1,867,960</u>	<u>1,778,662</u>	<u>1,669,462</u>
TOTAL OPERATING EXPENSES	<u>1,867,960</u>	<u>1,867,960</u>	<u>1,778,662</u>	<u>1,669,462</u>
Operating Income (Loss)	<u>5,000</u>	<u>5,000</u>	<u>(105,702)</u>	<u>(191,712)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	<u>27,600</u>	<u>27,600</u>	<u>2,733</u>	<u>21,640</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>27,600</u>	<u>27,600</u>	<u>2,733</u>	<u>21,640</u>
Changes in Net Assets	<u>\$ 32,600</u>	<u>\$ 32,600</u>	(102,969)	(170,072)
Net Assets at Beginning of Year			<u>429,802</u>	<u>599,874</u>
Net Assets at End of Year			<u>\$ 326,833</u>	<u>\$ 429,802</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BY PROGRAM
INSURANCE FUND
Year Ended December 31, 2010
(with comparative actual for 2009)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2010	2009
OPERATING REVENUES						
Charges for Services	42,061	-	818,568	812,331	1,672,960	\$ 1,477,750
TOTAL OPERATING REVENUES	42,061	-	818,568	812,331	1,672,960	1,477,750
OPERATING EXPENSES						
Claims and Insurance	42,062	1,751	897,574	837,275	1,778,662	1,669,462
TOTAL OPERATING EXPENSES	42,062	1,751	897,574	837,275	1,778,662	1,669,462
Operating Income (Loss)	(1)	(1,751)	(79,006)	(24,944)	(105,702)	(191,712)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	1	95	1,571	1,066	2,733	21,640
TOTAL NONOPERATING REVENUES (EXPENSES)	1	95	1,571	1,066	2,733	21,640
Income (Loss) Before Transfers	-	(1,656)	(77,435)	(23,878)	(102,969)	(170,072)
TRANSFERS						
Transfers In	-	1,656	80,991	-	82,647	478
Transfers (Out)	-	-	-	(82,647)	(82,647)	(478)
TOTAL TRANSFERS	-	1,656	80,991	(82,647)	-	-
Changes in Net Assets	-	-	3,556	(106,525)	(102,969)	(170,072)
Net Assets at Beginning of Year	741	-	(3,556)	432,617	429,802	599,874
Net Assets at End of Year	741	-	-	326,092	326,833	\$ 429,802

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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, 2010

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 2,185,133	\$ 1,707,940	\$ 3,893,073
Investments, at Fair Value			
U.S. Treasury Securities	15,102,637	16,429,069	31,531,706
U.S. Agency Securities	8,895,037	11,288,204	20,183,241
Mutual Funds	24,417,563	11,686,788	36,104,351
Money Market Mutual Funds	765,548	725,031	1,490,579
Equities	-	11,974,007	11,974,007
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	231,261	221,864	453,125
Due from Primary Government	507,212	426,922	934,134
TOTAL ASSETS	52,104,391	54,459,825	106,564,216
LIABILITIES			
Accounts payable	11,447	29,891	41,338
TOTAL LIABILITIES	11,447	29,891	41,338
NET ASSETS			
Held in Trust for Pension Benefits	\$ 52,092,944	\$ 54,429,934	\$ 106,522,878

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUNDS
 Year ended December 31, 2010

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 2,541,814	\$ 2,454,155	\$ 4,995,969
Employee	836,606	806,981	1,643,587
Other	233	2,744	2,977
Total Contributions	<u>3,378,653</u>	<u>3,263,880</u>	<u>6,642,533</u>
Investment Income			
Net Appreciation in Fair Value of Investments	3,864,322	3,989,549	7,853,871
Interest Revenue	1,351,268	1,282,659	2,633,927
Investment Expense	<u>(103,783)</u>	<u>(178,247)</u>	<u>(282,030)</u>
Net Investment Income	<u>5,111,807</u>	<u>5,093,961</u>	<u>10,205,768</u>
TOTAL ADDITIONS	<u>8,490,460</u>	<u>8,357,841</u>	<u>16,848,301</u>
DEDUCTIONS			
Benefits and Refunds	2,540,174	2,350,719	4,890,893
Miscellaneous	<u>27,609</u>	<u>36,537</u>	<u>64,146</u>
TOTAL DEDUCTIONS	<u>2,567,783</u>	<u>2,387,256</u>	<u>4,955,039</u>
Net Increase (Decrease)	<u>5,922,677</u>	<u>5,970,585</u>	<u>11,893,262</u>
Plan Net Assets at Beginning of Year	<u>46,170,267</u>	<u>48,459,349</u>	<u>94,629,616</u>
Plan Net Assets at End of Year	<u>\$ 52,092,944</u>	<u>\$ 54,429,934</u>	<u>\$ 106,522,878</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
POLICE PENSION FUND
Year Ended December 31, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,383,041	\$ 2,383,041	\$ 2,403,127	\$ 1,833,855
Intergovernmental	141,290	141,290	138,687	105,806
Employee Contributions	863,090	863,090	836,606	867,482
Other Contributions	-	-	233	40,123
Total Contributions	<u>3,387,421</u>	<u>3,387,421</u>	<u>3,378,653</u>	<u>2,847,266</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	3,864,322	4,016,630
Interest Revenue	1,222,760	1,384,960	1,351,268	1,323,627
Investment Expense	(100,000)	(100,000)	(103,783)	(89,850)
Net Investment Income	<u>1,122,760</u>	<u>1,284,960</u>	<u>5,111,807</u>	<u>5,250,407</u>
TOTAL ADDITIONS	<u>4,510,181</u>	<u>4,672,381</u>	<u>8,490,460</u>	<u>8,097,673</u>
DEDUCTIONS				
Benefits and Refunds	2,413,670	2,575,870	2,540,174	2,348,010
Miscellaneous	31,970	31,970	27,609	18,589
TOTAL DEDUCTIONS	<u>2,445,640</u>	<u>2,607,840</u>	<u>2,567,783</u>	<u>2,366,599</u>
Net Increase (Decrease)	<u>\$ 2,064,541</u>	<u>\$ 2,064,541</u>	5,922,677	5,731,074
Plan Net Assets at Beginning of Year			<u>46,170,267</u>	<u>40,439,193</u>
Plan Net Assets at End of Year			<u>\$ 52,092,944</u>	<u>\$ 46,170,267</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
FIRE PENSION FUND
Year Ended December 31, 2010
(with comparative actual for 2009)

	2010		2009	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,015,552	\$ 2,015,552	\$ 2,037,318	\$ 1,447,385
Intergovernmental	419,440	419,440	416,837	323,576
Employee Contributions	783,340	783,340	806,981	779,863
Other Contributions	-	-	2,744	170
Total Contributions	<u>3,218,332</u>	<u>3,218,332</u>	<u>3,263,880</u>	<u>2,550,994</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	3,989,549	3,072,410
Interest Revenue	1,278,940	1,470,940	1,282,659	1,339,481
Investment Expense	(220,000)	(220,000)	(178,247)	(223,121)
Net Investment Income	<u>1,058,940</u>	<u>1,250,940</u>	<u>5,093,961</u>	<u>4,188,770</u>
TOTAL ADDITIONS	<u>4,277,272</u>	<u>4,469,272</u>	<u>8,357,841</u>	<u>6,739,764</u>
DEDUCTIONS				
Benefits and Refunds	2,336,610	2,528,610	2,350,719	2,209,629
Miscellaneous	38,060	38,060	36,537	46,097
TOTAL DEDUCTIONS	<u>2,374,670</u>	<u>2,566,670</u>	<u>2,387,256</u>	<u>2,255,726</u>
Net Increase (Decrease)	<u>\$ 1,902,602</u>	<u>\$ 1,902,602</u>	5,970,585	4,484,038
Plan Net Assets at Beginning of Year			<u>48,459,349</u>	<u>43,975,311</u>
Plan Net Assets at End of Year			<u>\$ 54,429,934</u>	<u>\$ 48,459,349</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2010

	Balances January 1	Additions	Deletions	Balances December 31
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 25,620,650	\$ 48,045,743	\$ 54,705,746	\$ 18,960,647
Assets Held by Agents	<u>61,150</u>	<u>253,716</u>	<u>209,247</u>	<u>105,619</u>
TOTAL ASSETS	<u>\$ 25,681,800</u>	<u>\$ 48,299,459</u>	<u>\$ 54,914,993</u>	<u>\$ 19,066,266</u>
LIABILITIES				
Due to Participants	\$ 27,150	\$ 222,616	\$ 209,247	\$ 40,519
Due to Other Funds	245,321	882,861	245,321	882,861
Advances from Other Funds	34,000	31,100	-	65,100
Due to Other Entities	<u>25,375,329</u>	<u>47,162,882</u>	<u>54,460,425</u>	<u>18,077,786</u>
TOTAL LIABILITIES	<u>\$ 25,681,800</u>	<u>\$ 48,299,459</u>	<u>\$ 54,914,993</u>	<u>\$ 19,066,266</u>
BARRINGTON/HIGGINS TIF FUND				
ASSETS				
Cash and Investments	\$ 447,647	\$ 505,689	\$ 451,221	\$ 502,115
TOTAL ASSETS	<u>\$ 447,647</u>	<u>\$ 505,689</u>	<u>\$ 451,221</u>	<u>\$ 502,115</u>
LIABILITIES				
Due to Other Entities	\$ 447,647	\$ 505,689	\$ 451,221	\$ 502,115
TOTAL LIABILITIES	<u>\$ 447,647</u>	<u>\$ 505,689</u>	<u>\$ 451,221</u>	<u>\$ 502,115</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2010

	Balances January 1	Additions	Deletions	Balances December 31
EDA SPECIAL TAX ALLOCATION FUND				
ASSETS				
Cash and Investments	\$ 25,173,003	\$ 47,540,054	\$ 54,254,525	\$ 18,458,532
TOTAL ASSETS	\$ 25,173,003	\$ 47,540,054	\$ 54,254,525	\$ 18,458,532
LIABILITIES				
Due to Other Entities	\$ 24,927,682	\$ 46,657,193	\$ 54,009,204	\$ 17,575,671
Due to Other Funds	245,321	882,861	245,321	882,861
TOTAL LIABILITIES	\$ 25,173,003	\$ 47,540,054	\$ 54,254,525	\$ 18,458,532
FLEXIBLE SPENDING ACCOUNT FUND				
ASSETS				
Assets Held by Agents	\$ 61,150	\$ 253,716	\$ 209,247	\$ 105,619
TOTAL ASSETS	\$ 61,150	\$ 253,716	\$ 209,247	\$ 105,619
LIABILITIES				
Due to Participants	\$ 27,150	\$ 222,616	\$ 209,247	\$ 40,519
Advances from Other Funds	34,000	31,100	-	65,100
TOTAL LIABILITIES	\$ 61,150	\$ 253,716	\$ 209,247	\$ 105,619

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF INSURANCE IN FORCE
December 31, 2010

<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>
All Village property including Sears Centre					
Building & Personal Property	\$ 100,000	\$ 169,029,055	N/A	Affiliated FM	1/1/2012
Mobile Equipment	100,000	845,047	N/A	Insurance Co.	
Earthquake	100,000	25,000,000	N/A	"	
Flood	100,000	25,000,000	N/A	"	
Business Income	N/A	7,500,000	N/A	"	
General Liability, Employee Benefits, Law Enforcement Liability, Nurse Professional					
	100,000 *	2,000,000	3,000,000	One Beacon Insurance Co.	1/1/2012
Auto Liability					
Auto Physical Damage	100,000 *	2,000,000 ACV	N/A	One Beacon Insurance Co.	1/1/2012
Employee Dishonesty, Crime					
	5,000 *	500,000	N/A	Travelers Insurance Co.	1/1/2012
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)	7/1/2012
Boiler and Machinery					
	100,000	169,029,055	N/A	Affiliated FM Insurance Co.	1/1/2012
Employment Related Practices					
	50,000	2,000,000	3,000,000	One Beacon Insurance Co.	1/1/2012
Public Officials' Liability					
	25,000	2,000,000	2,000,000	One Beacon Insurance Co.	1/1/2012
Healthcare/EMT					
	N/A	2,000,000	3,000,000	One Beacon Insurance Co.	1/1/2012
Liquor Liability					
	N/A	1,000,000	1,000,000	Lloyds	1/1/2012
Pollution Legal Liability					
Underground Storage Tanks	5,000	1,000,000	1,000,000	Great American Insurance Company	1/1/2012
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2012
Karen Mills, Deputy President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2012
Bev Romanoff, Village Clerk	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2012
James Norris, Village Manager	N/A	5,000	5,000	Fidelity & Deposit Co.	1/1/2012
Michael DuCharme, Treasurer	N/A	150,000	150,000	Fidelity & Deposit Co.	1/1/2012
Police and Fire Commission Members	N/A	500	500	Fidelity & Deposit Co.	1/1/2012
Excess Workers' Compensation	500,000/ 600,000 Police & Fire	Statutory	2,000,000	Safety National	12/31/2011

* One Beacon - All casualty lines 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, 2010

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
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>\$ 1,035,000</u>	<u>\$ 73,302</u>	<u>\$ 1,108,302</u>		<u>\$ 36,651</u>		<u>\$ 36,651</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2001
December 31, 2010

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
2010	\$ 520,000	\$ 23,400	\$ 543,400	2011	\$ 11,700	2011	\$ 11,700
	\$ 520,000	\$ 23,400	\$ 543,400		\$ 11,700		\$ 11,700

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2003
December 31, 2010

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
2010	\$ 680,000	\$ 22,780	\$ 702,780	2011	\$ 11,390	2011	\$ 11,390
	<u>\$ 680,000</u>	<u>\$ 22,780</u>	<u>\$ 702,780</u>		<u>\$ 11,390</u>		<u>\$ 11,390</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004
December 31, 2010

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
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>\$ 1,840,000</u>	<u>\$ 101,800</u>	<u>\$ 1,941,800</u>		<u>\$ 50,900</u>		<u>\$ 50,900</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION TAXABLE BOND SERIES OF 2005A
December 31, 2010

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
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>\$ 50,535,000</u>	<u>\$ 37,906,463</u>	<u>\$ 88,441,463</u>		<u>\$ 18,953,234</u>		<u>\$ 18,953,229</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2008A
December 31, 2010

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
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>\$ 32,406,000</u>	<u>\$ 59,051,000</u>		<u>\$ 16,203,000</u>		<u>\$ 16,203,000</u>

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2010

	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	778,063	182,463	507,797	95,337	-
Sub-total	1,511,643	379,149	1,776,427	239,584	1,693,397
Previous Payments	-	-	1,776,427	239,584	-
Adjusted Principal Balance	\$ 1,511,643	\$ 379,149	\$ -	\$ -	\$ 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	Aug 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 1, 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	1,339,849	84,013	555,860
-	-	-	-	-	1,339,849	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, 2010

	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	<u>494,057</u>	<u>209,772</u>	<u>247,945</u>	<u>74,078</u>	<u>123,651</u>
Previous Payments	<u>494,057</u>	<u>209,772</u>	<u>247,945</u>	<u>74,078</u>	<u>123,651</u>
Adjusted Principal Balance	<u>\$ -</u>				

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	May 21, 1997	Sep 1, 1997	Sep 1, 1997	Sep 1, 1997	Sep 1, 1997	Sep 1, 1997	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	4,114,714	720,606	10,184,991	4,496,864	3,725,309	303,339
26,966	24,138	9,703,976	1,652,738	22,354,235	9,745,273	8,073,217	657,374
26,966	24,138	9,703,976	1,652,738	9,344,263	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 13,009,972	\$ 9,745,273	\$ 8,073,217	\$ 657,374

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2010

	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	Developer Project Cost Note #33
Date of Issue	Sep 1, 1997	Mar 1, 1999	Mar 1, 1999	Mar 1, 2000	Mar 1, 2001	Sep 1, 2001
Date of Maturity	Sep 10, 2012					
Original Amount of Note	\$ 288,720	\$ 2,244,798	\$ 336,341	\$ 814,106	\$ 1,435,686	\$ 708,661
Interest Rate	Adjustable	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	\$ 708,661
Accrued Interest	247,377	1,629,854	244,203	521,069	795,414	365,132
Sub-total	536,097	3,874,652	580,544	1,335,175	2,231,100	1,073,793
Previous Payments	-	-	-	-	-	-
Adjusted Principal Balance	\$ 536,097	\$ 3,874,652	\$ 580,544	\$ 1,335,175	\$ 2,231,100	\$ 1,073,793

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, 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	
\$ 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						
\$ 10,776,023	\$ 222,767	\$ 303,071	\$ 1,351,407	\$ 120,659	\$ 69,366	\$ 85,643,831
5,169,171	98,776	124,204	272,105	21,257	10,558	35,973,329
15,945,194	321,543	427,275	1,623,512	141,916	79,924	121,617,161
-	-	-	-	-	-	25,897,317
<u>\$ 15,945,194</u>	<u>\$ 321,543</u>	<u>\$ 427,275</u>	<u>\$ 1,623,512</u>	<u>\$ 141,916</u>	<u>\$ 79,924</u>	<u>\$ 95,719,844</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 ECONOMIC DEVELOPMENT PROJECT AREA
 SCHEDULE OF INDENTURE FLOW OF FUNDS
 Year Ended December 31, 2010

	EDA Special Tax Allocation Fund			Sears EDA General Account
	Unallocated	Gov't Share Account	Totals	
Revenues				
Incremental Taxes	\$ 12,990,068	\$ 11,842,019	\$ 24,832,087	\$ -
Investment Earnings	9,167	-	9,167	-
Total Revenues	<u>12,999,235</u>	<u>11,842,019</u>	<u>24,841,254</u>	<u>-</u>
Expenditures				
Principal, Bonds and Notes	-	-	-	10,146,764
Interest, Bonds and Notes	-	-	-	-
Professional Services	-	-	-	-
Trustee Fees	1,500	-	1,500	-
Arbitrage Calculation Fees	-	-	-	-
Total Expenditures	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>10,146,764</u>
Excess (Deficiency) of Revenues over Expenditures	<u>12,997,735</u>	<u>11,842,019</u>	<u>24,839,754</u>	<u>(10,146,764)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	10,146,764
Operating Transfers (Out)	(20,241,872)	-	(20,241,872)	-
Distribution of Sears PVS	-	(5,227,092)	(5,227,092)	-
Transfer to EDA Admin. Fund	-	(6,085,261)	(6,085,261)	-
Total Other Financing Sources (Uses)	<u>(20,241,872)</u>	<u>(11,312,353)</u>	<u>(31,554,225)</u>	<u>10,146,764</u>
Net Change in Fund Balances	(7,244,137)	529,666	(6,714,471)	-
Fund Balances (Deficit) Beginning of Year	<u>20,600,260</u>	<u>4,572,743</u>	<u>25,173,003</u>	<u>-</u>
Fund Balances (Deficit) End of Year	<u>\$ 13,356,123</u>	<u>\$ 5,102,409</u>	<u>\$ 18,458,532</u>	<u>\$ -</u>

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,832,087
-	-	40,377	207	40,584	49,751
-	-	40,377	207	40,584	24,881,838
-	23,800,000	-	-	23,800,000	33,946,764
-	64,454	-	-	64,454	64,454
17,302	-	-	-	-	17,302
1,000	-	-	-	-	2,500
2,250	-	-	-	-	2,250
20,552	23,864,454	-	-	23,864,454	34,033,270
(20,552)	(23,864,454)	40,377	207	(23,823,870)	(9,151,432)
9,186	22,224,449	-	-	22,224,449	32,380,399
(150)	-	(12,138,377)	-	(12,138,377)	(32,380,399)
-	-	-	-	-	(5,227,092)
-	-	-	-	-	(6,085,261)
9,036	22,224,449	(12,138,377)	-	10,086,072	(11,312,353)
(11,516)	(1,640,005)	(12,098,000)	207	(13,737,798)	(20,463,785)
(2,691,790)	4,262,560	12,178,756	39,548	16,480,864	38,962,077
\$ (2,703,306)	\$ 2,622,555	\$ 80,756	\$ 39,755	\$ 2,743,066	\$ 18,498,292

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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.	144-153
Revenue Capacity These schedules contain more information to help the reader assess the Village's most significant local revenue source, the property tax.	154-160
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.	161-165
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.	166-168
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.	169-170

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 Eight Fiscal Years

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 97,434,737
Restricted	31,736,142	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777	11,808,484
Unrestricted	<u>(208,737,371)</u>	<u>(191,260,938)</u>	<u>(179,534,956)</u>	<u>(202,902,550)</u>	<u>(187,818,909)</u>	<u>(182,324,268)</u>	<u>(118,128,995)</u>	<u>(84,178,176)</u>
Total Governmental Activities	\$ (102,921,527)	\$ (84,361,532)	\$ (72,049,633)	\$ (82,380,022)	\$ (60,366,222)	\$ (44,758,600)	\$ 11,949,740	\$ 25,065,045
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	\$ 57,838,788
Restricted	-	-	-	-	-	-	-	-
Unrestricted	<u>8,759,802</u>	<u>8,594,706</u>	<u>9,612,150</u>	<u>9,228,469</u>	<u>9,457,205</u>	<u>8,404,821</u>	<u>7,775,663</u>	<u>4,718,260</u>
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	\$ 62,557,048
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	\$ 155,273,525
Restricted	31,736,142	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777	11,808,484
Unrestricted	<u>(199,977,569)</u>	<u>(182,666,232)</u>	<u>(169,922,806)</u>	<u>(193,674,081)</u>	<u>(178,361,704)</u>	<u>(173,919,447)</u>	<u>(110,353,332)</u>	<u>(79,459,916)</u>
Total Primary Government	\$ (70,945,143)	\$ (53,192,587)	\$ (38,868,519)	\$ (48,779,797)	\$ (25,888,428)	\$ (10,085,824)	\$ 76,965,083	\$ 87,622,093

Data Source

Audited Financial Statements

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 97,434,737
Restricted	1,953,699	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090	5,201,282
Unrestricted	21,850,479	20,136,069	17,632,151	(34,503,578)	(33,037,782)	(38,677,026)	7,684,075	11,536,691
Total Governmental Activities	\$ 97,883,880	\$ 98,504,786	\$ 106,913,002	\$ 58,276,990	\$ 65,554,401	\$ 69,641,018	\$ 119,009,123	\$ 114,172,710
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	\$ 57,838,788
Restricted	-	-	-	-	-	-	-	-
Unrestricted	8,759,802	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663	4,718,260
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	\$ 62,557,048
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	\$ 155,273,525
Restricted	1,953,699	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090	5,201,282
Unrestricted	30,610,281	28,730,775	27,244,301	(25,275,109)	(23,580,577)	(30,272,205)	15,459,738	16,254,951
Total Primary Government	\$ 129,860,264	\$ 129,673,731	\$ 140,094,116	\$ 91,877,215	\$ 100,032,195	\$ 104,313,794	\$ 184,024,466	\$ 176,729,758

Data Source

Audited Financial Statements

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 6,793,067
Public Safety	22,409,329	23,861,883	25,173,738	27,142,353	29,298,255	32,630,767	36,731,733	36,228,810
Higways and Streets	8,729,150	9,286,945	11,532,401	6,140,084	10,578,402	12,635,002	11,426,047	9,238,037
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830
Health and Welfare	1,610,610	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973	1,712,597
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883	237,733
Economic Development	6,107,232	1,406,319	1,303,688	52,011,995	16,627,938	2,156,338	4,948,669	1,989,694
Interest	13,342,322	11,971,027	11,447,448	11,696,149	9,576,815	9,560,104	6,776,076	6,721,799
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	64,036,567
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	11,981,864
Sears Centre	-	-	-	-	-	-	4,800,908	8,623,330
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	20,605,194
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	\$ 84,641,761
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	\$ 2,960,974
Public Safety	1,284,812	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303	2,869,878
Higways and Streets	876,053	1,023,264	1,415,253	882,063	1,212,692	586,879	152,321	153,363
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737	521,449
Economic Development	10,212,855	11,093,955	12,585,713	20,107,123	19,807,712	4,036,017	165,424	173,414
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	2,566,593
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366
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	11,808,206

(Continued)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 10,367,612
Sears Centre	-	-	-	-	-	-	-	2,090,426
Operating Grants and Contributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions								
Water/Sewer	-	-	-	-	1,448,966	2,146,311	1,397,019	145,117
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	12,603,155
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	\$ 24,411,361
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)	\$ (52,228,361)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)
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	\$ (60,230,400)
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	\$ 44,460,848
Sales	5,531,118	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252	6,023,007
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	4,305,515
Telecommunications	3,835,027	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522	2,928,445
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333
Home Rule Sales	1,485,007	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774	3,397,574
Other	1,557,709	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216	2,197,886
Investment Earnings	1,473,816	1,547,181	2,526,601	4,312,040	2,450,774	1,768,185	1,147,987	211,216
Miscellaneous	213,611	297,218	236,165	788,180	723,047	576,648	648,653	1,119,747
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	293,095
Total Governmental Activities	51,968,112	52,295,914	46,978,780	70,808,931	62,721,402	63,020,909	107,339,823	65,343,666

(Continued)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type Activities								
Taxes								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,580	\$ 1,154,561
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920	18,470
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808
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)	(293,095)
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744
Total Primary Government	\$ 52,103,089	\$ 52,828,502	\$ 49,334,187	\$ 72,896,378	\$ 63,224,987	\$ 63,444,217	\$ 60,248,252	\$ 70,887,410
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	\$ 13,115,305
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)
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	\$ 10,657,010

Data Source

Audited Financial Statements

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 6,448,895
Public Safety	22,409,329	23,861,883	25,173,738	27,142,353	29,298,255	29,333,107	33,108,122	32,607,837
Higways and Streets	8,729,150	9,286,945	9,994,204	4,555,019	10,113,187	12,059,057	11,187,206	9,026,571
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830
Health and Welfare	1,610,610	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973	1,712,597
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883	237,733
Economic Development	1,158,602	1,406,319	1,303,688	52,011,995	2,008,387	1,991,344	4,334,569	1,989,694
Interest	1,237,618	978,608	2,073,221	3,895,783	3,695,876	4,322,420	2,318,891	2,807,720
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	55,945,877
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	11,981,864
Sears Centre	-	-	-	-	-	-	4,800,908	8,623,330
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	20,605,194
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	\$ 76,551,071
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	\$ 2,960,974
Public Safety	1,284,812	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303	2,869,878
Higways and Streets	754,997	601,295	838,681	728,344	1,035,978	537,754	152,321	153,363
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737	521,449
Economic Development	77,552	248,944	123,997	1,514,531	3,108,021	4,036,017	156,391	167,380
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	2,566,593
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366
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	11,802,172

(Continued)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 10,367,612
Sears Centre	-	-	-	-	-	-	-	2,090,426
Operating Grants and Contributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions								
Water/Sewer	-	-	-	-	1,448,966	2,146,311	1,397,019	145,117
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	12,603,155
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	\$ 24,405,327
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)	\$ (44,143,705)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)
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	\$ (52,145,744)
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	\$ 18,489,403
Sales	5,531,118	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252	6,023,007
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	4,305,515
Telecommunications	3,835,027	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522	2,928,445
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333
Home Rule Sales	1,485,007	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774	3,397,574
Other	1,557,709	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216	2,197,886
Investment Earnings	429,786	359,295	1,690,290	3,271,265	1,663,534	1,141,282	539,884	154,620
Miscellaneous	213,611	297,218	236,165	788,180	723,047	556,431	637,178	1,079,364
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	325,145
Total Governmental Activities	33,112,360	34,866,166	45,016,211	45,480,652	44,223,353	42,053,128	90,533,017	39,307,292

(Continued)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type Activities								
Taxes								
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,580	\$ 1,154,561
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920	18,470
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808
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)	(293,095)
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744
Total Primary Government	\$ 33,247,337	\$ 35,398,754	\$ 47,371,618	\$ 47,568,099	\$ 44,726,938	\$ 42,476,436	\$ 43,441,446	\$ 44,851,036
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	\$ (4,836,413)
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)
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	\$ (7,294,708)

Data Source

Audited Financial Statements

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 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	\$ 1,486,035
Unreserved	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	9,903,991
Total General Fund	\$ 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	\$ 11,390,026
All Other Governmental Funds										
Reserved	\$ 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	\$ 16,639,130 ^e
Unreserved, reported in										
Special Revenue Funds	(14,036)	(299,539)	(251,801)	(13,215)	198,221	558,736	325,332	74,992	23,761	(2,976)
Debt Service Funds	-	-	-	-	-	-	-	-	(195,401)	(33,545)
Capital Project Funds	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	6,278,772
Permanent Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 22,881,381

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.
- ^e The substantial decrease in reserved fund balance in the Other Governmental Funds for 2010 is due to the spending of bond proceeds on capital projects as well as the final EDA debt service payment.

Data Source

Audited Financial Statements

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 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	\$ 52,737,336
Licenses and Permits	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	1,276,000
Intergovernmental	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	15,057,588
Charges for Services	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	6,125,486
Fines and Forfeitures	855,569	902,403	760,890	808,496	763,189	973,637	1,347,750	1,682,621	1,140,814	1,029,384
Investment Income	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	208,281
Miscellaneous	6,158,921	6,496,890	401,198	677,244	444,639	1,812,212	3,630,999	4,647,638	539,553	1,263,575
Total Revenues	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	77,697,650
Expenditures										
General Government	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	5,603,242
Public Safety	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	32,010,274
Highways and Streets	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	5,125,998
Sanitation	579,592	554,997	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830
Health and Welfare	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	1,680,372
Culture and Recreation	283,906	281,344	235,705	222,720	223,112	241,172	289,403	276,335	367,578	248,571
Economic Development	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	1,979,069
Capital Outlay	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	12,266,812
Debt Service										
Principal	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	37,301,764
Interest and Other Charges	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	2,892,464
Total Expenditures	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	100,223,396
Excess (Deficiency) of Revenues over Expenditures	(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)	(22,525,746)
Other Financing Sources (Uses)										
Transfers In	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	4,536,704
Transfers Out	(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)	(4,302,056)
Sale of Capital Assets	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	7,372,612	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)	7,120,756	15,500,037	4,984,138	96,708	53,360,688	(38,515)	14,707,066	19,820,896	29,649,809	234,648
Net Change in Fund Balances	\$ (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)	\$ (22,291,098)
Debt Service as a Percentage of Noncapital Expenditures	48.14%	48.26%	49.61%	48.26%	42.23%	48.85%	47.47%	31.92%	46.95%	22.42%

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
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	1,167,575,979	483,852,567	233,449,742	159,181	425,119,346	2,310,156,815	0.820	6,930,470,445	33.333%
2009	(B)						0.888		
2010	(B)								

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

(B) 2009 detail valuations and 2010 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates (A)											
General	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	(B)
Municipal Waste	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	
Police Pension	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	
Firefighters Pension	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	
Total Direct Rate	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.889	
Overlapping Rates											
School District #54	3.706	3.283	3.142	3.414	3.106	3.003	3.104	2.582	2.559	2.592	
Palatine Twp. H.S. #211	2.450	2.147	2.067	2.165	2.158	2.191	2.261	1.972	1.928	1.916	
Junior College District #512	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	
Forest Preserve District of Cook County	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	
Sub. T.B. Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	
Schaumburg Township Library District	0.372	0.319	0.304	0.319	0.285	0.277	0.287	0.256	0.254	0.258	
Township of Schaumburg (All Funds)	0.107	0.110	0.105	0.111	0.101	0.100	0.104	0.089	0.089	0.092	
Metropolitan Sanitary District of Greater Chicago	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	
Northwest Mosquito Abatement District	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	
Hoffman Estates Park District	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	
Consolidated Elections	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	
County of Cook	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	
Cook County Health Facility	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	10.072	8.942	8.510	8.976	8.373	8.167	8.286	7.181	7.046	7.151	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.5%	11.1%	11.4%	11.4%	11.2%	11.0%	11.0%	11.4%	11.6%	12.4%	

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

(B) 2010 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates (A)											
General	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	(B)
Municipal Waste	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	
Police Pension	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	
Firefighters Pension	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	
Total Direct Rate	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.889	
Overlapping Rates											
Unit School District #220	3.862	3.852	3.741	4.011	3.456	3.348	3.460	3.148	2.982	3.036	
Junior College District #512	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	
Forest Preserve District of Cook County	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	
Sub. T.B. Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	
Barrington Public Library District	0.241	0.229	0.229	0.230	0.201	0.166	0.180	0.166	0.157	0.157	
Township of Barrington (All Funds)	0.059	0.052	0.041	0.036	0.030	0.028	0.027	0.023	0.022	0.022	
Metropolitan Sanitary District of Greater Chicago	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	
Northwest Mosquito Abatement District	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	
Hoffman Estates Park District	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	
Consolidated Elections	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	
County of Cook	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	
Cook County Health Facility	0.219	0.201	0.156	0.141	0.000	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	0.065	0.053	0.052	0.078	
Total Tax Rate per \$100 of Assessed Valuation	7.599	7.216	6.903	7.244	6.410	6.138	6.262	5.672	5.429	5.586	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	15.2%	13.8%	14.1%	14.1%	14.6%	14.7%	14.5%	14.5%	15.1%	15.9%	

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

(B) 2010 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates (A)											
General	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	(B)
Municipal Waste	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	
Police Pension	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	
Firefighters Pension	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	
Total Direct Rate	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.889	
Overlapping Rates											
School District #15	3.749	3.289	3.185	3.313	2.925	2.840	2.763	2.435	2.385	2.307	
Palatine Twp. H.S. #211	2.450	2.147	2.067	2.165	2.158	2.191	2.261	1.972	1.928	1.916	
Junior College District #512	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	
Forest Preserve District of Cook County	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	
Sub. T.B. Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	
Palatine Public Library	0.381	0.322	0.310	0.315	0.280	0.271	0.280	0.246	0.240	0.229	
Township of Palatine (All Funds)	0.145	0.127	0.123	0.129	0.116	0.114	0.120	0.107	0.106	0.103	
Metropolitan Sanitary District of Greater Chicago	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	
Northwest Mosquito Abatement District	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	
Hoffman Estates Park District	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	
Consolidated Elections	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	
County of Cook	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	
Cook County Health Facility	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	10.162	8.968	8.577	8.889	8.202	8.012	7.954	7.042	6.875	6.848	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.4%	11.1%	11.4%	11.5%	11.4%	11.2%	11.4%	11.6%	11.9%	13.0%	

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

(B) 2010 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates (A)											
General	0.691	0.609	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	(B)
Municipal Waste	0.030	0.025	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.031	0.025	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.234	0.191	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	
Police Pension	0.097	0.086	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	
Firefighters Pension	0.074	0.059	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	
Total Direct Rate	1.157	0.995	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.889	
Overlapping Rates											
Unit School District #220	3.862	3.852	3.741	4.011	3.456	3.348	3.460	3.148	2.982	3.036	
Junior College District #512	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	
Forest Preserve District of Cook County	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	
Sub. T.B. Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	
Poplar Creek Public Library District	0.406	0.351	0.340	0.355	0.318	0.304	0.310	0.367	0.357	0.350	
Township of Hanover (All Funds)	0.254	0.225	0.259	0.273	0.242	0.237	0.250	0.224	0.223	0.218	
Metropolitan Sanitary District of Greater Chicago	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	
Northwest Mosquito Abatement District	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	
Hoffman Estates Park District	0.606	0.517	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	
Consolidated Elections	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	
County of Cook	0.605	0.545	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	
Cook County Health Facility	0.219	0.201	0.156	0.141	0.000	0.000	0.000	0.000	0.000	0.000	
Comm. Mental Health Facility and Service District	0.045	0.040	0.038	0.040	0.036	0.035	0.037	0.033	0.033	0.033	
Lake County Tax Obj Ct Ord-220	0.000	0.000	0.000	0.000	0.000	0.000	0.065	0.053	0.052	0.078	
Total Tax Rate per \$100 of Assessed Valuation	8.004	7.551	7.270	7.646	6.775	6.520	6.652	6.107	5.863	6.008	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	14.5%	13.2%	13.4%	13.4%	13.8%	13.8%	13.7%	13.4%	14.0%	14.8%	

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

(B) 2010 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

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

Taxpayer	2009 Tax Levy			2000 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	\$ 202,721,332	1	10.76%	\$ 237,108,362	1	20.33%
AT&T Lease & SBC Ameritech	133,669,304	2	7.10%	119,962,322	2	10.29%
Property Tax Advisors	52,925,078	3	2.81%			
Terry Kemp	32,546,562	4	1.73%			
Individual Taxpayer				25,809,849	3	2.21%
Stonegate Properties	29,464,562	5	1.56%	20,316,803	4	1.74%
Thompson Property	21,109,474	6	1.12%			
Madkatstep Entertainment	20,945,694	7	1.11%			
American Heritage	20,623,361	8	1.10%			
Park Place Apartments	18,952,209	9	1.01%	13,548,014	6	1.16%
Cabelas Inc.	18,402,721	10	0.98%			
Town Management Corporation				18,463,740	5	1.58%
TransAmerica				12,205,287	7	1.05%
Autumn Chase Apartments				10,254,211	8	0.88%
Claire's Boutiques Inc.				10,174,538	9	0.87%
Siemens Medical System				9,060,740	10	0.78%
	<u>\$ 551,360,297</u>		<u>29.28%</u>	<u>\$ 476,903,866</u>		<u>40.89%</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
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%	284,007	13,344,927	97.21%
2007	14,540,987	13,815,590	95.01%	290,162	14,105,752	97.01%
2008	15,441,283	14,652,075	94.89%	496,516	15,148,591	98.10%
2009	16,969,508	10,571,946	62.30%	86,508	10,658,454	62.81%
2010	17,146,947	(A)				

(A) Collections for the 2010 Tax Levy Year will not be received until fiscal year 2011.

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			
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
2010	54,413,750	-	99,304,684	-	57,196,250	-	-	210,914,684	12.5%	4,064

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
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	90,705,000	4,206,373	86,498,627	1.25%	1,710.37
2009	116,140,000	4,354,605	111,785,395	1.44%	2,210.38
2010	111,610,000	2,581,577	109,028,423	1.25%	2,100.94

(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, 2010

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	\$ 111,610,000	100.000%	\$ 111,610,000
Dundee Township	11,370,000	0.093%	10,574
Dundee Township Park District	1,725,990	0.093%	1,605
Hoffman Estates Park District	10,295,000	93.523%	9,628,193
Palatine Park District	12,510,000	2.682%	335,518
South Barrington Park District	675,000	0.032%	216
Schools			
District No. 211	25,000,000	12.804%	3,201,000
District No. 54	8,700,000	15.123%	1,315,701
District No. 15	31,316,828	7.905%	2,475,595
District No. 220	90,300,000	9.697%	8,756,391
District No. 300	306,185,930	1.429%	4,375,397
District No. 46	323,698,890	3.432%	11,109,346
Junior College District No. 512	187,900,000	6.356%	11,942,924
Junior College District No. 509	174,323,261	2.295%	4,000,719
Metropolitan Water Reclamation District	1,961,973,643	1.095%	21,483,611
Cook County including Forest Preserve District	3,601,550,000	1.074%	38,680,647
Kane County including Forest Preserve District	215,765,866	0.012%	25,892
Gail Borden Library District	23,095,000	5.991%	1,383,621
Palatine Library District	-	0.000%	-
Poplar Creek Library District	21,815,000	7.469%	1,629,362
Schaumburg Library District	2,765,000	15.511%	428,879
	<u>7,010,965,408</u>		<u>120,785,193</u>
	<u>\$ 7,122,575,408</u>		<u>\$ 232,395,193</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, 2010

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	Less	Less	Available	Debt Service		Coverage ^a	Incremental	Debt Service		Coverage
	Property Taxes	Governmental Share	Program Expenses	for Debt Service	Principal	Interest		Property Taxes	Principal	Interest	
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
2010	14,685,323	(11,312,353)	(20,552)	3,352,418	23,800,000	63,368	0.14 ^b	10,146,764	10,146,764	-	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.

^b In 2010, a large portion of the final debt service payment came from a debt service reserve investment contract.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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
2010	51,895	1,690,894,785	32,583	8.2

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	2010			2001		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings	6,200	1	11.9%	5,700	1	11.5%
St. Alexius Medical Center	2,750	2	5.3%	1,250	3	2.5%
AT&T (Ameritech)	2,500	3	4.8%	4,000	2	10.0%
GE Commercial Finance	800	4	1.5%			
TransAmerica				800	5	1.6%
Automated Data Processing	600	5	1.2%	500	6	1.0%
Siemens Medical Systems	500	6	1.0%	950	4	1.9%
Leopardo Companies, Inc.	400	7	0.8%			
Liberty Mutual	400	8	0.8%			
Village of Hoffman Estates	366	9	0.7%	368	8	0.7%
CBI Distributing Corp (Claire's)	350	10	0.7%	400	7	0.8%
Township High School No. 211 (Conant)				331	9	0.7%
Township High School No. 211 (Hoffman Estates)				311	10	0.6%
Total	<u>14,866</u>			<u>14,610</u>		

Data Source

Village records

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Management Services	25	27	27	25	25	26	29	29	26	26
Finance	16	17	16	15	15	15	16	16	14	14
Public Safety										
Police										
Officers	94	95	94	95	94	97	99	101	95	92
Civilians	24	24	24	24	24	24	25	25	23	23
Fire										
Firefighters and officers	92	92	99	98	98	100	103	113	102	101
Civilians	4	4	4	4	5	5	4	3	3	3
Highways and Streets										
Administration	3	3	3	3	3	3	4	3	3	3
Engineering	12	11	11	11	11	11	12	11	9	8
Street Maintenance	70	69	70	70	70	72	73	75	71	68
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	24	24	24	23	23	24	24	25	21	19
Culture and Recreation	1	2	2	2	2	2	1	2	2	2
Economic Development	9	10	10	10	10	9	10	9	8	7
Total	374	378	384	380	380	388	399	413	377	366

Data Source

Village budget documents

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Physical arrests	2,247	2,200	1,877	2,008	1,956	2,838	2,418	2,360	2,259	1,985
Parking violations	8,042	7,331	4,497	5,553	6,321	8,750	8,503	9,608	8,336	3,138
Traffic violations	16,966	16,604	16,488	16,189	17,765	18,834	12,641	18,700	18,111	20,638
Fire										
Emergency responses	2,624	2,854	2,889	2,860	2,994	4,984	5,276	5,414	5,272	5,653
Fire/Miscellaneous responses	1,817	1,646	1,681	1,731	1,758	1,751	1,721	1,956	1,670	1,678
Inspections	2,669	2,796	3,156	3,023	2,923	3,415	3,136	3,282	2,006	1,835
Public Works										
Vehicles Maintained by Dept	179	177	179	178	182	191	201	230	223	227
Street reconstruction (miles)	4.2	1.1	1.4	1.5	1.4	1.8	2.0	0.5	0.3	0.3
Street resurfacing (miles)	8.6	8.0	4.7	7.1	2.5	5.2	3.4	4.3	4.8	1.3
Water										
New connections	202	237	190	224	237	200	227	54	16	12
Water main breaks	12	18	35	23	45	41	66	53	42	63
Average daily consumption	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	4,984,000
Peak daily consumption	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	7,481,000

Data Source

Various Village Departments

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	39	41	40	41	42	47	47	51	51	53
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	9	9	9	9	9	9	10	12	11	11
Public Works										
Miles of Streets	141	141	142	142	145	145	157	158	158	158
Streetslights	N/A	N/A	N/A	2,196	2,246	2,261	2,261	2,261	2,388	2,388
Traffic signals	2	2	2	2	2	3	3	3	3	3
Water										
Water mains (miles)	208	213	218	221	224	226	228	232	232	233
Fire hydrants	2,527	2,581	2,671	2,727	2,775	2,815	2,854	2,926	2,827	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	11,720,000
Wastewater										
Sanitary sewers (miles)	167	169	171	172	173	175	176	179	176	179
Storm sewers (miles)	N/A	10	11	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, 2010

"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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assets					
Cash and Investments	\$14,501,358	\$12,213,972	\$10,574,805	\$7,596,239	\$6,014,780
Receivables:					
Property Taxes	12,061,945	13,604,904	13,456,391	16,194,251	18,284,432
Accounts	84,793	25,448	121,345	170,362	214,524
Accrued Interest	55,154	30,738	15,984	322	-
Other	410,277	711,378	807,566	789,802	1,054,720
Prepaid Items	17,324	6,154	63,294	1,386	52,253
Inventory	188,866	190,218	216,620	194,019	161,322
Due from Other Governments	3,619,080	4,019,113	3,900,678	4,748,143	4,993,233
Due from Other Funds	113,418	1,066,479	2,646,552	931,939	317,618
Due from Fiduciary Funds	-	-	112,976	252,745	882,861
Advance to Other Funds	287,849	-	-	796,291	550,180
Advance to Fiduciary Funds	4,000	11,000	5,000	-	-
Total Assets	<u>\$31,344,064</u>	<u>\$31,879,404</u>	<u>\$31,921,211</u>	<u>\$31,675,499</u>	<u>\$32,525,923</u>
Liabilities					
Accounts Payable	\$1,041,934	\$1,471,498	\$1,752,815	\$1,486,298	\$1,230,311
Accrued Payroll	851,509	1,021,549	1,325,720	642,542	467,968
Current Compensated Absences	-	-	-	-	216,739
Deferred Revenues	12,905,051	13,770,134	14,440,946	17,124,924	16,500,482
Due to Other Funds	129,309	-	87,799	-	163,869
Due to Fiduciary Funds	25,707	187,916	5,906	-	934,134
Deposits Payable	1,378,658	1,414,371	1,468,273	1,352,392	1,622,394
Total Liabilities	<u>\$16,332,168</u>	<u>\$17,865,468</u>	<u>\$19,081,459</u>	<u>\$20,606,156</u>	<u>\$21,135,897</u>
Fund Balances					
Reserved for Prepaid Items	\$17,324	\$6,154	\$63,294	\$1,386	\$52,253
Reserved for Inventory	188,866	190,218	216,620	194,019	161,322
Reserved for Advances to Other Funds	291,849	11,000	5,000	796,291	550,180
Reserved for Public Safety	121,797	116,371	114,324	126,964	98,502
Reserved for Employee Loan Program	89,998	81,721	70,399	64,106	71,927
Reserved for Insurance	-	-	-	-	551,851
Designated for Compensated Absences	-	-	-	-	216,739
Unreserved	14,302,062	13,608,472	12,370,115	9,886,577	9,687,252
Total Equity and Credits	<u>\$15,011,896</u>	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,390,026</u>
Total Liabilities, Equity and Other Credits	<u>\$31,344,064</u>	<u>\$31,879,404</u>	<u>\$31,921,211</u>	<u>\$31,675,499</u>	<u>\$32,525,923</u>

Sources Comprehensive Annual Financial Reports, FY 2006 - 2010

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

	2006	2007	2008	2009	2010	Budget 2011
Revenues:						
Taxes	\$20,909,646	\$21,710,526	\$22,702,394	\$22,629,437	\$23,526,451	\$24,120,528
Licenses and Permits	1,974,164	2,637,624	1,313,427	1,103,880	1,276,000	1,045,000
Intergovernmental	11,781,393	12,713,142	13,474,956	11,670,548	12,101,914	11,525,720
Charges for Services	4,100,996	4,950,909	4,566,938	4,483,868	4,830,580	4,814,620
Fines and Forfeits	825,005	1,160,360	1,451,980	966,369	884,908	1,287,000
Investment Income	745,136	700,628	345,136	56,881	37,508	40,000
Miscellaneous	151,937	362,605	602,449	246,975	501,131	2,614,800
Total Revenues	\$40,488,277	\$44,235,794	\$44,457,280	\$41,157,958	\$43,158,492	\$45,447,668
Expenditures:						
General Government	\$5,096,565	\$5,534,581	\$5,817,443	\$5,352,058	\$5,259,070	\$3,310,280
Public Safety	23,836,847	26,217,176	27,011,405	26,913,669	28,239,314	28,392,478
Highways and Streets	4,436,085	5,286,342	6,261,272	5,471,434	4,896,159	6,388,510
Health and Welfare	1,800,992	1,898,681	1,945,636	1,783,070	1,680,372	638,220
Culture and Recreation	241,172	289,403	276,335	367,578	248,571	326,380
Economic Development	971,705	1,393,040	1,932,884	1,808,471	1,783,336	3,883,560
Miscellaneous	-	-	-	-	-	-
Total Expenditures	\$36,383,366	\$40,619,223	\$43,244,975	\$41,696,280	\$42,106,822	\$42,939,428
Excess (Deficiency) of Revenues Over Exp	\$4,104,911	\$3,616,571	\$1,212,305	(\$538,322)	\$1,051,670	\$2,508,240
Other Financing Sources (Uses)	(\$5,120,370)	(\$4,614,531)	(\$2,386,489)	(\$1,232,087)	(\$730,987)	(\$3,383,110)
Net Change in Fund Balance	(1,015,459)	(997,960)	(1,174,184)	(1,770,409)	320,683	(874,870)
Fund Balance, January 1	16,027,355	\$15,011,896	\$14,013,936	\$12,839,752	\$11,069,343	\$11,390,026
Ending Fund Balance	<u>\$15,011,896</u>	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,390,026</u>	<u>\$10,515,156</u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2006 - 2010; Budget, Fiscal Year 2011

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

	2006	2007	2008	2009	2010
Governmental Fund Types:					
General Fund	\$15,011,896	\$14,013,936	\$12,839,752	\$11,069,343	\$11,390,026
Special Revenue Funds:					
Motor Fuel Tax Fund	222,347	219,094	137,107	91,469	198,055
Com. Development Block Grant Fund	-	1	1	1	1
Asset Seizure Fund	89,661	96,522	128,209	152,689	158,675
Econ. Dev. Area Admin.	751,429	359,265	453,451	714,816	2,297,881
E911	1,011,980	1,157,635	924,651	888,747	370,297
Roselle Rd TIF	483,744	1,172,555	2,126,206	538,050	1,414,888
Municipal Waste	599,953	373,656	126,568	69,366	60,728
Total Special Revenue	<u>\$3,159,114</u>	<u>\$3,378,728</u>	<u>\$3,896,193</u>	<u>\$2,455,138</u>	<u>\$4,500,525</u>
Debt Service Funds	\$26,682,454	\$26,571,279	\$28,505,183	\$18,143,679	\$2,621,337
Capital Project Funds	13,224,198	14,074,558	15,706,446	24,894,345	15,759,519
Total Governmental	<u>\$58,077,662</u>	<u>\$58,038,501</u>	<u>\$60,947,574</u>	<u>\$56,562,505</u>	<u>\$34,271,407</u>
Proprietary Fund Types:					
Waterworks and Sewerage	\$33,600,225	\$34,477,794	\$34,672,776	\$32,162,906	\$30,849,097
Sears Centre	-	-	-	32,852,437	31,707,951
Insurance	23,151	954,825	599,874	429,802	326,833
Information Systems	378,882	678,423	570,450	373,820	514,530
Total Proprietary	<u>\$34,002,258</u>	<u>\$36,111,042</u>	<u>\$35,843,100</u>	<u>\$65,818,965</u>	<u>\$63,398,411</u>
Fiduciary Fund Types:					
Expendable Trust Funds	-	-	-	-	-
Pension Trust:					
Police Pension	\$41,968,210	\$45,509,710	\$40,439,193	\$46,170,267	\$52,092,944
Firefighters' Pension	46,581,608	49,711,799	43,975,311	48,459,349	54,429,934
Total Fiduciary	<u>\$88,549,818</u>	<u>\$95,221,509</u>	<u>\$84,414,504</u>	<u>\$94,629,616</u>	<u>\$106,522,878</u>
Total All Funds (Memo Only)	<u>\$180,629,738</u>	<u>\$189,371,052</u>	<u>\$181,205,178</u>	<u>\$217,011,086</u>	<u>\$204,192,696</u>

Sources Comprehensive Annual Financial Reports, FY 2006 - 2010

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

	2006	2007	2008	2009	2010
General Fund	\$14,501,358	\$12,213,972	\$10,574,805	\$7,596,239	\$6,014,780
Special Revenue Funds	3,962,652	3,776,172	4,585,577	3,038,268	5,788,453
Debt Service - GO Bonds	3,791,960	2,696,779	4,192,144	4,616,286	2,650,611
Debt Service - EDA Related	22,936,906	23,762,202	24,475,971	13,833,257	39,760
Total Debt Service Funds	<u>\$26,728,866</u>	<u>\$26,458,981</u>	<u>\$28,668,115</u>	<u>\$18,449,543</u>	<u>\$2,690,371</u>
Capital Project Funds	\$9,050,771	\$11,772,164	\$18,167,827	\$24,472,630	\$11,691,292
Capital Projects - EDA, Series 1991	5,702,157	4,973,716	4,517,254	4,287,319	4,238,130
Total Capital Project Funds	<u>\$14,752,928</u>	<u>\$16,745,880</u>	<u>\$22,685,081</u>	<u>\$28,759,949</u>	<u>\$15,929,422</u>
Waterworks and Sewerage	\$8,554,011	\$8,733,814	\$12,696,513	\$8,679,680	\$5,119,462
Sears Centre	-	-	-	770,078	2,772,582
Total Enterprise Funds	<u>\$8,554,011</u>	<u>\$8,733,814</u>	<u>\$12,696,513</u>	<u>\$9,449,758</u>	<u>\$7,892,044</u>
Insurance	\$1,038,953	\$2,032,468	\$2,098,246	\$1,840,307	\$1,834,891
Information Systems	462,428	733,055	655,694	121,176	302,410
Total Internal Service Funds	<u>\$1,501,381</u>	<u>\$2,765,523</u>	<u>\$2,753,940</u>	<u>\$1,961,483</u>	<u>\$2,137,301</u>
Pension Funds	\$3,357,826	\$2,499,588	\$2,541,339	\$2,905,028	\$3,893,073
All Other Funds	7,717,363	6,814,816	13,170,550	25,620,650	18,960,647
Total	<u>\$81,076,385</u>	<u>\$80,008,746</u>	<u>\$97,675,920</u>	<u>\$97,780,918</u>	<u>\$63,306,091</u>

Sources Comprehensive Annual Financial Reports, FY 2006 - 2010

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

Revenues	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Property Taxes	\$8,783,938	\$9,007,836	\$9,563,610	\$10,276,657	\$10,636,766
Sales Tax	6,233,965	6,590,165	6,990,526	6,069,966	6,026,619
Home Rule Sales tax	3,216,848	3,456,973	3,938,726	3,508,616	3,406,116
Local Use Tax	662,370	670,755	748,732	614,640	665,122
State Income Tax	4,140,270	4,475,720	4,781,261	3,991,678	4,350,948
Licenses and Permits	1,974,164	2,637,624	1,313,427	1,103,879	1,276,000
Charges for Services	4,100,996	4,950,909	4,566,938	4,483,869	4,830,580
Fines and Forfeits	825,005	1,160,360	1,451,980	941,060	884,908
Investment Income	745,136	700,625	345,136	56,866	37,508
Hotel Tax	1,070,456	1,106,043	1,263,922	923,549	1,005,562
Real Estate Transfer Tax	1,111,758	1,323,132	755,637	510,990	406,333
Telecommunications Tax	3,753,103	3,378,962	3,404,303	3,119,398	2,919,649
All Other	3,877,106	4,785,947	5,349,802	5,565,084	7,308,502
Total Revenue	<u>\$40,495,115</u>	<u>\$44,245,051</u>	<u>\$44,474,000</u>	<u>\$41,166,252</u>	<u>\$43,754,612</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2010

	Outstanding Bonds	Applicable to Village	
		Percentage	Amount
Direct Debt			
General Obligation Bonds Outstanding	\$111,610,000	100.0%	\$111,610,000
Overlapping Debt			
Cook County	\$3,499,615,000	1.074%	\$37,585,865
Cook County Forest Preserve	\$101,935,000	1.074%	1,094,782
Metropolitan Water Reclamation District	1,961,973,643	1.095%	21,483,611
Kane County	213,340,866	0.012%	25,601
Kane County Forest Preserve	2,425,000	0.012%	291
Dundee Township	11,370,000	0.093%	10,574
Dundee Township Park District	1,725,990	0.093%	1,605
Hoffman Estates Park District	10,295,000	93.523%	9,628,193
Palatine Park District	12,510,000	2.682%	335,518
South Barrington Park District	675,000	0.032%	216
Gail Borden Public Library District	23,095,000	5.991%	1,383,621
Palatine Public Library District	-	-	-
Poplar Creek Library District	21,815,000	7.469%	1,629,362
Schaumburg Township Library District	2,765,000	15.511%	428,879
School District #15	31,316,828	7.905%	2,475,595
Community Unit School District #46	323,698,890	3.432%	11,109,346
School District #54	8,700,000	15.123%	1,315,701
Community Unit School District #220	90,300,000	9.697%	8,756,391
Community Unit School District #300	306,185,930	1.429%	4,375,397
High School District #211	25,000,000	12.804%	3,201,000
Community College #509	174,323,261	2.295%	4,000,719
Community College #512	187,900,000	6.356%	11,942,924
			\$120,785,193
Total Direct and Overlapping General Obligation Bonded Debt			\$232,395,193

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates, Illinois
Total General Obligation Bond Debt Service
As of December 31, 2010

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
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>\$4,075,000</u>	<u>\$221,283</u>	<u>\$4,296,283</u>	<u>\$50,535,000</u>	<u>\$37,906,467</u>	<u>\$88,441,467</u>	<u>\$57,000,000</u>	<u>\$51,230,424</u>	<u>\$108,230,424</u>	<u>\$111,610,000</u>	<u>\$89,358,174</u>	<u>\$200,968,174</u>

Village of Hoffman Estates
Local Share of State Sales Tax History by Month - Cash Basis

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2008 v.</u> <u>2009</u>	<u>2009 v.</u> <u>2010</u>
January	October	\$ 362,896	\$ 490,417	\$ 614,831	\$ 505,056	\$ 499,781	-18%	-1%
February	November	370,157	500,844	567,087	581,207	493,847	2%	-15%
March	December	555,981	614,877	651,535	609,438	576,980	-6%	-5%
April	January	506,421	436,642	537,730	468,904	417,113	-13%	-11%
May	February	422,455	482,243	527,687	428,140	475,153	-19%	11%
June	March	566,616	527,647	572,460	542,983	484,646	-5%	-11%
July	April	561,962	529,255	609,868	490,141	460,764	-20%	-6%
August	May	570,342	550,515	585,116	506,613	498,893	-13%	-2%
September	June	492,612	617,219	633,604	529,597	570,797	-16%	8%
October	July	555,596	539,236	592,928	484,807	508,110	-18%	5%
November	August	491,131	541,242	613,051	534,471	494,385	-13%	-8%
December	September	519,588	569,370	580,285	481,247	529,219	-17%	10%
Year Totals		<u>\$ 5,975,757</u>	<u>\$ 6,399,508</u>	<u>\$ 7,086,181</u>	<u>\$ 6,162,604</u>	<u>\$ 6,009,688</u>	<u>-13%</u>	<u>-2%</u>

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2008 v.</u> <u>2009</u>	<u>2009 v.</u> <u>2010</u>
January	October	\$ 221,472	\$ 266,186	\$ 334,762	\$ 310,368	\$ 285,698	-7%	-8%
February	November	196,668	263,335	330,135	338,610	297,208	3%	-12%
March	December	304,762	334,386	383,795	381,069	361,813	-1%	-5%
April	January	211,546	204,165	311,781	265,394	231,066	-15%	-13%
May	February	208,890	231,916	285,826	252,890	268,550	-12%	6%
June	March	255,858	268,747	299,470	295,060	273,585	-1%	-7%
July	April	289,267	260,833	320,295	268,645	274,366	-16%	2%
August	May	261,775	287,708	324,084	284,606	277,551	-12%	-2%
September	June	302,261	306,232	341,857	303,447	287,434	-11%	-5%
October	July	297,866	289,547	341,887	273,130	291,181	-20%	7%
November	August	249,237	279,871	349,666	314,903	269,544	-10%	-14%
December	September	305,864	328,669	331,086	286,566	292,375	-13%	2%
Year Totals		<u>\$ 3,105,466</u>	<u>\$ 3,321,595</u>	<u>\$ 3,954,646</u>	<u>\$ 3,574,688</u>	<u>\$ 3,410,371</u>	<u>-10%</u>	<u>-5%</u>

Source: Village Finance Department