

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2011**



**VILLAGE OF HOFFMAN ESTATES,
ILLINOIS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
December 31, 2011

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

FINANCIAL STATEMENTS
December 31, 2011

CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

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

FINANCIAL SECTION

Independent Auditors' Report	1
Independent Auditors' Report on Supplementary Information	3

General Purpose External Financial Statements	
Management's Discussion and Analysis	MD&A 1 - 15

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Assets	4
Statement of Activities	5

Fund Financial Statements

Governmental Funds	
Balance Sheet	6
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9

Proprietary Funds

Statement of Net Assets	10
Statement of Revenues, Expenses and Changes in Net Assets	11
Statement of Cash Flows	12

Fiduciary Funds

Statement of Fiduciary Net Assets	13
Statement of Changes in Plan Net Assets – Pension Trust Funds	14

Notes to Financial Statements	15
-------------------------------------	----

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and Major Special Revenue Fund	61
Notes to Required Supplementary Information	62

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

Required Supplementary Information (Continued)

Schedule of Funding Progress	
Illinois Municipal Retirement Fund	63
Police Pension Fund	64
Firefighters' Pension Fund	64
Other Post-Employment Benefit Plan	65
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	66
Police Pension Fund	67
Firefighters' Pension Fund	67
Other Post-Employment Benefit Plan	68
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
Comparative Balance Sheet By Account – General Fund	69
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
All General Fund Accounts	70
Schedule of Expenditures – Budget and Actual – General Account	71
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual	
Municipal Waste System Account	73
EDA General Account Fund	74
Nonmajor Governmental Funds	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76
Nonmajor Special Revenue Funds	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual	
Motor Fuel Tax Fund	81
Community Development Block Grant Fund	82
Asset Seizure Fund	83
Economic Development Area (EDA) Administration Fund	84
Emergency 911 Fund	85
Roselle Road TIF Fund	86
Nonmajor Debt Service Funds	
Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	89
Schedule of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual	
1997A General Obligation Debt Service Fund	91
2001 General Obligation Refunding Bond Fund	92
2003 General Obligation Refunding Bond Fund	93
2004 General Obligation Refunding Bond Fund	94
2005 TIF Economic Development Refunding Bond Fund	95
2008A General Obligation Debt Service Fund	96
2009A General Obligation Debt Service Fund	97

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

**Combining and Individual Fund
Financial Statements And Schedules (Continued)**

Nonmajor Capital Projects Funds

Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Central Area Road Improvement Impact Fee Fund	102
Central Road Corridor Improvement Fund	103
Traffic Improvement Fund	104
EDA Series 1991 Project Fund	105
Western Area Traffic Improvement Fund	106
Capital Improvements Fund	107
Western Area Road Improvement Impact Fee Fund	108
Capital Vehicle and Equipment Fund	109
Hoffman Boulevard Bridge Fund	110
Capital Replacement Fund	111
Western Corridor Fund	112
2008 Capital Projects Fund	113
2009 Capital Projects Fund	114

Major Enterprise Funds

Statement of Net Assets – Waterworks and Sewerage Fund	115
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Waterworks and Sewerage Fund	116
Statement of Net Assets – Sears Centre Operating Fund	117
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Sears Centre Operating Fund	118

Internal Service Funds

Combining Statement of Net Assets	119
Combining Statement of Revenues, Expenses and Changes in Net Assets	120
Combining Statement of Cash Flows	121

Information Systems Fund

Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	122
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Insurance Fund

Schedule of Net Assets - by Program	123
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	124
Schedule of Revenues, Expenses and Changes in Net Assets – by Program	125

Fiduciary Funds

Combining Statement of Plan Net Assets – Pension Trust Funds	126
Combining Statement of Changes in Plan Net Assets – Pension Trust Funds	127
Schedule of Changes in Plan Net Assets - Budget and Actual	
Police Pension Fund	128
Firefighters' Pension Fund	129
Combining Statement of Changes in Assets and Liabilities – Agency Funds	130

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

Supplemental Data

Schedule of Insurance in Force	132
Long-Term Debt Requirements	
General Obligation Bond Series of 1997A	133
General Obligation Refunding Bond Series of 2004	134
General Obligation Taxable Bond Series of 2005A	135
General Obligation Taxable Bond Series of 2008A	136
General Obligation Taxable Bond Series of 2009A	137
Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes	138
Economic Development Project Area Schedule of Indenture Flow of Funds.....	142

STATISTICAL SECTION (UNAUDITED)

Statistical Section Index	144
Financial Trends	
Net Assets by Component	145
Net Assets by Component Excluding EDA TIF Activity	148
Change in Net Assets	147
Change in Net Assets Excluding EDA TIF Activity	150
Fund Balances of Governmental Funds	153
Changes in Fund Balances of Governmental Funds.....	154
Revenue Capacity	
Assessed and Actual Value of Taxable Property	155
Property Tax Rates – Direct and Overlapping Governments	
Schaumburg Township	156
Barrington Township	157
Palatine Township	158
Hanover Township	159
Principal Property Taxpayers	160
Property Tax Levies and Collections	161
Debt Capacity	
Ratios of Outstanding Debt by Type.....	162
Ratios of Net General Bonded Debt Outstanding.....	163
Direct and Overlapping Governmental Activities Debt	164
Schedule of Legal Debt Margin.....	165
Pledged-Revenue Coverage.....	166
Demographic and Economic Information	
Demographic and Economic Information.....	167
Principal Employers	168
Full-Time Equivalent Employees	169
Operating Information	
Operating Indicators.....	170
Capital Assets Statistics.....	171
Continuing Disclosure – Annual Financial Information.....	172

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2011

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

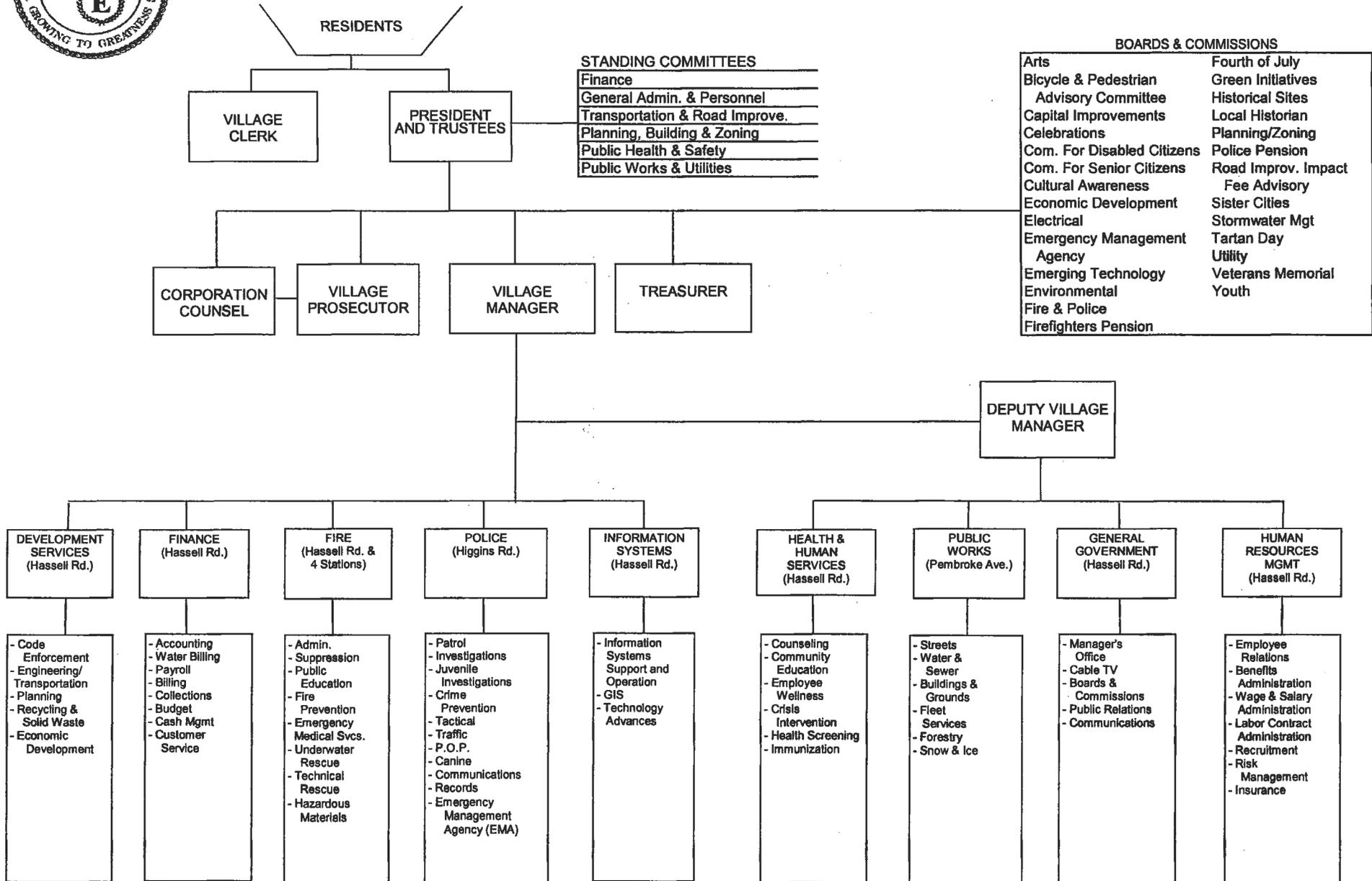
James H. Norris, Village Manager

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emery

Executive Director



HOFFMAN ESTATES

June 26, 2012

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, 2011.

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 auditors' 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, 2011, and the changes in financial position for the year then ended.

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

Profile of the Government

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

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

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

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

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

Although the economic recovery needed in order to come back from the 2008 recession still languishes, the Village of Hoffman Estates experienced significant developments and accomplishments in 2011.

Economic Development Area – Prairie Stone: The largest accomplishment of 2011 was the extension of the Economic Development Area (EDA) which was originally set to expire in 2012. The Mayor and Village Board and Village staff worked tirelessly to support the passage of legislation to extend the EDA which allowed Sears Holding Corporation to remain in Hoffman Estates and in the State of Illinois. With over 6,000 jobs in Hoffman Estates, and an additional 9,000 ancillary jobs statewide, Sears is critical to the economic vitality of the region and the state. The extension also allows development tools available in the EDA to continue to be utilized to help cause the remaining 200 acres of undeveloped land to be competitive development sites.

The history of the EDA starts in 1989 when 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 approximately 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.

While the national economy struggles, the Village of Hoffman Estates continues to prove itself as a desirable location for corporate business headquarters. The retail marketplace has a national, as well as a local ebb and flow. For example, new methods of purchasing products and services (Internet, social media, apps on phones) result in impacts to brick and mortar shopping centers. Video stores leave and former retail spaces are filled with services and entertainment providers. In 2011, banks and phone stores filled vacant storefronts. The presence of St. Alexius Medical Center and their expansion currently underway, attracted new doctors' offices and medical services (Ambria College of Nursing, Meadows Sleep Disorder Clinic, Chicago Medical Innovations).

Office/Light Industrial: The recent trend of Hoffman Estates attracting international tool making companies continues with yet another top Japanese corporation. The new American headquarters of NSK America Corporation, a leading manufacturer of high speed precision rotary tools, opened its doors in the Huntington 90 Business Park. Late in 2010, London-based Tate & Lyle PLC, makers of Splenda sweetener, announced their intent to occupy a 110,000 square foot, three story building in the Prairie Stone Business Park, just north of the Sears Centre Arena. The global headquarters of Tate & Lyle's Innovation and Commercial Development Group, as well as the regional headquarters for the Specialty Food Ingredients business in North America, is now nearing completion and the 160 high quality jobs will occupy their new offices in spring 2012. Avnet moved into the single story building near Tate & Lyle in the spring.

Retail/Restaurants: During 2011 a number of national and independent/local restaurants opened in Hoffman Estates. The Royal Seafood Buffet opened in the Golf Center Shopping Center (Roselle and Golf Roads), India House opened in Crossroads Commons (Golf Road), and Chipotle opened in a rehabbed strip center at Golf and Roselle Roads. All are doing well and show that the Hoffman Estates market area remains strong. Other new restaurants featuring a variety of cuisines that opened in Hoffman Estates include House of Pho, Eshticken Pizza, Frank's Shrimp House, and Which Wich.

Roselle Road Business Improvement District: Since the Hoffman Plaza Shopping Center is currently "for sale," it presents an opportunity for potential upgrades or redevelopment. The renovated Jewel store continues to be a solid anchor for the center. The adjacent outlot at the southeast corner of Golf and Roselle Roads completed a major renovation, including a new facade and building expansion to accommodate Chipotle, a Sprint store, and a mattress store. The vacant former gas station at Higgins and Roselle Roads remains an opportunity for potential developers.

Golf Center Shopping Center experienced 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 opened in the former Harlem Furniture building in September, bringing new visitors to the center and generating new revenue as customers have shown up in record numbers. Efforts continue to market the remaining vacant store fronts in the center to interested businesses.

Village staff continue to work with the developer who purchased the Myoda building on Roselle Road for a proposed bank. Coordination with Myoda, Firestone, Robin Realty, and Cook County Department of Highways has progressed to allow installation of a traffic signal on Roselle Road at the entrances to Golf Center and Hoffman Plaza. The signal would help to connect the entrances of the two shopping centers, as well as address traffic safety issues.

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, 2011 represented the best year for the arena with regards to higher than projected event income and lower than projected indirect expenses, increasing net income related to operations by nearly \$400,000 compared to the best year under the previous ownership. In addition to these positive financial results for 2011, the Sears Centre Arena also had a successful transition to a new security and parking company, expanded into the Hispanic market by offering additional Hispanic events in 2011, increased

event suite sales, and implemented a preventative maintenance program for the first time in the arena's history by hiring a full-time engineer.

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, 2011, General Fund unassigned fund balance is 23.5 percent of budgeted operating expenditures.

Relevant Financial Policies

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

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

Major Initiatives

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

Short-Term Goals:

- Build upon recent environmental recognition, including Platinum Clean Air Counts status and the Illinois Governor's Sustainability Award, by researching and drafting a Sustainability Plan with assistance from Boards and Commissions and other environmental partners.
- Through cooperation with the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA), work toward completion of Phase I engineering for the Barrington Road full interchange project.
- Reconstruct Hassell Road and complete the Palatine Road project utilizing federal Surface Transportation Program (STP) funds.
- Address the Emerald Ash Borer (EAB) infestation and its numerous impacts on the Village's public tree population, and be a resource for residents and businesses for private infestation.
- Maintain existing public safety programs, including school outreach, public education, citizen academies and neighborhood watch programs, that promote the safety of individuals, neighborhoods and the Village as a whole.
- Explore grants, alternative service delivery methods and innovative practices to augment the Village's financial resources. Provide savings to residents and businesses through municipal electricity aggregation.
- Continually improve the Sears Centre Arena's performance by increasing events, paid attendance, concession commissions and sponsorship/premium seating revenue across all areas.
- Revitalize aging shopping centers through innovative redevelopment strategies, including public-private partnerships impacting Barrington Square, Hoffman Village, the Roselle Road Business District and other centers.
- Evaluate and implement new avenues of communication, such as a Village Mobile Application, creating electronic forms available on the website and enhanced use of social media outlets.

Ongoing Goals:

- Explore and implement sustainable programs and practices as outlined in the Sustainability Plan by applying for grant opportunities, and integrate sustainability into Village operations where feasible.
- Cooperate with local, regional, state and national agencies to identify and implement initiatives to improve all modes of public transit, including vehicle, bicycle and pedestrian travel, throughout the Village.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the twenty-eighth 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 2011 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 third year the Village has received this award.

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

Respectfully submitted,



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, 2011, 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 financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 of Hoffman Estates, Illinois as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012 on our consideration of the Village's internal control over financial reporting and on 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 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of funding progress and employer contributions for pensions and other post employment benefits and budgetary comparison schedule as listed in the table of contents to be presented to supplement the financial statements. Such information, although not a part of the

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

In February 2009, the GASB released Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement is effective for fiscal periods beginning after June 15, 2010. The Village has implemented this statement retrospectively as of their fiscal year ended December 31, 2011. The statement addresses the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions as well as establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.



Crowe Horwath LLP

Oak Brook, Illinois
June 25, 2012

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

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

We have audited the 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, 2011 and 2010, which collectively comprise the Village's basic financial statements, and our reports thereon dated June 25, 2012 and June 24, 2011, which expressed an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the supplemental data are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.



Crowe Horwath LLP

Oak Brook, Illinois
June 25, 2012

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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, 2011. 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 4 through 5 of this report.

Fund Financial Statements

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

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

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

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

The Village maintains 28 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 and EDA General Account Fund, both of which are considered to be major funds. Data from the other 26 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 6 through 9 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 10 through 12 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 13 and 14 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 60 of this report.

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 61 through 68 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 69 through 131 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, 2011.

Net Assets

The table below reflects the condensed Statement of Net Assets.

**Table 1
Statement of Net Assets
As of December 31, 2011**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2010	2011	2010	2011	2010	2011
Current and Other Assets	\$ 64,040,981	\$ 59,943,737	\$ 9,234,550	\$ 8,050,927	\$ 73,275,531	\$ 67,994,664
Capital Assets	147,112,100	147,854,387	113,844,871	112,671,430	260,956,971	260,525,817
Total Assets	211,153,081	207,798,124	123,079,421	120,722,357	334,232,502	328,520,481
Long-Term Liabilities	159,189,632	143,037,385	57,424,407	56,209,564	216,614,039	199,246,949
Other Liabilities	26,898,404	24,123,792	3,097,966	2,775,609	29,996,370	26,899,401
Total Liabilities	186,088,036	167,161,177	60,522,373	58,985,173	246,610,409	226,146,350
Net Assets:						
Invested in Capital Assets,						
Net of Debt	97,434,737	96,991,246	57,838,788	57,288,598	155,273,525	154,279,844
Restricted	11,808,484	12,287,308	-	-	11,808,484	12,287,308
Unrestricted	(84,178,176)	(88,641,607)	4,718,260	4,448,586	(79,459,916)	(64,193,021)
Total Net Assets	\$ 25,065,045	\$ 40,636,947	\$ 62,557,048	\$ 61,737,184	\$ 87,622,093	\$ 102,374,131

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 (expired in 2010), \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$82,234,777 (as of December 31, 2011). 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

(See independent auditors' report.)

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

end of the useful life of the EDA, then the obligations would be cancelled and the Village would report a gain on the cancellation of said debt. Therefore, the deficit will be reduced and eliminated over the remaining life of the EDA TIF. It should be noted that the end of the life of the EDA was originally scheduled for 2012. However, recent legislation enacted by the State of Illinois has extended the EDA for an additional 15 years and it will now end in 2027.

Since the EDA 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, 2011

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Current and Other Assets	\$ 57,307,749	\$ 53,987,132	\$ 9,234,550	\$ 8,050,927	\$ 66,542,299	\$ 82,038,059
Capital Assets	147,112,100	147,854,387	113,844,871	112,671,430	260,956,971	260,525,817
Total Assets	204,419,849	201,841,519	123,079,421	120,722,357	327,499,270	322,563,876
Long-Term Liabilities	63,469,788	60,802,608	57,424,407	56,209,564	120,894,195	117,012,172
Other Liabilities	26,777,351	23,971,417	3,097,966	2,775,609	29,875,317	26,747,026
Total Liabilities	90,247,139	84,774,025	60,522,373	58,985,173	150,769,512	143,759,198
Net Assets:						
Invested in Capital Assets,						
Net of Debt	97,434,737	96,991,246	57,838,788	57,288,598	155,273,525	154,279,844
Restricted	5,201,282	6,477,937	-	-	5,201,282	6,477,937
Unrestricted	11,536,691	13,598,311	4,718,260	4,448,586	16,254,951	18,046,897
Total Net Assets	\$ 114,172,710	\$ 117,067,494	\$ 62,557,048	\$ 61,737,184	\$ 178,729,758	\$ 178,804,678

As you can see, the governmental activities no longer show 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 \$178,804,678 as of December 31, 2011. The Village's combined net assets increased by \$2,074,920 from 2010, primarily due to the positive financial results in the General Fund.

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, 2011

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2010	2011	2010	2011	2010	2011
Capital Assets	\$ 147,112,100	\$ 147,854,390	\$ 113,844,871	\$ 112,671,430	\$ 260,956,971	\$ 260,525,820
Less Outstanding Related Debt:						
1997A G.O. Bonds	(1,035,000)	(530,000)	-	-	(1,035,000)	(530,000)
2001 G.O. Bonds	(520,000)	-	-	-	(520,000)	-
2003 G.O. Bonds	(680,000)	-	-	-	(680,000)	-
2004 G.O. Bonds	(1,840,000)	(935,000)	-	-	(1,840,000)	(935,000)
2005A G.O. Bonds	-	-	(50,535,000)	(49,305,000)	(50,535,000)	(49,305,000)
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	(1,183,099)	(1,099,915)	-	-	(1,183,099)	(1,099,915)
Plus Outstanding Discounts	214,732	207,063	312,093	279,473	526,825	486,536
Plus Unamort. Loss on Refunding	48,641	15,803	-	-	48,641	15,803
Plus Unspent Bond Proceeds	5,656,113	1,817,655	878,074	303,945	6,534,187	2,121,600
Total	97,434,737	96,991,246	57,838,788	57,288,598	155,273,525	154,279,844

The second portion of the Village's net assets in the amount of \$18,046,897 represents funds that are unrestricted and can be used for Village services. The final portion of the Village's net assets in the amount of \$6,477,937 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 4.

Activities

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

(See independent auditors' report.)

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

Table 3
Changes in Net Assets
For the Fiscal Year Ended December 31, 2011

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
REVENUES						
Program Revenues:						
Charges for Services	\$ 8,342,247	\$ 9,588,415	\$ 12,458,038	\$ 13,054,456	\$ 20,800,285	\$ 22,642,871
Operating Grants	2,566,593	3,581,885	-	-	2,566,593	3,581,885
Capital Grants/Contributions	899,366	4,322,051	145,117	1,533,966	1,044,483	5,856,017
General Revenues:						
Property Taxes	44,460,848	38,455,279	-	-	44,460,848	38,455,279
Other Taxes	19,258,760	18,660,728	1,154,561	2,100,316	20,413,321	20,761,044
Other	1,330,963	3,322,801	4,682,278	1,068,643	6,013,241	4,391,444
Total Revenues	76,858,777	77,931,159	18,439,994	17,757,381	95,298,771	95,688,540
EXPENSES						
General Government	6,793,067	7,040,128	-	-	6,793,067	7,040,128
Public Safety	36,228,810	33,040,212	-	-	36,228,810	33,040,212
Highways and Streets	9,238,037	9,460,214	-	-	9,238,037	9,460,214
Sanitation	1,114,830	1,115,901	-	-	1,114,830	1,115,901
Health and Welfare	1,712,597	1,655,456	-	-	1,712,597	1,655,456
Culture and Recreation	237,733	241,334	-	-	237,733	241,334
Economic Development	1,989,694	2,009,349	-	-	1,989,694	2,009,349
Water and Sewer	-	-	11,981,864	13,204,142	11,981,864	13,204,142
Sears Centre	-	-	8,623,330	7,666,340	8,623,330	7,666,340
Interest on Long-Term Debt	6,721,799	5,503,426	-	-	6,721,799	5,503,426
Total Expenses	64,036,567	60,066,020	20,605,194	20,870,482	84,641,761	80,938,502
Excess (Deficiency)						
Before Transfers	12,822,210	17,865,139	(2,165,200)	(3,113,101)	10,657,010	14,752,038
Transfers In (Out)	293,095	(2,293,237)	(293,095)	2,293,237	-	-
Change in Net Assets	\$ 13,115,305	\$ 15,571,902	\$ (2,458,295)	\$ (819,864)	\$ 10,657,010	\$ 14,752,038
Net Assets (Deficit),						
January 1	\$ 11,949,740	\$ 25,065,045	\$ 65,015,343	\$ 62,557,048	\$ 76,965,083	\$ 87,622,093
December 31	\$ 25,065,045	\$ 40,636,947	\$ 62,557,048	\$ 61,737,184	\$ 87,622,093	\$ 102,374,131

For the fiscal year ended December 31, 2011, revenues from governmental activities totaled \$77.9 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$38 million. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

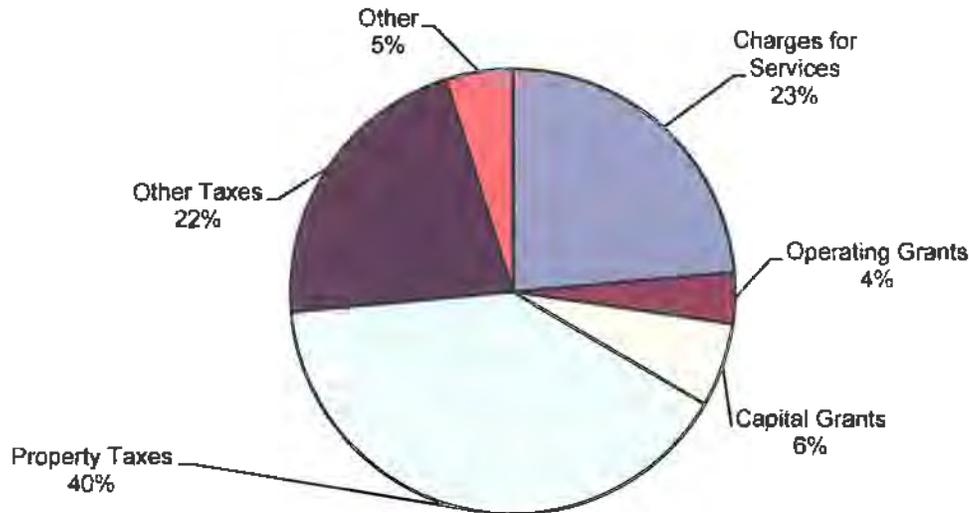
The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is a 9.5 percent tax (9.25 percent as of January 1, 2012), 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.

(See independent auditors' report.)

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

In 2011, state-shared sales tax revenues were \$5,951,289 compared to \$6,023,007 in 2010. Home-rule sales tax revenues also saw a minor decrease from \$3,397,574 in 2010 to \$3,312,721 in 2011, partially due to the incorrect allocation of Village-owned sales taxes from the State, which is projected to be corrected in 2012. In addition, there were a few restaurants that closed during the year which also impacted the sales tax collections.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2011



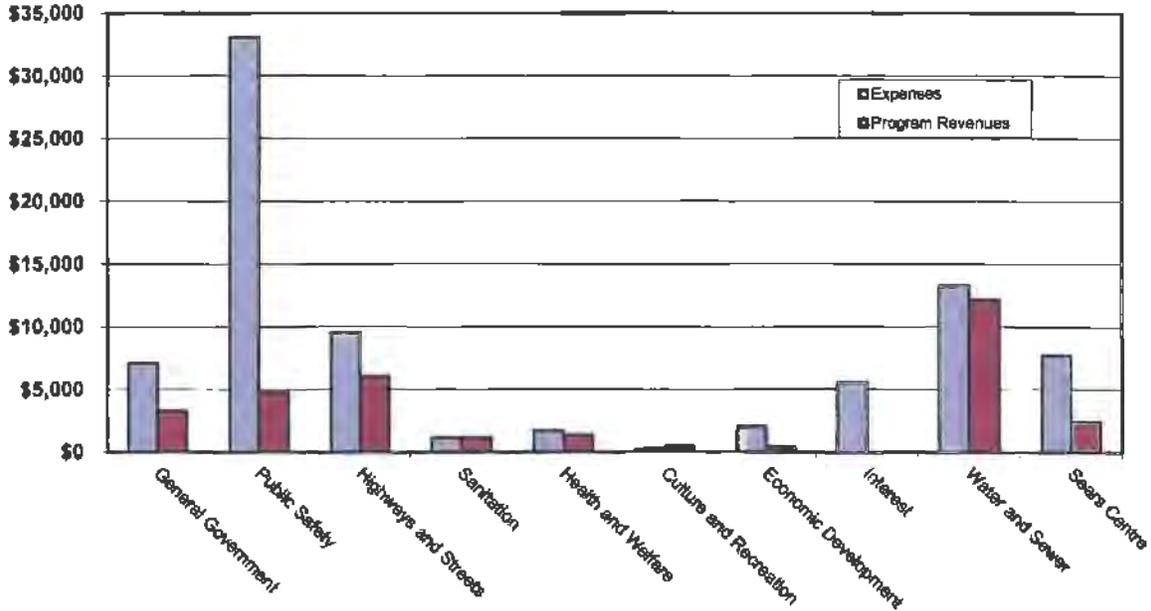
Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2010 and 2011, the Village's income and local use tax revenues decreased from \$5,314,607 to \$4,913,556. The reason for the decrease is due to the fact that the Village recognized fourteen months of revenue in 2010 to reflect a delay in the payments from the state that had been happening since 2009. Only twelve months of revenue has been recognized in 2011.

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 \$10,604,162 in 2011 compared to \$10,367,612 in 2010. The minor increase in these revenues is due to the annual rate increase that occurs each December 1st of about 6.2 percent. This increase is determined from a water rate study that is done every five years. The results of the study determine what the water rate needs to be for the next five years.

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.

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

Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2011
(Dollars in Thousands)

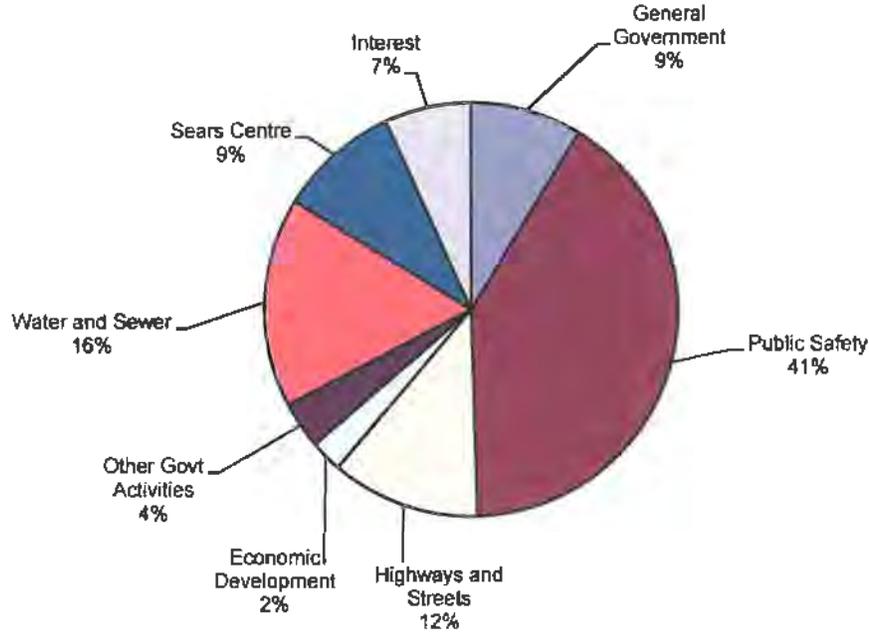


Village expenses amounted to \$80.9 million in 2011. Accounting for the largest share of the total expenses are public safety expenses related to the operations of the Police and Fire Departments. In 2011, due to strained financial resources, no new personnel was added to any Village department and many vacant positions were left unfilled.

With a high demand for skilled employees in both the public and private sectors in this region, it is important that the Village provide competitive compensation levels for our employees. However, due to the economy and continuing the effort to reduce General Fund expenditures, the annual funding of the Village's performance based employee compensation package was kept at a minimum with only an average of 2.5 percent increase given to non-union employees. Each of the collective bargaining units (Police, Fire, and Public Works) received salary increases based on their contractual agreements, some of which were amended due to concessions given during fiscal year 2010. Those agreements provided for various step (seniority) and general cost of living increases.

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

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2011



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 \$20,031,645, which represents general revenue to the governmental activities. There is also some miscellaneous and investment income in the amount of \$25,689. On the expense side, the Village recognized interest expense of \$2,503,902 related to the Revenue Notes as well as \$4,448,265 of general government, public safety and infrastructure improvements for the EDA. Removing this activity from the governmental activities results in the following:

(See independent auditors' report.)

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

Table 3-a
Changes in Net Assets Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2011

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 8,336,213	\$ 9,588,415	\$ 12,458,038	\$ 13,054,456	\$ 20,794,251	\$ 22,642,871
Operating Grants	2,566,593	3,581,885	-	-	2,566,593	3,581,885
Capital Grants/Contributions	899,366	4,322,051	145,117	1,533,968	1,044,483	5,856,017
General Revenues:						
Property Taxes	18,489,403	18,423,634	-	-	18,489,403	18,423,634
Other Taxes	19,258,760	18,880,728	1,154,561	2,100,316	20,413,321	20,761,044
Other	1,233,984	3,297,112	4,682,278	1,068,643	5,916,262	4,365,755
Total Revenues	50,784,319	57,873,825	18,439,984	17,757,381	69,224,313	75,631,206
EXPENSES						
General Government	6,448,895	6,697,489	-	-	6,448,895	6,697,489
Public Safety	32,607,837	29,181,960	-	-	32,607,837	29,181,960
Highways and Streets	9,026,571	9,303,991	-	-	9,026,571	9,303,991
Sanitation	1,114,830	1,115,901	-	-	1,114,830	1,115,901
Health and Welfare	1,712,597	1,655,456	-	-	1,712,597	1,655,456
Culture and Recreation	237,733	241,334	-	-	237,733	241,334
Economic Development	1,989,694	1,918,198	-	-	1,989,694	1,918,198
Water and Sewer	-	-	11,981,864	13,204,142	11,981,864	13,204,142
Sears Centre	-	-	8,623,330	7,666,340	8,623,330	7,666,340
Interest on Long-Term Debt	2,807,720	2,994,525	-	-	2,807,720	2,994,525
Total Expenses	55,945,877	53,108,854	20,605,194	20,670,482	76,551,071	73,979,336
Excess (Deficiency)						
Before Transfers	(5,161,558)	4,764,971	(2,165,200)	(3,113,101)	(7,326,758)	1,651,870
Transfers in (Out)	325,145	(1,870,187)	(293,095)	2,293,237	32,050	423,050
Change in Net Assets	\$ (4,836,413)	\$ 2,894,784	\$ (2,458,295)	\$ (619,864)	\$ (7,294,708)	\$ 2,074,920

As can be seen, when the EDA activity is removed, a clearer picture of the Village's finances is revealed. The reduction of net assets realized in fiscal year 2010 is primarily due to the spending of bond proceeds for capital projects. As for 2011, the Village is showing an increase in net assets of \$2,074,920 primarily due to grant revenue and contributions of assets.

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, 2011, the governmental funds reported combined ending fund balances of over \$32 million. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,616,671, while total fund balance equaled \$12,942,687. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unassigned fund balance and total fund

(See independent auditors' report.)

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

balance to total fund expenditures. Unassigned fund balance represents 26.3 percent of budgeted General Fund expenditures, while total fund balance represents 29.3 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2011

	<i>Original</i>	<i>Amended</i>	<i>Actual</i>	
	<i>Budget</i>	<i>Budget</i>	<i>2011</i>	<i>2010</i>
REVENUES & SALE OF CAPITAL ASSETS				
Taxes	\$24,120,528	\$24,120,528	\$23,543,577	\$23,526,451
Inter-Governmental	11,525,720	11,662,720	12,019,865	12,101,914
Other	10,952,360	11,067,860	12,482,721	8,636,319
Total Revenues	46,598,608	46,851,108	48,046,163	44,264,684
EXPENDITURES AND TRANSFERS				
Expenditures	(44,122,948)	(44,311,448)	(43,078,267)	(43,221,652)
Transfers Out	(3,413,110)	(3,477,110)	(3,475,963)	(730,987)
Total Expenditures and Transfers	(47,536,058)	(47,788,558)	(46,554,230)	(43,952,639)
Change in Fund Balance	(\$937,450)	(\$937,450)	\$1,491,933	\$312,045

The fund balance of the Village's General Fund increased by \$1,491,933 during the current fiscal year, which was a positive result when compared to the planned drawdown of \$937,450. 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 \$1,447,555 during fiscal year 2011, which hopefully is a continued sign that the economic downturn is ending. During fiscal years 2008 and 2009, revenues fell short of projections and the economic downturn had a tremendous impact on Hoffman Estates' overall budget. Village revenues had dropped almost \$7 million during these two previous years. All of the Village's economy or consumption driven revenues, like sales tax, food & beverage tax, hotel tax, development fees, real estate transfer tax, and building permits all saw significant decreases.

Budget reduction plans had to be implemented at mid-year 2008 and mid-year 2009 for over \$6.1 million. Fiscal year 2010 saw a leveling off of the negative impact on the Village's General Fund and as for 2011, actual General Fund expenditures and transfers ended up being under the original budget by \$1,044,681 and less than the amended budget by \$1,233,181. 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 2012.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2011. 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, 2011.

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

With respect to the business-type activities, the Waterworks and Sewerage Fund recorded a decrease in net assets in the amount of \$1,079,419, which was significantly lower than the \$3.6 million decrease that was originally projected. This more positive outcome is primarily due to the fact that the Village budgets for capital purchases from a cash flow perspective, but in reality, those expenses are not realized because the purchases are capitalized as a fixed asset. Unrestricted net assets of the Waterworks and Sewerage Fund at the end of the year amounted to \$2,634,321.

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, 2011 this fund had unrestricted net assets in the amount of \$1,814,265.

The Village Board amended the fiscal year 2011 budget once. This budget amendment was primarily for the following purposes related to the General Fund:

- Several departments had to increase their budget due to the spending of grant revenues in the amount of \$137,000.

Of the total budgeted expense increases of \$23,027,950, \$15,989,000 represented EDA incremental property taxes to pay outstanding EDA revenue notes; \$4,422,450 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, 2011 amounted to \$260,525,820 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, and storm sewers. The total investment in capital assets for the current fiscal year decreased by less than 1 percent from 2010.

Major capital asset events during 2011 included the following:

- In an effort to improve the sale value of the land, the old police station was demolished and the \$1,524,531 relating to the building was removed from the Village's financial records. The building would have been fully depreciated at the end of 2011. The land was sold for \$2,514,270 and the original value of the land of \$134,950 was also removed from the records.
- The Fire Department received a FEMA grant to purchase 13 new cardiac monitors/defibrillators to be distributed throughout the Village. The grant reimbursed the Village 80% of its costs. Additionally, the vendor purchased our 12 outdated monitors. The financial impact of this capital asset transaction resulted in the removal of the old monitors with an original value of \$183,861, which had been fully depreciated, and the addition of 13 new monitors valued at \$372,380.
- The Police Department purchased ten new squad/administration vehicles totaling \$226,058.
- The Beacon Point Subdivision was accepted into the Village. This resulted in the following infrastructure additions:
 - Right-of-ways valued at \$1,150,341
 - Storm sewers valued at \$843,843
 - Streets valued at \$1,679,520
 - Sanitary sewer lines valued at \$572,591
 - Water main lines valued at \$546,392
- Americare Nursing Institute, NSK America Corp, and the St. Alexius Medical Center addition were accepted into the Village, adding \$356,085 in water main and sanitary sewer assets.
- Water Tower T-7 was completed and added to the capital assets for \$4,434,566.

(See independent auditors' report.)

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

- Various critical lift station and sanitary sewer repairs and improvements were completed for \$2,223,476.

The schedule below reflects the Village's capital asset balances as of December 31, 2011.

**Table 5
Capital Assets
As of December 31, 2011**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
Land and Land Right of Way	\$ 46,090,270	\$ 47,090,611	\$ 6,499,000	\$ 6,499,000	\$ 52,589,270	\$ 53,589,611
Plant System and Equipment	-	-	47,155,826	53,656,360	47,155,826	53,656,360
Buildings and Improvements	29,663,249	50,212,758	74,059,000	74,174,256	103,722,249	124,387,014
Machinery, Vehicles and Equipment	12,101,513	11,983,071	7,348,117	7,118,464	19,449,630	19,101,535
Infrastructure	98,423,840	102,341,736	-	-	98,423,840	102,341,736
Construction in Progress	21,989,375	53,253	5,317,358	153,932	27,306,733	207,185
Less:						
Accumulated Depreciation	(61,156,147)	(63,827,039)	(26,534,430)	(28,930,582)	(87,690,577)	(92,757,621)
Total	147,112,100	147,854,390	113,844,871	112,671,430	260,956,971	260,525,820

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

Long-Term Debt

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

**Table 6
Bonded and Similar Indebtedness
As of December 31, 2011**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
General Obligation Bonds	\$ 54,413,750	\$ 51,803,750	\$ 57,196,250	\$ 55,966,250	\$ 111,610,000	\$ 107,770,000
Unamortized Prem/(Discount)	968,366	892,853	(312,093)	(279,473)	656,273	613,380
TIF Revenue Notes	99,304,684	85,819,617	-	-	99,304,684	85,819,617
Net Pension Obligation	283,497	304,049	-	-	283,497	304,049
Capital Lease	-	-	21,083	16,483	21,083	16,483
Compensated Absences	2,626,529	2,614,326	328,410	309,122	2,956,939	2,923,448
Net OPEB	1,139,753	1,220,428	127,031	136,023	1,266,784	1,356,451
Termination Benefits	451,053	382,562	63,726	61,169	514,779	443,721
Total	\$ 159,189,632	\$ 143,037,585	\$ 57,424,407	\$ 56,208,564	\$ 216,614,039	\$ 199,247,149

At the end of the current fiscal year, the Village had total debt outstanding of \$199,247,149. Of this amount, \$107,770,000 comprises general obligation bonds backed by the full faith and credit of the Village. The Village also issues notes where the Village pledges incremental tax income derived from a separately created tax increment financing district. These notes are not obligations of the Village and are secured only by the incremental revenues generated by the EDA TIF district.

(See Independent auditors' report.)

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

In 2011, the Village's total long-term debt decreased by \$17,366,890 or 8.0 percent. This was primarily due to the annual EDA note payment in the amount of \$15,988,969 from EDA incremental revenues.

As an Illinois home-rule community, the Village is not subject to any debt limitation. The Village's general obligation bonds have been given a credit rating of Aa2 from Moody's Investors Services and AA+ from Standard & Poor's. Standard & Poor's recently reported that the Village has very strong income levels, we maintain very strong General Fund reserves, and we have a moderate overall debt burden. That, combined with our participation in the deep and diverse Chicago metropolitan area economy, makes the Village have a stable financial outlook.

Additional information on the Village's long-term debt can be found in note 5 on pages 31 through 38 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, stabilized somewhat in fiscal year 2011 after significant increases in 2010 due to unparalleled declines in pension fund reserves because of 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 recently to mitigate its investment loss and offered options to municipalities to cap their fund contribution for municipal employees (except police and fire).

However, meaningful pension reform related to police and fire pensions was a little more difficult to come by. Because of this, 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 2010 census found that the median household income was \$75,506 and the median home value was \$301,500. The Village's population, per the 2010 census, is 51,895, an increase of 2,400 from the 2000 census figure of 49,495. This increase in population means that the Village will be entitled to larger portions of state-shared revenue such as income taxes and motor fuel taxes.

All of these factors were considered in preparing the Village's budget for the 2012 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased from \$9,903,991 to \$11,616,671 primarily due to higher than projected revenues. The Village is planning on utilizing \$320,030 of this fund balance in the 2012 fiscal year budget.

The water and sewer rates were increased in December 2010 by an average of 6.2 percent for all customers, and again in December 2011 by the same amount. These rate increases were necessary in

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

order to fund future water and sewer system improvements and were determined by the water and sewer rate study conducted by the Village. In addition to this, however, the City of Chicago recently announced plans to significantly increase the cost of water being provided to its residents as well as the surrounding counties that it provides water to, including the Village of Hoffman Estates. Hoffman Estates is a member of the Joint Action Water Agency of Cook County (JAWA). JAWA is a municipal corporation consisting of seven municipalities, established to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members. JAWA has entered into an agreement with the City of Chicago under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2020. The Village is not in a position to absorb any of the potential increase, and so an increase was enacted effective March 1, 2012 of an additional 13.5 percent and the next scheduled increase will be on December 1, 2012 of about 14.0 percent. The final increase pertaining to the current water rate study will be implemented on December 1, 2013 of about 9.9 percent.

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, 2011

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Investments	\$ 31,212,788	\$ 6,747,494	\$ 37,960,282
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property taxes	17,845,252	-	17,845,252
Accounts	164,719	1,945,820	2,110,539
Accrued Interest	21,059	-	21,059
Other	1,863,944	315,770	2,179,714
Deposits	59,200	-	59,200
Prepaid Expenses	185,760	52,871	238,631
Inventory	156,286	174,472	330,758
Other Assets	79,683	-	79,683
Due from Other Governments	4,957,546	-	4,957,546
Internal Balances	1,773,312	(1,773,312)	-
Due from Fiduciary Funds	721,814	-	721,814
Advances to Fiduciary Funds	31,100	-	31,100
Net Pension Asset	446,758	-	446,758
Capital Assets			
Not Depreciated	47,143,864	6,852,932	53,796,796
Depreciated (Net of Accumulated Depreciation)	100,710,526	106,018,498	206,729,024
Deferred Charges	424,513	587,812	1,012,325
TOTAL ASSETS	207,798,124	120,722,357	328,520,481
LIABILITIES			
Accounts Payable	1,706,700	1,532,396	3,239,096
Accrued Payroll	512,074	47,073	559,147
Accrued Interest Payable	214,418	245,413	459,831
Claims Payable	634,744	-	634,744
Benefits Payable	187,469	-	187,469
Unearned Revenues	18,033,135	896,379	18,929,514
Deposits Payable	2,771,004	33,959	2,804,963
Event Deposits	-	20,389	20,389
Due to Fiduciary Funds	64,248	-	64,248
Long-Term Liabilities			
Due Within One Year	3,316,670	1,490,184	4,806,854
Due in More than One Year	139,720,715	54,719,380	194,440,095
TOTAL LIABILITIES	167,161,177	58,985,173	226,146,350
NET ASSETS			
Invested in capital assets, net of related debt	96,991,246	57,288,598	154,279,844
Restricted for:			
Employee Loan Program	85,353	-	85,353
Highways and Streets	1,423,852	-	1,423,852
Emergency Equipment	64,434	-	64,434
Public Safety	246,703	-	246,703
Economic Development	7,639,092	-	7,639,092
Bond Projects	1,265,566	-	1,265,566
Debt service	1,542,308	-	1,542,308
Unrestricted (Deficit)	(68,641,807)	4,448,586	(64,193,021)
TOTAL NET ASSETS	\$ 40,636,947	\$ 61,737,184	\$ 102,374,131

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

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	\$ 7,040,128	\$ 3,172,718	\$ -	\$ 92,055	\$ (3,775,355)		\$ (3,775,355)
Public Safety	33,040,212	2,946,067	1,289,460	556,292	(28,248,393)		(28,248,393)
Highways and Streets	9,460,214	220,572	2,112,587	3,673,704	(3,453,351)		(3,453,351)
Sanitation	1,115,901	1,124,851	-	-	8,950		8,950
Health and Welfare	1,655,456	1,343,752	-	-	(311,704)		(311,704)
Culture and Recreation	241,334	548,461	-	-	307,127		307,127
Economic Development	2,009,349	231,994	179,838	-	(1,597,517)		(1,597,517)
Interest	5,503,426	-	-	-	(5,503,426)		(5,503,426)
Total Governmental Activities	60,066,020	9,588,415	3,581,885	4,322,051	(42,573,669)		(42,573,669)
Business-Type Activities:							
Waterworks and Sewerage	13,204,142	10,604,162	-	1,529,016	-	\$ (1,070,964)	(1,070,964)
Sears Centre	7,666,340	2,450,294	-	4,950	-	(5,211,096)	(5,211,096)
Total Business-Type Activities	20,870,482	13,054,456	-	1,533,966	-	(6,282,060)	(6,282,060)
Total Primary Government	\$ 80,936,502	\$ 22,642,871	\$ 3,581,885	\$ 5,856,017	(42,573,669)	(6,282,060)	(48,855,729)
General Revenues:							
Taxes:							
Property					38,455,279	-	38,455,279
Sales					5,951,289	-	5,951,289
Home Rule Sales					3,312,721	-	3,312,721
Real Estate Transfer					366,253	-	366,253
Income and Local Use					4,913,556	-	4,913,556
Hotel/Motel					1,064,607	-	1,064,607
Telecommunications					2,741,011	-	2,741,011
Food and Beverage					-	1,780,237	1,780,237
Entertainment					21,789	320,079	341,868
Replacement					253,346	-	253,346
Other					36,156	-	36,156
Investment Income					72,689	5,426	78,115
Miscellaneous					3,250,112	1,063,217	4,313,329
Transfers In (Out)					(2,293,237)	2,293,237	-
Total General Revenues and Transfers					58,145,571	5,462,196	63,607,767
Change In Net Assets					15,571,902	(819,864)	14,752,038
Net Assets, Beginning of Year					25,065,045	62,557,048	87,622,093
Net Assets, End of Year					\$ 40,636,947	\$ 61,737,184	\$ 102,374,131

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	<u>Major Governmental Funds</u>			Total
	General	EDA General Account	Other Governmental Funds	
ASSETS				
Cash and Investments	\$ 7,892,228	\$ -	\$ 20,960,730	\$ 28,852,958
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	15,734,333	-	2,110,919	17,845,252
Accounts	164,719	-	-	164,719
Accrued Interest	187	-	20,872	21,059
Other	1,752,822	-	111,122	1,863,944
Prepaid Items	115,656	-	66,688	182,344
Inventory	156,286	-	-	156,286
Other Assets	-	-	79,683	79,683
Due from Other Governments	4,848,393	-	109,153	4,957,546
Due from Other Funds	428,480	-	207,791	636,271
Due from Fiduciary Funds	721,814	-	-	721,814
Advances to Other Funds	600,000	-	1,000,000	1,600,000
Advances to Fiduciary Funds	31,100	-	-	31,100
TOTAL ASSETS	<u>\$ 32,446,018</u>	<u>\$ -</u>	<u>\$ 24,666,958</u>	<u>\$ 57,112,976</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,246,047	\$ -	\$ 419,139	\$ 1,665,186
Accrued Payroll	459,475	-	44,092	503,567
Deferred Revenues	16,668,859	-	2,430,037	19,098,896
Due to Other Funds	83,009	-	319,580	402,589
Due to Fiduciary Funds	62,748	-	1,500	64,248
Deposits Payable	983,193	-	1,787,811	2,771,004
TOTAL LIABILITIES	<u>19,503,331</u>	<u>-</u>	<u>5,002,159</u>	<u>24,505,490</u>
FUND BALANCES				
Nonspendable:				
Prepays Items	115,656	-	66,688	182,344
Inventories	156,286	-	-	156,286
Insurance Deposits	876,935	-	-	876,935
Restricted:				
Employee Loan Program	85,353	-	-	85,353
Highways & Streets	-	-	1,423,852	1,423,852
Emergency Equipment	-	-	84,434	84,434
Public Safety	91,786	-	154,917	246,703
Economic Development	-	-	7,639,092	7,639,092
Bond Projects	-	-	1,265,566	1,265,566
Debt Service	-	-	1,542,308	1,542,308
Assigned:				
Capital Improvements	-	-	7,487,942	7,487,942
Unassigned	11,616,671	-	-	11,616,671
TOTAL FUND BALANCES	<u>12,942,687</u>	<u>-</u>	<u>19,664,799</u>	<u>32,607,486</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,446,018</u>	<u>\$ -</u>	<u>\$ 24,666,958</u>	<u>\$ 57,112,976</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
December 31, 2011

Total Fund Balances - Governmental Funds		\$ 32,607,486
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	\$ 211,681,429	
Accumulated depreciation	<u>(63,827,039)</u>	
Net capital assets	147,854,390	
Less Capital Assets of Internal Service Funds Included Below	<u>(226,304)</u>	
		147,628,086
Net Pension Asset is Reported as an Asset on the Statement of Net Assets		446,758
Unamortized Loss on Refunding is Shown as a Deferred Charge on the Statement of Net Assets		15,803
Unamortized Bond Issuance Costs are Shown as a Deferred Charge on the Statement of Net Assets		408,710
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	(2,614,326)	
Plus Compensated Absences of Internal Service Funds Included Above	26,686	
Net Other Post-Employment Benefit Obligation	(1,220,428)	
Plus Net Other Post-Employment Benefit Obligation of Internal Service Funds Included Above	18,892	
Net Pension Obligation	(195,200)	
Termination Benefits Payable	(382,562)	
Net IMRF Pension Obligation	(108,649)	
Unamortized Bond Premium/Discount	(892,852)	
General Obligation Bonds Payable	(51,803,750)	
Tax Increment Financing Notes Payable	<u>(85,819,617)</u>	
		(142,991,806)
Accrued Interest on Long-Term Liabilities is Shown as a Liability on the Statement of Net Assets		(214,418)
Certain Revenues that are Deferred in the Governmental Funds are Recognized as Revenue on the Statement of Net Assets		1,085,760
The Net Assets of the Internal Service Funds are Included in the Governmental Activities in the Statement of Net Assets		<u>1,670,568</u>
Net Assets of Governmental Activities		<u>\$ 40,636,947</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	Major Governmental Funds			Total
	General	EDA General Account	Other Governmental Funds	
REVENUES				
Taxes	\$ 23,543,577	\$ 15,988,968	\$ 6,111,286	\$ 45,643,831
Licenses and Permits	2,049,297	-	-	2,049,297
Intergovernmental	12,019,865	-	2,586,440	14,606,305
Charges for Services	6,269,750	-	433,740	6,703,490
Fines and Forfeits	806,084	-	1,159,081	1,965,165
Interest Income	23,016	-	48,003	71,019
Miscellaneous	3,334,574	-	159,800	3,494,374
TOTAL REVENUES	48,046,163	15,988,968	10,498,350	74,533,481
EXPENDITURES				
Current:				
General Government	5,295,530	-	342,639	5,638,169
Public Safety	28,034,071	-	4,033,323	32,067,394
Highways and Streets	4,961,989	-	238,972	5,200,961
Sanitation	1,115,901	-	-	1,115,901
Health and Welfare	1,661,144	-	-	1,661,144
Culture and Recreation	216,819	-	-	216,819
Economic Development	1,792,813	-	206,655	1,999,468
Capital Outlay	-	-	4,313,811	4,313,811
Debt Service				
Principal Retirement	-	15,988,968	2,610,000	18,598,968
Interest and Fiscal Charges	-	-	3,015,117	3,015,117
TOTAL EXPENDITURES	43,078,267	15,988,968	14,760,517	73,827,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,967,896	-	(4,262,167)	705,729
OTHER FINANCING SOURCES (USES)				
Transfers In	380,000	-	5,406,586	5,786,586
Transfers (Out)	(3,855,963)	-	(4,300,273)	(8,156,236)
TOTAL OTHER FINANCING SOURCES (USES)	(3,475,963)	-	1,106,313	(2,369,650)
Net Change in Fund Balances	1,491,933	-	(3,155,854)	(1,663,921)
Fund Balances at Beginning of Year (Restated)	11,450,754	-	22,820,653	34,271,407
Fund Balances at End of Year	<u>\$ 12,942,687</u>	<u>\$ -</u>	<u>\$ 19,664,799</u>	<u>\$ 32,607,486</u>

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, 2011

Net Change in Total Fund Balances - Governmental Funds		\$ (1,663,921)
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		6,124,605
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		(471,940)
Contribution of capital assets from business type activities		13,250
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		18,598,969
Certain Items are Reported as Interest Expense on the Statement of Activities:		
Accretion of Interest on Bonds	\$ (2,503,902)	
Change in Accrued Interest Payable	8,445	
Amortization of Certain Deferred Charges	<u>7,148</u>	
		(2,488,309)
Depreciation Expense Does not Require the Use of Current Financial Resources, and Therefore, is not Reported as Expenditures in the Governmental Funds		(4,923,626)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Fund Statements		(277,696)
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	68,491	
Change in Net Other Post-Employment Benefit Obligations	(79,426)	
Change in Net Pension Asset	25,825	
Change in Net Pension Obligation	14,997	
Change in Net IMRF Pension Obligation	(35,349)	
Change in Compensated Absences	<u>(204,946)</u>	
		(210,408)
The Change in Net Assets of Certain Activities of Internal Service Funds (Excluding Depreciation Included Above) is in Governmental Funds		<u>870,978</u>
Change in Net Assets of Governmental Activities		<u>\$ 15,571,902</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
ASSETS				
Current				
Cash and Investments	\$ 2,427,840	\$ 4,319,654	\$ 6,747,494	\$ 2,359,830
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Accounts	1,785,259	180,561	1,945,820	-
Other	-	315,770	315,770	-
Prepaid Items	-	52,871	52,871	3,416
Deposits	-	-	-	59,200
Inventories	174,472	-	174,472	-
Due from Other Funds	-	2,129	2,129	9,284
Deferred Charges	55,841	531,971	587,812	-
Total Current Assets	4,423,412	5,402,956	9,826,368	2,431,730
Noncurrent Assets				
Capital Assets Not Being Depreciated	652,932	6,000,000	6,652,932	-
Capital Assets Being Depreciated	56,901,584	78,047,518	134,949,080	449,291
Accumulated Depreciation	(24,130,855)	(4,799,727)	(28,930,582)	(222,987)
Total Noncurrent Assets	33,423,641	79,247,789	112,671,430	226,304
TOTAL ASSETS	37,847,053	84,650,745	122,497,798	2,658,034
LIABILITIES				
Current Liabilities				
Accounts Payable	770,550	761,848	1,532,396	41,514
Accrued Payroll	47,073	-	47,073	8,507
Events Payable	-	20,389	20,389	-
Accrued Interest Payable	27,755	217,658	245,413	-
Deferred Revenues	-	896,379	896,379	-
Claims Payable	-	-	-	634,744
Benefits Payable	-	-	-	187,489
Due to Other Funds	99,505	75,936	175,441	69,654
Advances	-	1,600,000	1,600,000	-
Deposits Payable	33,959	-	33,959	-
Long-term Obligations, Due within One Year:				
General Obligation Bonds Payable	-	1,285,000	1,285,000	-
Capital Lease Payable	-	4,600	4,600	-
Compensated Absences Payable	139,425	-	139,425	26,686
Total Current Liabilities	1,118,267	4,861,808	5,980,075	968,574
NonCurrent Liabilities				
General Obligation Bonds Payable	6,661,250	48,020,000	54,681,250	-
Capital Lease Payable	-	11,883	11,883	-
Compensated Absences Payable	169,697	-	169,697	-
Other Post-Employment Benefit Obligations	136,023	-	136,023	18,892
Termination Benefits Payable	61,159	-	61,159	-
Unamortized Discount on Bonds	(69,021)	(210,452)	(279,473)	-
Total Noncurrent Liabilities	6,959,108	47,821,431	54,780,539	18,892
TOTAL LIABILITIES	8,077,375	52,683,239	60,760,614	987,466
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	27,135,357	30,153,241	57,288,598	226,304
Unrestricted	2,634,321	1,814,265	4,448,586	1,444,264
TOTAL NET ASSETS	\$ 29,769,678	\$ 31,967,506	\$ 61,737,184	\$ 1,670,568

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
OPERATING REVENUES				
Charges for Services	\$ 10,604,162	\$ 2,419,078	\$ 13,023,240	\$ 2,636,861
TOTAL OPERATING REVENUES	<u>10,604,162</u>	<u>2,419,078</u>	<u>13,023,240</u>	<u>2,636,861</u>
OPERATING EXPENSES				
Operations	-	-	-	936,808
Claims and Insurance	-	-	-	893,908
Water Division	10,133,767	-	10,133,767	-
Sewer Division	1,917,708	-	1,917,708	-
Sears Centre	-	2,472,951	2,472,951	-
Depreciation	1,148,042	2,346,785	3,494,827	41,773
TOTAL OPERATING EXPENSES	<u>13,199,517</u>	<u>4,819,736</u>	<u>18,019,253</u>	<u>1,872,489</u>
Operating Income (Loss)	<u>(2,595,355)</u>	<u>(2,400,658)</u>	<u>(4,996,013)</u>	<u>764,372</u>
NONOPERATING INCOME (EXPENSES)				
Entertainment and Food & Beverage Tax	-	2,100,316	2,100,316	-
Grant Income	11,345	-	11,345	-
Licenses and Permits	-	31,216	31,216	-
Interest Income	4,694	732	5,426	1,670
Interest Expense	-	(2,664,898)	(2,664,898)	-
Amortization Expense	(4,625)	(106,060)	(110,685)	-
Miscellaneous Revenue	57,884	929,687	987,571	-
TOTAL NONOPERATING INCOME (EXPENSES)	<u>69,298</u>	<u>290,993</u>	<u>360,291</u>	<u>1,670</u>
Income (Loss) before Transfers and Contributions	<u>(2,526,057)</u>	<u>(2,109,665)</u>	<u>(4,635,722)</u>	<u>766,042</u>
TRANSFERS				
Transfers In	279,720	4,650,570	4,930,290	63,163
Transfers (Out)	(350,753)	(2,286,300)	(2,637,053)	-
TOTAL TRANSFERS	<u>(71,033)</u>	<u>2,364,270</u>	<u>2,293,237</u>	<u>63,163</u>
CONTRIBUTIONS	<u>1,517,671</u>	<u>4,950</u>	<u>1,522,621</u>	<u>-</u>
Change in Net Assets	(1,079,419)	259,555	(819,864)	829,205
Net Assets at Beginning of Year	<u>30,849,097</u>	<u>31,707,951</u>	<u>62,557,048</u>	<u>841,363</u>
Net Assets at End of Year	<u>\$ 29,769,678</u>	<u>\$ 31,967,506</u>	<u>\$ 61,737,184</u>	<u>\$ 1,670,568</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2011

	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	\$ 10,665,996	\$ 3,147,211	\$ 13,813,207	\$ -
Cash Received from Interfund Services Transactions	-	-	-	2,636,861
Cash Payments to Suppliers	(9,830,185)	(2,264,695)	(12,094,880)	(2,088,525)
Cash Payments for Interfund Services Transactions	(186,100)	-	(186,100)	-
Cash Payments to Employees	(2,487,875)	-	(2,487,875)	(458,365)
Net Cash Provided By (Used In) Operating Activities	<u>(1,838,164)</u>	<u>882,516</u>	<u>(955,648)</u>	<u>89,971</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Borrowing (Lending)	(30,361)	114,331	83,970	67,725
Entertainment/Food & Beverage Tax	-	2,100,316	2,100,316	-
Licenses and Permits	-	31,216	31,216	-
Transfers In (Out)	(71,033)	2,364,270	2,293,237	63,163
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(101,394)</u>	<u>4,610,133</u>	<u>4,508,739</u>	<u>130,888</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(2,274,428)	(46,958)	(2,321,386)	-
Principal Payment on Bonds and Leases	-	(1,234,600)	(1,234,600)	-
Interest and Fiscal Charges Paid on Bonds	(1)	(2,669,715)	(2,669,716)	-
Proceeds from Capital Contributions	1,517,671	4,950	1,522,621	-
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(756,758)</u>	<u>(3,946,323)</u>	<u>(4,703,081)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	4,694	746	5,440	1,670
Net Cash Provided By (Used In) Investing Activities	<u>4,694</u>	<u>746</u>	<u>5,440</u>	<u>1,670</u>
Net Increase (Decrease) in Cash	(2,691,622)	1,547,072	(1,144,550)	222,529
Cash and Cash Equivalents, Beginning of Year	5,119,462	2,772,582	7,892,044	2,137,301
Cash and Cash Equivalents, End of Year	<u>\$ 2,427,840</u>	<u>\$ 4,319,654</u>	<u>\$ 6,747,494</u>	<u>\$ 2,359,830</u>
Reconciliation of Operating Income to				
Net Cash Used in Operating Activities:				
Operating Income (Loss)	\$ (2,595,355)	\$ (2,400,658)	\$ (4,996,013)	\$ 764,372
Adjustment to Reconcile Operating Income				
to Net Cash Used in Operating Activities:				
Depreciation	1,148,042	2,346,785	3,494,827	41,773
Miscellaneous Revenues	57,884	929,687	987,571	-
Grant Revenues	11,345	-	11,345	-
(Increase) Decrease in Receivable	(7,395)	(201,554)	(208,949)	-
(Increase) Decrease in Prepaid Expenses	-	70,391	70,391	-
Increase (Decrease) in Deposits	(1,441)	-	(1,441)	(3,416)
(Increase) Decrease in Inventory	15,583	-	15,583	-
Increase (Decrease) in Accounts Payable	(454,341)	431,057	(23,284)	(358,267)
Increase (Decrease) in Salaries Payable	377	(4,307)	(3,930)	(573)
Increase (Decrease) in Benefits Payable	-	-	-	60,810
Increase (Decrease) in Claims Payable	-	-	-	(418,543)
Increase (Decrease) in Deferred Revenue	-	(288,885)	(288,885)	-
Increase (Decrease) in Compensated Absences Payable	(19,288)	-	(19,288)	2,567
Increase (Decrease) in Termination Benefits Payable	-	-	-	-
Increase (Decrease) in Other Post-Employment Benefits Payable	6,425	-	6,425	1,248
Total Adjustments	<u>757,191</u>	<u>3,283,174</u>	<u>4,040,365</u>	<u>(674,401)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,838,164)</u>	<u>\$ 882,516</u>	<u>\$ (955,648)</u>	<u>\$ 89,971</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 1,887,547	\$ 15,559,991
Investments, at Fair Value		
U.S. Treasury Securities	32,931,725	-
U.S. Agency Securities	20,588,082	-
Corporate Bonds	263,973	-
Mutual Funds	37,133,710	-
Money Market Mutual Funds	1,584,502	-
Equity Securities	12,194,954	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Interest Receivable	414,262	-
Dua from Primary Government	62,748	1,500
Assets Held by Agents	-	58,754
TOTAL ASSETS	107,061,503	\$ 15,620,245
LIABILITIES		
Accounts Payable	57,223	\$ -
Due to Participants	-	27,654
Due to Primary Government	-	721,814
Advances from Primary Government	-	31,100
Due to Other Entities	-	14,839,677
TOTAL LIABILITIES	57,223	\$ 15,620,245
NET ASSETS		
Held in Trust for Pension Benefits	\$ 107,004,280	

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
Year ended December 31, 2011

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer Contributions	\$ 4,986,095
Employee Contributions	1,603,641
Other Contributions	<u>34,064</u>
Total Contributions	<u>6,623,800</u>
Investment Income (Loss)	
Net Depreciation in Fair Value of Investments	(3,296,495)
Interest Revenue	3,418,093
Investment Expense	<u>(300,798)</u>
Net Investment Income	<u>(179,200)</u>
 TOTAL ADDITIONS	 <u>6,444,600</u>
 DEDUCTIONS	
Benefits and Refunds	5,888,545
Miscellaneous	<u>74,853</u>
 TOTAL DEDUCTIONS	 <u>5,963,198</u>
 Net Change in Plan Net Assets	 481,402
 Plan Net Assets at Beginning of Year	 <u>106,522,878</u>
 Plan Net Assets at End of Year	 <u>\$ 107,004,280</u>

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

<u>Footnote Number</u>	<u>Description</u>	<u>Page Number(s)</u>
1	Summary of Significant Accounting Policies	16 – 24
2	Deposits and Investments	24 – 27
3	Receivables	28
4	Capital Assets	29 – 30
5	Long-Term Debt	31 – 38
6	Interfund Accounts	39 – 40
7	Risk Management	41 – 42
8	Contingent Liabilities	42
9	Contractual Commitments	42 – 44
10	Joint Ventures	44 – 45
11	Defined Benefit Pension Plans	45 – 54
12	Termination Benefit	55
13	Other Post-Employment Benefits	55 – 57
14	Subsequent Events	58
15	New Accounting Pronouncements	58 – 60

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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, 2011

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, 2011

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 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, 2011

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, 2011, 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 \$644,831, 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, 2011

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 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and August 1, 2012, 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 2011 levy is intended to finance the 2012 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2010 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, 2011

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. The Village uses the consumption method – purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

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, 2011

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)

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. Net Assets

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

P. Fund Balance

In February 2009, the Governmental Accounting Standards Board released Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

- a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact
- b. Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision making. As of December 31, 2011, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Directors designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Due to the implementation of GASB54, which has specific requirements for classifying funds as special revenue, the Municipal Waste System Fund was reclassified and combined with the General Fund for fiscal year 2011. Therefore, the General Fund's beginning fund balance was restated as follows:

General Fund - fund balance as of December 31, 2010, as previously presented	\$ 11,390,026
Plus: Municipal Waste System Fund - fund balance as of December 31, 2010	<u>60,728</u>
General Fund - fund balance as of December 31, 2010, restated	<u>\$ 11,450,754</u>

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash

The carrying amount of cash, excluding the Pension Trust Funds, was \$18,900,467 at December 31, 2011, while the bank balances were \$19,566,980.

At December 31, 2011, the Pension Trust Funds' carrying amount of cash was \$18,988, and bank balances of cash were \$32,416.

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, 2011

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, 2011.

B. Investments

Village

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2011:

Investment type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Certificate of Deposits	\$ 3,850,661	\$ 3,850,661	\$ -	\$ -	\$ -
IMET	2,486,434	2,486,434	-	-	-
Money market mutual funds	10,053,306	10,053,306	-	-	-
Investment contracts	10,860,293	10,860,293	-	-	-
Illinois funds	<u>15,766,866</u>	<u>15,766,866</u>	-	-	-
Total	\$ <u>34,678,560</u>	\$ <u>34,678,560</u>	\$ -	\$ -	\$ -

Police Pension

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2011:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	\$ 15,626,870	\$ 930,907	\$ 8,426,133	\$ 6,269,830	\$ -
U.S. Agency Securities	9,972,648	274,512	3,672,808	2,694,584	3,330,744
Mutual Funds	24,894,304	24,894,304	-	-	-
Money Market Mutual Funds	520,054	520,054	-	-	-
Illinois Funds	<u>847,061</u>	<u>847,061</u>	-	-	-
Total	\$ <u>51,860,937</u>	\$ <u>27,466,838</u>	\$ <u>12,098,941</u>	\$ <u>8,964,414</u>	\$ <u>3,330,744</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	\$ 17,304,855	\$ 1,343,678	\$ 6,876,395	\$ 5,230,946	\$ 3,853,836
U.S. Agency Securities	10,615,434	211,780	3,954,207	2,432,819	4,016,628
Corporate Bonds	263,973	-	263,973	-	-
Mutual Funds	12,239,406	12,239,406	-	-	-
Equities	12,194,954	12,194,954	-	-	-
Money Market Mutual Funds	1,064,448	1,064,448	-	-	-
Illinois Funds	1,021,498	1,021,498	-	-	-
Total	\$ 54,704,568	\$ 28,075,764	\$ 11,094,575	\$ 7,663,765	\$ 7,870,464

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, 2011

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 financial statements:

<u>Cash and Investment Note</u>		<u>Financial Statements</u>	
Carrying Amount of Village's Cash	\$18,900,467	Statement of Net Assets -	
Carrying Amount of Pension's Funds	18,988	Cash and Investments	\$ 37,960,282
Village's Investments	34,678,560	Statement of Fiduciary Net Assets-	
Police Pension Fund Investments	51,860,937	Cash and Investments	
Fire Pension Fund Investments	<u>54,704,568</u>	Pension Funds' Cash and Short-Term	
Total Cash and Investments per Note	<u>\$160,163,520</u>	Investments	1,887,547
		Pension Funds' Investments	
		U.S. Treasury Securities	32,931,725
		U.S. Agency Securities	20,588,082
		Corporate Bonds	263,973
		Mutual Funds	37,133,710
		Money Market Mutual Funds	1,584,502
		Equity Securities	12,194,954
		Agency Fund Cash and Short-Term	
		Investments	15,559,991
		Agency Fund Assets Held by Agents	<u>58,754</u>
		Total Cash and Investments	
		per Statements	<u>\$160,163,520</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – RECEIVABLES

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

Governmental activities	
Hotel tax	\$ 196,014
Cable franchise fees	124,921
IPBC terminal reserve	876,935
Grants	203,620
Sale of property	150,000
Motor fuel tax supplement	26,550
Waste management franchise fees	42,182
Wireless fee	57,651
911 surcharge	4,039
Tipping fees	85,561
Employee computer program	85,353
Entertainment tax	5,517
Red light camera funds	3,800
Other miscellaneous	<u>1,801</u>
Total governmental activities	<u>\$ 1,863,944</u>
Business-type activities	
Entertainment tax	\$ 146,031
Food & beverage	168,663
Other	<u>1,076</u>
Total business-type activities	<u>\$ 315,770</u>

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

Governmental activities	
Sales tax	\$ 1,504,641
Home rule sales tax	836,580
Income tax	1,585,743
Local use tax	185,542
Motor fuel tax	109,153
Simplified telecommunications tax	696,824
Court fines	<u>39,063</u>
Total governmental activities	<u>\$ 4,957,546</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 4 - CAPITAL ASSETS

	Balances January 1	Increases	Decreases	Balances December 31
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6,430,662	\$ 134,950	\$ 284,950	\$ 6,280,662
Land Right of Way	39,659,608	1,150,341	-	40,809,949
Construction in progress	21,989,375	266,230	22,202,352	53,253
Total capital assets not being depreciated	68,079,645	1,551,521	22,487,302	47,143,864
Capital Assets being depreciated				
Buildings and improvements	29,663,249	22,200,500	1,650,991	50,212,758
Department equipment	2,277,092	526,085	334,401	2,468,776
Vehicles	9,597,447	305,781	615,907	9,287,321
Office furniture	15,225	-	-	15,225
Office equipment	136,838	-	-	136,838
Software	74,911	-	-	74,911
Infrastructure	98,423,840	4,358,662	440,766	102,341,736
Total capital assets being depreciated	140,188,602	27,391,028	3,042,065	164,537,565
Less accumulated depreciation for				
Buildings and improvements	8,695,466	1,129,479	1,292,416	8,532,529
Department equipment	1,222,700	193,775	265,575	1,150,900
Vehicles	5,704,891	686,376	402,025	5,989,242
Office furniture	13,195	1,015	-	14,210
Office equipment	136,840	-	-	136,840
Software	45,746	14,982	-	60,728
Infrastructure	45,337,309	2,933,696	328,415	47,942,590
Total accumulated depreciation	61,156,147	4,959,323	2,288,431	63,827,039
Total capital assets being depreciated, net	79,032,455	22,431,705	753,634	100,710,526
Governmental activities capital assets, net	\$ 147,112,100	\$ 23,983,226	\$ 23,240,936	\$ 147,854,390

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

Governmental Activities	
General government	\$ 338,279
Public safety	1,217,087
Highways and streets, including depreciation of general infrastructure assets	3,346,466
Health and welfare	13,598
Culture and recreation	22,140
Economic development	21,753
Total depreciable expense - governmental activities	\$ 4,959,323

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Balances January 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances December 31</u>
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in progress	5,317,358	153,932	5,317,358	153,932
Total capital assets not being depreciated	<u>11,816,358</u>	<u>153,932</u>	<u>5,317,358</u>	<u>6,652,932</u>
Capital assets being depreciated				
Buildings and improvements	74,059,000	115,256	-	74,174,256
Plant system and equipment	47,155,826	8,175,713	1,675,179	53,656,360
Vehicles	1,057,407	178,318	16,889	1,218,836
Software	-	14,077	-	14,077
Department equipment	6,290,710	23,271	428,430	5,885,551
Total capital assets being depreciated	<u>128,562,943</u>	<u>8,506,635</u>	<u>2,120,498</u>	<u>134,949,080</u>
Less accumulated depreciation for				
Buildings and improvements	2,638,095	1,853,048	-	4,491,143
Plant system and equipment	22,072,371	1,007,279	877,514	22,202,136
Vehicles	751,192	50,061	(88,372)	889,625
Software	-	235	-	235
Department equipment	1,072,772	584,204	309,533	1,347,443
Total accumulated depreciation	<u>26,534,430</u>	<u>3,494,827</u>	<u>1,098,675</u>	<u>28,930,582</u>
Total capital assets being depreciated, net	<u>102,028,513</u>	<u>5,011,808</u>	<u>1,021,823</u>	<u>106,018,498</u>
Business-type activities capital assets, net	<u>\$ 113,844,871</u>	<u>\$ 5,165,740</u>	<u>\$ 6,339,181</u>	<u>\$ 112,671,430</u>

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

Business-type Activities	
Waterworks and Sewerage	\$ 1,148,042
Sears Centre Operating	<u>2,346,785</u>
Total depreciable expense - business-type activities	<u>\$ 3,494,827</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 1,035,000	\$ -	\$ 505,000	\$ 530,000	\$ 530,000
\$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	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	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	1,840,000	-	905,000	935,000	935,000
\$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	50,535,000	-	1,230,000	49,305,000	1,285,000
\$26,645,000 General Obligation Bonds, Series 2008A, Dated March 7, 2008 with interest at 5.00%.	Village Hall, Police and Fire Station and Water Tank Construction	Water Debt Service	6,661,250 19,983,750	- -	- -	6,661,250 19,983,750	- -
\$30,355,000 General Obligation 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			<u>\$ 111,610,000</u>	<u>\$ -</u>	<u>\$ 3,840,000</u>	<u>\$ 107,770,000</u>	<u>\$ 2,750,000</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 Village (TIF). These bonds and notes are not obligations of the Village and are secured only by the incremental revenues generated by the Village. All tax increment financing notes are issued for the purpose of TIF Village 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	\$ 95,719,844	\$ 2,503,902	\$ 15,988,969	\$ 82,234,777	\$ -
Total tax increment financing bonds		<u>\$ 99,304,684</u>	<u>\$ 2,503,902</u>	<u>\$ 15,988,969</u>	<u>\$ 85,819,617</u>	<u>\$ -</u>
Tax Increment Redevelopment Note due in annual installments only if tax increment revenues are available						
	Debt Service	3,584,840	-	-	3,584,840	-
Total tax increment financing bonds		<u>\$ 99,304,684</u>	<u>\$ 2,503,902</u>	<u>\$ 15,988,969</u>	<u>\$ 85,819,617</u>	<u>\$ -</u>

The increase of \$2,503,902 in the Tax Increment Revenue Notes represents interest due March 31 and September 30, 2011 of \$2,503,902 that accrues to the principal balance if not paid.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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
2012	\$ 1,465,000	\$ 2,573,017
2013	1,200,000	2,513,044
2014	1,235,000	2,477,044
2015	1,295,000	2,418,382
2016	1,360,000	2,356,869
2017-2021	7,815,000	10,758,219
2022-2026	10,075,000	8,493,032
2027-2031	11,091,250	5,674,125
2032-2036	11,040,000	3,016,875
2037-2038	5,227,500	395,250
Total	\$ 51,803,750	\$ 40,675,854

Year Ending December 31	Tax Increment Revenue Notes *		General Obligation Bonds - Business-type Activities	
	Principal	Interest	Principal	Interest
	2012	\$ -	\$ -	\$ 1,285,000
2013	-	-	1,345,000	2,883,273
2014	-	-	1,415,000	2,817,368
2015	-	-	1,485,000	2,747,326
2016	-	-	1,555,000	2,673,075
2017-2021	-	-	9,075,000	12,077,544
2022-2026	-	-	11,750,000	9,405,745
2027-2031	-	-	16,508,750	5,849,554
2032-2036	-	-	9,805,000	1,474,615
2037-2038	-	-	1,742,500	131,750
Total	\$ -	\$ -	\$ 55,966,250	\$ 43,005,203

* The Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes provide that the payment of principal and interest on the notes are due only if tax increment revenues are available for payment of debt service in the Sears EDA General Account Fund before the TIF expires, which was going to be in 2012. However, legislation has been approved to extend the EDA for another 15 years. Any amount of unpaid interest at the interest due dates is added to the principal balance of the note. 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, 2011

NOTE 5 - LONG-TERM DEBT (Continued)

D. Changes in Long-Term Liabilities

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

	<u>Balances</u> <u>January 1</u>	<u>Issuances or</u> <u>Accretions</u>	<u>Reductions</u>	<u>Balances</u> <u>December 31</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds payable	\$ 54,413,750	\$ -	\$ 2,610,000	\$ 51,803,750	\$ 1,465,000
Unamortized bond premium	1,183,098	-	83,182	1,099,916	-
Unamortized bond discount	(214,732)	-	(7,669)	(207,063)	-
Tax increment financing Notes payable	99,304,684	2,503,902	15,988,969	85,819,617	-
Net pension obligation	210,197	-	14,997	195,200	-
Net IMRF pension obligation	73,300	35,349	-	108,649	-
Compensated absences payable - governmental funds*	2,604,410	1,555,448	1,572,218	2,587,640	1,442,422
Compensated absences payable - internal service	24,119	26,686	24,119	26,686	26,686
Net other post-employment benefit obligations	1,122,110	79,426	-	1,201,536	-
Net other post-employment benefit obligations - Internal Service Fund	17,643	1,249	-	18,892	-
Termination benefit **	<u>451,053</u>	<u>-</u>	<u>68,491</u>	<u>382,562</u>	<u>382,562</u>
Total governmental activities	<u>\$ 159,189,632</u>	<u>\$ 4,202,060</u>	<u>\$ 20,354,307</u>	<u>\$ 143,037,385</u>	<u>\$ 3,316,670</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, the net pension obligation, and the net other post-employment benefit obligations.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 - LONG-TERM DEBT (Continued)

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

	<u>Balances</u> <u>January 1</u>	<u>Issuances or</u> <u>Accretions</u>	<u>Reductions</u>	<u>Balances</u> <u>December 1</u>	<u>Current</u> <u>Portion</u>
General obligations payable	\$ 57,196,250	\$ -	\$ 1,230,000	\$ 55,966,250	\$ 1,285,000
Unamortized bond discount	(312,093)	-	(32,620)	(279,473)	-
Capital lease payable	21,083	-	4,600	16,483	4,600
Compensated absences payable	328,410	117,501	136,789	309,122	139,425
Net other post-employment benefit obligations	127,031	8,992	-	136,023	-
Termination benefit	<u>63,726</u>	<u>-</u>	<u>2,567</u>	<u>61,159</u>	<u>61,159</u>
Total business-type activities	<u>\$ 57,424,407</u>	<u>\$ 126,493</u>	<u>\$ 1,341,336</u>	<u>\$ 56,209,564</u>	<u>\$ 1,490,184</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 Village in accordance with the following priority:

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 Village.

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, 2011

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 142-143.

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, 2011

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, 2011.

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, 2011.

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, 2011 is \$6,517. 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>
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>\$ 16,483</u>	<u>\$ 10,306</u>	<u>\$ 26,789</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 6 - INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2011 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 1,150,294	\$ 145,757
Nonmajor Governmental	207,791	321,080
Waterworks and Sewerage	-	99,505
Sears Centre Operating	2,129	75,936
Internal Service	9,284	69,654
Fiduciary	<u>64,248</u>	<u>721,614</u>
Total	<u>\$ 1,433,746</u>	<u>\$ 1,433,746</u>

\$721,614 in the General Fund due from Fiduciary Funds relates to a TIF surplus distribution that is owed the General Fund. This amount will be repaid within one year.

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

Advances from/to other funds at December 31, 2011 consisted of the following:

	<u>Advance From</u>	<u>Advance To</u>
General	\$ 631,100	\$ -
Nonmajor Governmental	1,000,000	-
Sears Centre Operating	-	1,600,000
Fiduciary	<u>-</u>	<u>31,100</u>
Total	<u>\$ 1,631,100</u>	<u>\$ 1,631,100</u>

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

\$600,000 advance from the General Fund to Sears Centre Operating (for 2005A G.O. Debt Service) for the payment of debt service. Repayment is expected within one year.

\$1,000,000 advance 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, 2011

NOTE 6 - INTERFUND ACCOUNTS (Continued)

Interfund transfers during the year ended December 31, 2011 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 380,000	\$ 3,855,963
Nonmajor Governmental	5,406,586	4,300,273
Waterworks and Sewerage	279,720	350,753
Sears Centre Operating	4,650,570	2,286,300
Internal Service	63,163	-
Governmental Activities	<u>13,250</u>	<u>-</u>
Total	<u>\$ 10,793,289</u>	<u>\$ 10,793,289</u>

The purposes of significant interfund transfers are as follows:

\$3,855,963 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 (\$571,620), 1997A General Obligation Debt Service Fund (\$507,100), Capital Improvements Fund (\$198,310), Capital Vehicle and Equipment Fund (\$121,500), Sears Centre Operating Fund (\$2,364,270), and the Information Systems Fund (\$63,163) for the payment of debt service and capital project costs. The transfers will not be repaid.

\$2,305,906 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.

\$2,593,068 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.

\$350,753 transferred to other funds from the Waterworks & Sewerage Fund. This primarily relates to a transfer to the 2008 G.O. Debt Service Fund, a nonmajor fund, for the payment of debt service. This amount will not be repaid.

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 through 2011, 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 exceeded this commercial coverage in fiscal year 2011 in the amount of \$150,000.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 7 - RISK MANAGEMENT (Continued)

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

	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of year	\$ 1,053,287	\$ 887,164
Incurred claims (including IBNR)	320,775	1,122,403
Claim payments	<u>(739,318)</u>	<u>(956,280)</u>
Unpaid claims, end of year	<u>\$ 634,744</u>	<u>\$ 1,053,287</u>

High-Level Excess Liability Pool (HELP)

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

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

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

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

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 - RISK MANAGEMENT (Continued)

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 statements 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:

<u>Year Ending December 31</u>	<u>Amount</u>
2012	\$ 93,580
2013	93,580
2014	93,580
2015	93,580
2016	93,580
2017-2018	187,160

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

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

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

<u>Year Ending December 31</u>	<u>Amount</u>
2012	\$ 5,200,000
2013	5,200,000
2014	5,200,000
2015	5,200,000
2016	5,200,000
2017-2021	26,000,000
2022	5,200,000

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>
2012	\$ 76,478
2013	73,320
2014	74,448
2015	71,064
2015	67,680

These amounts have been estimated based upon the Village's commitment for 2012. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

D. Economic Incentive Agreements

The Village has entered into economic incentive agreements with commercial entities whereby the Village has agreed to reimburse the commercial entities for certain unique infrastructure costs incurred by the commercial entities through sales tax and property tax rebates. The amount of the rebates is limited to the lower of actual costs or \$19,150,000 (\$4,122,421 paid as of December 31, 2011) 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 2002 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, 2011, the Village has accrued an estimated rebate liability of \$560,282 for amounts collected by the state through December 31, 2011. The amounts to be reimbursed annually are limited to various percentages of sales taxes and property taxes generated by the commercial entities.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

E. Construction Contracts

The Village had no significant construction contracts outstanding as of December 31, 2011.

NOTE 10 - JOINT VENTURES

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

Description of Joint Venture

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

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

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

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

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

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

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

In accordance with the joint venture agreement, the Village remitted \$5,076,865 to JAWA for 2011. The Village does not have an equity interest in JAWA at December 31, 2011.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 - JOINT VENTURES (Continued)

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

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

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

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

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

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

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

In accordance with the contract, the Village made payments totaling \$784,967 to SWANCC in 2011. The payments have been recorded in the General fund - Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2011.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension plans issue separate reports on the pension plans. These reports can be obtained from the Village, 1900 Hassell Road, Hoffman Estates, Illinois 60169. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

A. Plan Descriptions

Illinois Municipal Retirement Fund

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

Funding Policy: As set by statute, plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for 2011 used by the employer was 13.56% of the annual covered payroll. The employer annual required contribution rate for 2011 was 13.88%. 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 2011, the Village's actual contributions for pension cost for the Regular plan members were \$1,431,656. Its required contribution for 2011 was \$1,465,442.

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>
12/31/11	\$ 1,465,442	98%	\$ 108,649
12/31/10	1,422,238	95%	\$ 73,300
12/31/09	1,342,307	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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, 2009, was 30 years.

Funded Status and Funding Progress: As of December 31, 2011, the most recent actuarial valuation date, the plan was 64.11% funded. The actuarial accrued liability for benefits was \$34,340,246 and the actuarial value of assets was \$22,015,558 resulting in an underfunded actuarial accrued liability (UAAL) of \$12,324,688. The covered payroll for 2011 (annual payroll of active employees covered by the plan) was \$10,557,938 and the ratio of the UAAL to the covered payroll was 117%.

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.

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, 2010, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	56
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	78
Nonvested	<u>16</u>
Total	<u><u>150</u></u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

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 3.0% of the original pension and 3.0% compounded annually thereafter.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan.

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, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	46
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	62
Nonvested	<u>38</u>
Total	<u><u>146</u></u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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, 2011	December 31, 2010	December 31, 2010
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	23 Years, Closed	23 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, 2011

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>	Illinois <u>Municipal Retirement</u>	<u>Fiscal Year</u>	Police <u>Pension</u>	Firefighters' <u>Pension</u>
Annual pension cost (APC)	2009	\$ 1,342,307	2008	\$ 1,777,957	\$ 1,550,898
	2010	1,422,238	2009	1,905,067	1,759,858
	2011	1,465,442	2010	2,515,988	2,439,158
Actual contribution	2009	\$ 1,342,307	2008	\$1,800,870	\$ 1,561,796
	2010	1,348,938	2009	1,979,784	1,771,131
	2011	1,431,656	2010	2,541,814	2,454,155
Percentage of APC contributed	2009	100.00%	2008	101.30%	100.70%
	2010	95.00%	2009	103.90%	100.60%
	2011	98.00%	2010	101.00%	100.60%
NPO (asset)	2009	\$ -	2008	\$ (346,216)	\$ 221,470
	2010	73,300	2009	(420,933)	210,197
	2011	108,649	2010	(446,758)	195,200

D. Funded Status and Funding Progress

The funded status and funding progress of the pension plans as of December 31, 2010 and for Illinois Municipal Retirement as of December 31, 2011 were as follows:

	Illinois <u>Municipal Retirement</u>	Police <u>Pension</u>	Firefighters' <u>Pension</u>
Actuarial accrued liability (AAL)	\$ 34,340,246	\$ 80,683,222	\$ 74,471,179
Actuarial value of plan assets	22,015,558	52,092,944	54,429,934
Unfunded actuarial accrued liability (UAAL)	12,324,688	28,590,278	20,040,245
Funded ratio (actuarial value of plan assets/AAL)	64.11%	64.56%	73.09%
Covered payroll (active plan members)	10,557,938	8,202,710	8,448,299
UAAL as a percentage of covered payroll	116.73%	348.55%	237.21%

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 2,524,331	\$ 2,434,992
Interest on net pension obligation	(31,570)	15,765
Adjustment to annual required contribution	<u>23,228</u>	<u>(11,599)</u>
Annual pension cost	2,515,988	2,439,158
Contributions made	<u>2,541,814</u>	<u>2,454,155</u>
Change in net pension obligation (asset)	(25,825)	(14,997)
Net pension obligation (asset), beginning of year	<u>(420,933)</u>	<u>210,197</u>
Net pension obligation (asset), end of year	<u>\$ (446,758)</u>	<u>\$ 195,200</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 847,111	\$ 1,040,436	\$ 1,887,547
Investments, at fair value			
U.S. treasury securities	15,626,870	17,304,855	32,931,725
U.S. agency securities	9,972,848	10,615,434	20,588,082
Corporate bonds	-	263,973	263,973
Mutual funds	24,894,304	12,239,406	37,133,710
Money market mutual funds	520,054	1,064,448	1,584,502
Equities	-	12,194,954	12,194,954
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	195,122	219,140	414,262
Due from primary government	<u>33,802</u>	<u>28,946</u>	<u>62,748</u>
Total assets	<u>52,089,911</u>	<u>54,971,592</u>	<u>107,061,503</u>
LIABILITIES			
Accounts payable	<u>4,289</u>	<u>52,934</u>	<u>57,223</u>
Total liabilities	<u>4,289</u>	<u>52,934</u>	<u>57,223</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 52,085,622</u>	<u>\$ 54,918,658</u>	<u>\$ 107,004,280</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Plan Net Assets	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,497,419	\$ 2,488,676	\$ 4,986,095
Employee contributions	830,869	772,772	1,603,641
Other contributions	33,447	617	34,064
Total contributions	3,361,735	3,262,065	6,623,800
Investment income			
Net appreciation (depreciation) in fair value of investments	(1,782,306)	(1,514,189)	(3,296,495)
Interest	1,524,855	1,893,238	3,418,093
Total investment income	(257,451)	379,049	121,598
Less investment expense	(81,434)	(219,364)	(300,798)
Net investment income	(338,885)	159,685	(179,200)
Total additions	3,022,850	3,421,750	6,444,600
DEDUCTIONS			
Benefits and refunds	2,996,242	2,892,303	5,888,545
Miscellaneous	33,930	40,723	74,653
Total deductions	3,030,172	2,933,026	5,963,198
NET INCREASE (DECREASE)	(7,322)	488,724	481,402
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	52,092,944	54,429,934	106,522,878
December 31	\$ 52,085,622	\$ 54,918,658	\$ 107,004,280

(Continued)

NOTE 12 - TERMINATION BENEFITS

During August, 2010, the Village entered into an agreement providing for the payment of 36 months of health insurance costs. The employees were required to resign as of a designated date and to maintain the same coverage as they were provided during their employment. Under the agreement, the Village contributed 100% of the employee's health insurance premiums for the period covered. The Village has calculated the premium payments for the remaining period of the benefit based on the 2010 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, 2011, the balance is \$443,721.

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, 2010 (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, 2011

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, 2011. The Village's annual OPEB cost (expense) was \$591,844 for the year ended December 31, 2011. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2011 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>	Percentage of Annual OPEB Cost <u>Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2009	\$ 429,053	\$201,364	46.90%	\$1,336,113
December 31, 2010	432,848	502,177	116.00%	1,266,783
December 31, 2011	591,844	502,177	84.80%	1,356,451

The net OPEB obligation as of December 31, 2011, was calculated as follows:

Annual required contribution	\$ 570,731
Interest on net OPEB obligation	63,339
Adjustment to annual required contribution	<u>(42,226)</u>
Annual OPEB cost	591,844
Contributions made	<u>502,177</u>
Increase in net OPEB obligation	89,667
Net OPEB obligation, beginning of year	<u>1,266,784</u>
Net OPEB obligation, end of year	<u>\$ 1,356,451</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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)	26,152,801
UAAL as a percentage of covered payroll	38.70%

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to year end, the Village entered into a Tax Increment Allocation Revenue Note (Barrington Square Town Center Project), Series 2012 in the amount of \$1,133,415. The Note was issued by the Village as a non-interest bearing obligation in consideration for payment of certain eligible redevelopment project costs for the Higgins/Hassell Redevelopment Project Area. The Note is dated May 14, 2012 and matures May 13, 2032.

Subsequent to year-end, there were certain amendments to the Economic Development Area Tax Increment Allocation Act. The amendment affects the duration of the economic development project area (up to 15 years), allocation, payment of outstanding claims, changes in equalized assessed valuation and 180 days after close of fiscal year meeting requirement, and requirements relating to recapturing of funds. Recapturing of funds could relate to: (1) in the event the developer terminates all of its operations and vacates the redevelopment area within 60 months after the effective date of the Act; (2) in the event the development fails to maintain 4,250 jobs at any time before the termination of the economic development project area; and (3) in the event the developer maintains no jobs at any time before the termination of the economic development area. In addition, new reporting requirements apply. A municipality shall submit in electronic format all of the following information for each economic development project area to the State Comptroller and to the taxing districts overlapping the economic project area no later than 180 days after the close of the fiscal year or soon thereafter as the audited financial statements become available: (1) any amendments to economic development plan or project area; (2) audited financial statements of special tax allocation fund once cumulative total of \$100,000 has been deposited into the fund; (3) certification of the chief executive officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year; (4) an opinion of legal counsel that the municipality is in compliance with the Act; (5) an analysis of the special tax allocation fund; (6) description of property purchased within the economic development project area; (7) a statement setting forth all activities undertaken in furtherance of the objectives of the economic development plan; (8) information for any obligations issued by the municipality; (9) for special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with this Act performed by an independent public accountant licensed by the State of Illinois; and (10) a list of all intergovernmental agreements in effect during the fiscal year to which the municipality is a party and an accounting of any moneys transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements.

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* in December 2009. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement permits an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method. The Statement also amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. Provisions related to the use and reporting of the alternative measurement 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 on OPEB plan financial statements for periods beginning after June 15, 2011. The Village is currently evaluating the impact of the adoption of the standard on its financial statements.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* in November 2010. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration; and (2) the operator collects and is compensated by fees from third parties. The requirements of the Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The Village is currently evaluating the impact of the adoption of the standard on its financial statements.

The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34* in November 2010. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis-for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. The requirements of the Statement are effective for financial statements for periods beginning after June 15, 2012. The Village is currently evaluating the impact of the adoption of the standard on its financial statements.

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* in December 2010. The Statement incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. The requirements of the Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The Village is currently evaluating the impact of the adoption of the standard on its financial statements.

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in June 2011. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position, rather than net assets. The requirements of the related Statement are effective for financial statements for periods beginning after December 15, 2011. The Village is currently evaluating the impact of the adoption of the standard on its financial statements.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 15 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* in June 2011. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- Collectability of swap payments is considered to be probable;
- Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

When all these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. The requirements of the related Statement are effective for financial statements for periods beginning after June 15, 2011. The Statement is not expected to impact the Village.

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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, 2011
 (with comparative totals for 2010)

	General Fund					EDA General Account				
	2011		Actual	Variance From Final Budget Positive (Negative)	2010	2011		Actual	Variance From Final Budget Positive (Negative)	2010
	Original Budget	Final Budget			Actual	Original Budget	Final Budget			Actual
REVENUES										
Taxes	\$ 24,120,528	\$ 24,120,528	\$ 23,543,577	\$ (578,951)	\$ 23,526,451	\$ -	\$ 15,989,000	\$ 15,988,968	\$ (32)	\$ 10,146,764
Licenses and Permits	1,255,000	1,268,500	2,049,297	782,797	1,276,000	-	-	-	-	-
Intergovernmental	11,525,720	11,662,720	12,019,865	357,145	12,101,914	-	-	-	-	-
Charges for Services	5,774,960	5,814,960	6,269,750	454,790	5,825,421	-	-	-	-	-
Fines and Forfeits	1,317,000	1,317,000	806,084	(510,916)	884,908	-	-	-	-	-
Interest Income	40,200	40,200	23,016	(17,184)	37,616	-	-	-	-	-
Miscellaneous	2,565,200	2,629,200	3,334,574	705,374	612,374	-	-	-	-	-
TOTAL REVENUES	46,598,608	46,851,108	48,046,163	1,195,055	44,284,684	-	15,989,000	15,988,968	(32)	10,146,764
EXPENDITURES										
Current										
General Government	5,417,050	5,554,050	5,295,530	258,520	5,259,070	-	-	-	-	-
Public safety	28,562,548	28,562,548	28,034,071	528,477	28,239,314	-	-	-	-	-
Highways and Streets	5,227,520	5,227,520	4,961,989	265,531	4,896,159	-	-	-	-	-
Sanitation	1,183,520	1,183,520	1,115,901	67,619	1,114,830	-	-	-	-	-
Health and Welfare	1,679,880	1,691,380	1,661,144	30,236	1,680,372	-	-	-	-	-
Culture and Recreation	231,270	231,270	216,819	14,451	248,571	-	-	-	-	-
Economic Development	1,821,160	1,861,160	1,792,813	68,347	1,783,336	-	-	-	-	-
Debt Service										
Principal Retirement	-	-	-	-	-	-	15,989,000	15,988,968	32	10,146,764
TOTAL EXPENDITURES	44,122,948	44,311,448	43,078,267	1,233,181	43,221,652	-	15,989,000	15,988,968	32	10,146,764
Excess (Deficiency) of Revenues Over Expenditures	2,475,660	2,539,660	4,967,896	2,428,236	1,043,032	-	-	-	-	-
OTHER FINANCING SOURCES (USES)										
Transfers In (Out)	(3,413,110)	(3,477,110)	(3,475,963)	1,147	(730,987)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,413,110)	(3,477,110)	(3,475,963)	1,147	(730,987)	-	-	-	-	-
Net change in fund balances	\$ (937,450)	\$ (937,450)	1,491,933	\$ 2,429,363	312,045	\$ -	\$ -	-	\$ -	-
Fund balances at beginning of year (Restated)			11,450,754		11,138,709					
Fund balances at end of year			\$ 12,942,687		\$ 11,450,754		\$ -			\$ -

See accompanying notes to the schedule.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2011

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, 2011

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%
12/31/11	22,015,558	34,340,246	12,324,688	64.11%	10,557,938	116.73%

On a market value basis, the actuarial value of assets as of December 31, 2011 was \$20,773,872. On a market value basis, the funded ratio would be 60.49%.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUNDS
 December 31, 2011

POLICE PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
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	52,092,944	80,683,222	64.56%	28,590,278	8,202,710	348.55%
12/31/2011	N/A	N/A	N/A	N/A	N/A	N/A

FIREFIGHTERS' PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
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	54,429,934	74,471,179	73.09%	20,040,245	8,448,299	237.21%
12/31/2011	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, 2011

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio (1/2)	Unfunded AAL (UAAL) (2-1)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
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	27,072,995	37.35%
12/31/2011	*	*	*	*	*	*

*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, 2011

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
12/31/2011	1,431,656	1,465,442	98%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PENSION TRUST FUNDS
 December 31, 2011

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	1,800,670	1,785,384	100.87%	12/31/2008	1,561,798	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	2,524,331	100.69%	12/31/2010	2,454,155	2,434,992	100.79%
12/31/2011	2,497,419	N/A	N/A	12/31/2011	2,488,676	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, 2011

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%
12/31/2011	*	570,731	*

*The Village is having actuarial valuations performed biennially.

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 BY ACCOUNT
 GENERAL FUND
 December 31, 2011
 (with comparative totals for 2010)

	2011			2010
	General Account	Municipal Waste System Account	Total	
ASSETS				
Cash and Investments	\$ 7,812,550	\$ 79,678	\$ 7,892,228	\$ 6,034,917
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	15,734,333	-	15,734,333	18,284,432
Accounts	164,719	-	164,719	214,524
Accrued Interest	187	-	187	-
Other	1,625,079	127,743	1,752,822	1,138,499
Prepaid Items	46,548	69,108	115,656	120,934
Inventories	156,286	-	156,286	161,322
Due from Other Governments	4,848,393	-	4,848,393	4,993,233
Due from Other Funds	428,480	4,025	432,505	317,618
Due from Fiduciary Funds	721,814	-	721,814	882,861
Advances to Other Funds	600,000	-	600,000	550,180
Advances to Fiduciary Funds	31,100	-	31,100	-
TOTAL ASSETS	\$ 32,169,489	\$ 280,554	\$ 32,450,043	\$ 32,698,520
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 1,173,587	\$ 72,460	\$ 1,246,047	\$ 1,285,449
Accrued Payroll	459,475	-	459,475	467,968
Current Compensated Absences	-	-	-	216,739
Deferred Revenues	16,668,859	-	16,668,859	16,500,482
Due to Other Funds	87,034	-	87,034	220,600
Due to Fiduciary Funds	62,748	-	62,748	934,134
Deposits Payable	983,193	-	983,193	1,622,394
TOTAL LIABILITIES	19,434,896	72,460	19,507,356	21,247,766
FUND BALANCE				
Nonspendable:				
Prepaid Items	46,548	69,108	115,656	120,934
Inventories	156,286	-	156,286	161,322
Insurance Deposits	876,935	-	876,935	551,851
Restricted:				
Public Safety	91,786	-	91,786	98,502
Employee Loan Program	85,353	-	85,353	71,927
Unassigned	11,477,685	138,986	11,616,671	10,446,218
TOTAL FUND BALANCES	12,734,593	208,094	12,942,687	11,450,754
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,169,489	\$ 280,554	\$ 32,450,043	\$ 32,698,520

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GENERAL FUND ACCOUNTS
Year Ended December 31, 2011

	General Account	Municipal Waste System Account	Total
REVENUES			
Taxes	\$ 23,543,577	\$ -	\$ 23,543,577
Licenses and Permits	2,049,297	-	2,049,297
Intergovernmental	12,019,865	-	12,019,865
Charges for Services	5,178,411	1,090,339	6,269,750
Fines and Forfeits	806,084	-	806,084
Interest Income	22,978	38	23,016
Miscellaneous	3,131,884	202,890	3,334,574
TOTAL REVENUES	46,752,896	1,293,267	48,046,163
EXPENDITURES			
Current:			
General Government	5,295,530	-	5,295,530
Public Safety	28,034,071	-	28,034,071
Highways and Streets	4,961,989	-	4,961,989
Sanitation	-	1,115,901	1,115,901
Health and Welfare	1,661,144	-	1,661,144
Culture and Recreation	216,619	-	216,619
Economic Development	1,792,813	-	1,792,813
TOTAL EXPENDITURES	41,962,366	1,115,901	43,078,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,790,530	177,366	4,967,896
OTHER FINANCING SOURCES (USES)			
Transfers In	380,000	-	380,000
Transfers (Out)	(3,825,963)	(30,000)	(3,855,963)
TOTAL OTHER FINANCING SOURCES (USES)	(3,445,963)	(30,000)	(3,475,963)
Net Change in Fund Balances	1,344,567	147,366	1,491,933
Fund Balances at Beginning of Year	11,390,026	60,728	11,450,754
Fund Balances at End of Year	\$ 12,734,593	\$ 208,094	\$ 12,942,687

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL ACCOUNT
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 352,290	\$ 352,290	\$ 311,971	\$ 305,864
Administrative	578,020	578,020	546,748	598,135
Legal	475,030	475,030	432,939	452,623
Finance	819,850	819,850	796,497	805,316
Village Clerk	174,690	174,690	168,326	179,640
Human Resources Management	442,610	442,610	433,154	422,002
Buildings and Grounds	973,880	1,024,880	991,134	955,372
Equipment and Supply	1,207,850	1,247,850	1,246,957	1,180,434
Police and Fire Commission	86,290	86,290	61,420	1,468
Emergency Operations	160,250	206,250	177,673	214,056
Miscellaneous Boards and Commission	146,290	146,290	128,711	144,160
TOTAL GENERAL GOVERNMENT	5,417,050	5,554,050	5,295,530	5,259,070
PUBLIC SAFETY				
Police Department				
Administration	1,273,580	1,273,580	1,240,146	1,689,435
Juvenile Investigations	691,030	691,030	576,589	666,184
Problem Oriented Policing	1,300	1,300	496	536
Tactical	740,840	740,840	744,279	720,224
Patrol and Response	9,378,044	9,378,044	9,257,374	8,910,617
Traffic Control	907,470	907,470	962,587	874,413
Investigations	1,082,230	1,082,230	1,067,999	1,025,631
Community Relations	10,120	10,120	7,481	3,400
Communications	737,170	737,170	716,548	741,099
Canine	152,060	152,060	149,233	145,325
Special Services	119,710	119,710	170,201	136,245
Records	330,490	330,490	311,750	356,459
Administrative Services	707,750	707,750	684,280	650,772
Total Police Department	16,131,794	16,131,794	15,888,963	15,920,340
Fire Department				
Administration	588,100	588,100	615,289	827,368
Public Education	28,380	28,380	24,058	40,112
Suppression	5,983,374	5,983,374	5,925,691	5,678,171
Emergency Medical Services	5,424,370	5,424,370	5,197,299	5,315,361
Fire Prevention	382,550	382,550	366,389	442,737
Fire Stations	23,980	23,980	16,382	15,225
Total Fire Department	12,430,754	12,430,754	12,145,108	12,318,974
TOTAL PUBLIC SAFETY	28,562,548	28,562,548	28,034,071	28,239,314
HIGHWAYS AND STREETS				
Administration - Public Works	238,960	238,960	226,608	258,511
Snow and Ice Control	1,795,380	1,795,380	1,658,988	1,595,510
Asphalt	330,370	330,370	336,403	363,145
Forestry	819,190	819,190	751,550	743,998
Maintenance	213,700	213,700	201,333	196,548

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL ACCOUNT
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
Storm Sewers	\$ 209,940	\$ 209,940	\$ 204,527	\$ 195,234
Utilities	599,240	599,240	565,671	573,285
Engineering	1,020,740	1,020,740	1,016,909	969,928
TOTAL HIGHWAYS AND STREETS	5,227,520	5,227,520	4,961,989	4,896,159
HEALTH AND WELFARE				
Health and Human Services	638,220	638,220	610,983	601,496
Code Enforcement	1,041,660	1,053,160	1,050,161	1,078,876
TOTAL HEALTH AND WELFARE	1,679,880	1,691,380	1,661,144	1,680,372
CULTURE AND RECREATION				
Cable T.V.	137,470	137,470	127,537	131,930
4th of July	93,800	93,800	89,282	116,641
TOTAL CULTURE AND RECREATION	231,270	231,270	216,819	248,571
ECONOMIC DEVELOPMENT				
Administration - Community Development	199,150	199,150	202,885	194,116
Planning	441,970	481,970	481,462	468,101
Economic Development	1,180,040	1,180,040	1,108,466	1,121,119
TOTAL ECONOMIC DEVELOPMENT	1,821,160	1,861,160	1,792,813	1,783,336
TOTAL EXPENDITURES	\$ 42,939,428	\$ 43,127,928	\$ 41,962,366	\$ 42,106,822

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL WASTE SYSTEM ACCOUNT
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 1,070,340	\$ 1,070,340	\$ 1,090,339	\$ 994,841
Investment Income	200	200	38	108
Miscellaneous	80,400	80,400	202,890	111,243
TOTAL REVENUES	<u>1,150,940</u>	<u>1,150,940</u>	<u>1,293,267</u>	<u>1,106,192</u>
EXPENDITURES				
Current				
Sanitation	<u>1,183,520</u>	<u>1,183,520</u>	<u>1,115,901</u>	<u>1,114,830</u>
TOTAL EXPENDITURES	<u>1,183,520</u>	<u>1,183,520</u>	<u>1,115,901</u>	<u>1,114,830</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(32,580)</u>	<u>(32,580)</u>	<u>177,366</u>	<u>(8,638)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (62,580)</u>	<u>\$ (62,580)</u>	147,366	(8,638)
Fund Balance at Beginning of Year			<u>60,728</u>	<u>69,366</u>
Fund Balance at End of Year			<u>\$ 208,094</u>	<u>\$ 60,728</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ 15,989,000	\$ 15,988,968	\$ 10,146,764
TOTAL REVENUES	<u>-</u>	<u>15,989,000</u>	<u>15,988,968</u>	<u>10,146,764</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	15,989,000	15,988,968	10,146,764
TOTAL EXPENDITURES	<u>-</u>	<u>15,989,000</u>	<u>15,988,968</u>	<u>10,146,764</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
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 5,481,475	\$ 1,415,066	\$ 14,064,189	\$ 20,960,730
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	540,349	1,570,570	-	2,110,919
Accrued Interest	480	19,731	661	20,872
Other	43,589	-	67,533	111,122
Prepaid Items	5,141	-	61,547	66,888
Other Assets	-	-	79,683	79,683
Due from Other Governments	109,153	-	-	109,153
Due from Other Funds	1,281	143,441	63,069	207,791
Advances to Other Funds	-	-	1,000,000	1,000,000
TOTAL ASSETS	\$ 6,181,468	\$ 3,148,808	\$ 15,336,682	\$ 24,666,958
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 39,727	\$ -	\$ 379,412	\$ 419,139
Accrued Payroll	44,092	-	-	44,092
Deferred Revenues	880,037	1,550,000	-	2,430,037
Due to Other Funds	87,989	55,000	176,591	319,580
Due to Fiduciary Funds	-	1,500	-	1,500
Deposits Payable	11,530	-	1,776,281	1,787,811
TOTAL LIABILITIES	1,063,375	1,606,500	2,332,284	5,002,159
FUND BALANCES				
Nonspendable:				
Prepaids Items	5,141	-	61,547	66,888
Restricted:				
Highways and Streets	1,423,852	-	-	1,423,852
Emergency Equipment	84,434	-	-	84,434
Public Safety	154,917	-	-	154,917
Debt Service	-	1,542,308	-	1,542,308
Economic Development	3,449,749	-	4,189,343	7,639,092
Bond Projects	-	-	1,265,566	1,265,566
Assigned:				
Capital Improvements	-	-	7,487,942	7,487,942
TOTAL FUND BALANCES	5,118,093	1,542,308	13,004,398	19,664,799
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,181,468	\$ 3,148,808	\$ 15,336,682	\$ 24,666,958

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2011

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,559,758	\$ 1,551,528	\$ -	\$ 6,111,286
Intergovernmental	1,734,492	-	851,948	2,586,440
Charges for Services	-	314,935	118,805	433,740
Fines and Forfeits	1,159,081	-	-	1,159,081
Investment Income	4,123	26,065	17,815	48,003
Miscellaneous	36,798	-	123,002	159,800
TOTAL REVENUES	<u>7,494,252</u>	<u>1,892,528</u>	<u>1,111,570</u>	<u>10,498,350</u>
EXPENDITURES				
Current:				
General Government	342,639	-	-	342,639
Public Safety	4,033,323	-	-	4,033,323
Highways and Streets	238,972	-	-	238,972
Economic Development	206,655	-	-	206,655
Capital Outlay	-	-	4,313,811	4,313,811
Debt Service				
Principal Retirement	-	2,610,000	-	2,610,000
Interest and Fiscal Charges	-	3,015,117	-	3,015,117
TOTAL EXPENDITURES	<u>4,821,589</u>	<u>5,625,117</u>	<u>4,313,811</u>	<u>14,760,517</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,672,663</u>	<u>(3,732,589)</u>	<u>(3,202,241)</u>	<u>(4,262,167)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,653,560	2,753,026	5,406,586
Transfers (Out)	(1,994,367)	-	(2,305,906)	(4,300,273)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,994,367)</u>	<u>2,653,560</u>	<u>447,120</u>	<u>1,106,313</u>
Net Change in Fund Balance	<u>678,296</u>	<u>(1,079,029)</u>	<u>(2,755,121)</u>	<u>(3,155,854)</u>
Fund Balance at Beginning of Year	<u>4,439,797</u>	<u>2,621,337</u>	<u>15,759,519</u>	<u>22,820,653</u>
Fund Balance at End of Year	<u>\$ 5,118,093</u>	<u>\$ 1,542,308</u>	<u>\$ 13,004,398</u>	<u>\$ 19,664,799</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.

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

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2011

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
ASSETS				
Cash and Investments	\$ 1,302,056	\$ 1	\$ 495,521	\$ 1,723,484
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	-	-	-	-
Accrued Interest	-	-	-	320
Other	26,550	13,000	-	-
Prepaid Items	-	-	-	5,141
Due from Other Governments	109,153	-	-	-
Due from Other Funds	-	-	1,281	-
TOTAL ASSETS	<u>\$ 1,437,759</u>	<u>\$ 13,001</u>	<u>\$ 496,802</u>	<u>\$ 1,728,945</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 13,322	\$ -	\$ 501	\$ 23,062
Accrued Payroll	-	-	1,696	42,396
Compensated Absences - Current	-	-	-	-
Deferred Revenues	-	-	339,688	-
Due to Other Funds	585	13,000	-	73,887
Deposits Payable	-	-	-	11,530
TOTAL LIABILITIES	<u>13,907</u>	<u>13,000</u>	<u>341,885</u>	<u>150,875</u>
FUND BALANCES				
Nonspendable:				
Prepays Items	-	-	-	5,141
Restricted:				
Highways and Streets	1,423,852	-	-	-
Emergency Equipment	-	-	-	-
Public Safety	-	-	154,917	-
Economic Development	-	1	-	1,572,929
TOTAL FUND BALANCES	<u>1,423,852</u>	<u>1</u>	<u>154,917</u>	<u>1,578,070</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,437,759</u>	<u>\$ 13,001</u>	<u>\$ 496,802</u>	<u>\$ 1,728,945</u>

Emergency 911	Roselle Road TIF	Total Special Revenue Funds
\$ 80,912	\$ 1,879,501	\$ 5,481,475
-	540,349	540,349
-	160	480
4,039	-	43,589
-	-	5,141
-	-	109,153
-	-	1,281
<u>\$ 84,951</u>	<u>\$ 2,420,010</u>	<u>\$ 6,181,468</u>
\$ -	\$ 2,842	\$ 39,727
-	-	44,092
-	-	-
-	540,349	680,037
517	-	87,989
-	-	11,530
<u>517</u>	<u>543,191</u>	<u>1,063,375</u>
-	-	5,141
-	-	1,423,852
84,434	-	84,434
-	-	154,917
-	1,876,819	3,449,749
<u>84,434</u>	<u>1,876,819</u>	<u>5,118,093</u>
<u>\$ 84,951</u>	<u>\$ 2,420,010</u>	<u>\$ 6,181,468</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended December 31, 2011

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,040,677
Intergovernmental	1,530,282	179,838	-	-
Fines and Forfeits	-	-	1,159,081	-
Investment Income	394	-	197	1,168
Miscellaneous	-	-	825	18,508
TOTAL REVENUES	<u>1,530,676</u>	<u>179,838</u>	<u>1,160,103</u>	<u>4,060,353</u>
EXPENDITURES				
Current:				
General Government	-	-	-	342,639
Public Safety	-	-	164,674	3,858,252
Highways and Streets	82,749	-	-	156,223
Economic Development	-	179,838	-	-
TOTAL EXPENDITURES	<u>82,749</u>	<u>179,838</u>	<u>164,674</u>	<u>4,357,114</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,447,927</u>	<u>-</u>	<u>995,429</u>	<u>(296,761)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(222,130)</u>	<u>-</u>	<u>(999,187)</u>	<u>(423,050)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(222,130)</u>	<u>-</u>	<u>(999,187)</u>	<u>(423,050)</u>
Net Change in Fund Balance	<u>1,225,797</u>	<u>-</u>	<u>(3,758)</u>	<u>(719,811)</u>
Fund Balance at Beginning of Year	<u>198,055</u>	<u>1</u>	<u>158,675</u>	<u>2,297,881</u>
Fund Balance at End of Year	<u>\$ 1,423,852</u>	<u>\$ 1</u>	<u>\$ 154,917</u>	<u>\$ 1,578,070</u>

Emergency 911	Roselle Road TIF	Total Special Revenue Funds
\$ -	\$ 519,081	\$ 4,559,758
24,372	-	1,734,492
-	-	1,159,081
162	2,202	4,123
-	17,465	36,798
<u>24,534</u>	<u>538,748</u>	<u>7,494,252</u>
-	-	342,639
10,397	-	4,033,323
-	-	238,972
-	26,817	206,655
<u>10,397</u>	<u>26,817</u>	<u>4,821,589</u>
<u>14,137</u>	<u>511,931</u>	<u>2,672,663</u>
<u>(300,000)</u>	<u>(50,000)</u>	<u>(1,994,367)</u>
<u>(300,000)</u>	<u>(50,000)</u>	<u>(1,994,367)</u>
<u>(285,863)</u>	<u>461,931</u>	<u>678,296</u>
<u>370,297</u>	<u>1,414,888</u>	<u>4,439,797</u>
<u>\$ 84,434</u>	<u>\$ 1,876,819</u>	<u>\$ 5,118,093</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,358,700	\$ 1,358,700	\$ 1,530,282	\$ 1,528,680
Investment income	100	100	394	166
TOTAL REVENUES	<u>1,358,800</u>	<u>1,358,800</u>	<u>1,530,676</u>	<u>1,528,846</u>
EXPENDITURES				
Current				
Highways and Streets	84,500	84,500	82,749	76,720
TOTAL EXPENDITURES	<u>84,500</u>	<u>84,500</u>	<u>82,749</u>	<u>76,720</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,274,300</u>	<u>1,274,300</u>	<u>1,447,927</u>	<u>1,452,126</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(222,130)	(222,130)	(222,130)	(1,345,540)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(222,130)</u>	<u>(222,130)</u>	<u>(222,130)</u>	<u>(1,345,540)</u>
Net Change in Fund Balance	<u>\$ 1,052,170</u>	<u>\$ 1,052,170</u>	1,225,797	106,586
Fund Balance at Beginning of Year			<u>198,055</u>	<u>91,469</u>
Fund Balance at End of Year			<u>\$ 1,423,852</u>	<u>\$ 198,055</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 335,000	\$ 335,000	\$ 179,838	\$ 410,341
Miscellaneous	-	-	-	6,641
TOTAL REVENUES	<u>335,000</u>	<u>335,000</u>	<u>179,838</u>	<u>416,982</u>
EXPENDITURES				
Current				
Economic Development	<u>335,000</u>	<u>335,000</u>	<u>179,838</u>	<u>193,443</u>
TOTAL EXPENDITURES	<u>335,000</u>	<u>335,000</u>	<u>179,838</u>	<u>193,443</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	<u>223,539</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	<u>(223,539)</u>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	<u>(223,539)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance at Beginning of Year			<u>1</u>	<u>1</u>
Fund Balance at End of Year			<u>\$ 1</u>	<u>\$ 1</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ASSET SEIZURE FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 1,298,280	\$ 1,298,280	\$ 1,159,081	\$ 144,476
Investment Income	250	250	197	272
Miscellaneous	-	-	825	11,225
TOTAL REVENUES	<u>1,298,530</u>	<u>1,298,530</u>	<u>1,160,103</u>	<u>155,973</u>
EXPENDITURES				
Current				
Public Safety	<u>315,090</u>	<u>315,090</u>	<u>164,674</u>	<u>149,987</u>
TOTAL EXPENDITURES	<u>315,090</u>	<u>315,090</u>	<u>164,674</u>	<u>149,987</u>
Excess (Deficiency) of Revenues over Expenditures	<u>983,440</u>	<u>983,440</u>	<u>995,429</u>	<u>5,986</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(999,190)</u>	<u>(999,190)</u>	<u>(999,187)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(999,190)</u>	<u>(999,190)</u>	<u>(999,187)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (15,750)</u>	<u>\$ (15,750)</u>	(3,758)	5,986
Fund Balance at Beginning of Year			<u>158,675</u>	<u>152,689</u>
Fund Balance at End of Year			<u>\$ 154,917</u>	<u>\$ 158,675</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 4,040,680	\$ 4,040,680	\$ 4,040,677	\$ 5,729,573
Investment Income	6,000	6,000	1,168	3,106
Miscellaneous	-	-	18,508	700
TOTAL REVENUES	<u>4,046,680</u>	<u>4,046,680</u>	<u>4,060,353</u>	<u>5,733,379</u>
EXPENDITURES				
Current				
General Government	324,050	343,050	342,639	344,172
Public Safety	3,805,730	3,851,130	3,858,252	3,620,973
Highways and Streets	182,970	182,970	156,223	153,119
TOTAL EXPENDITURES	<u>4,312,750</u>	<u>4,377,150</u>	<u>4,357,114</u>	<u>4,118,264</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(266,070)</u>	<u>(330,470)</u>	<u>(296,761)</u>	<u>1,615,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(423,050)</u>	<u>(423,050)</u>	<u>(423,050)</u>	<u>(32,050)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(423,050)</u>	<u>(423,050)</u>	<u>(423,050)</u>	<u>(32,050)</u>
Net Change in Fund Balance	<u>\$ (689,120)</u>	<u>\$ (753,520)</u>	<u>(719,811)</u>	<u>1,583,065</u>
Fund Balance at Beginning of Year			<u>2,297,681</u>	<u>714,816</u>
Fund Balance at End of Year			<u>\$ 1,578,070</u>	<u>\$ 2,297,881</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, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 25,500	\$ 25,500	\$ 24,372	\$ 26,653
Investment Income	1,250	1,250	162	1,017
TOTAL REVENUES	<u>26,750</u>	<u>26,750</u>	<u>24,534</u>	<u>27,670</u>
EXPENDITURES				
Current				
Public Safety	-	10,400	10,397	-
TOTAL EXPENDITURES	<u>-</u>	<u>10,400</u>	<u>10,397</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>26,750</u>	<u>16,350</u>	<u>14,137</u>	<u>27,670</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(300,000)	(300,000)	(300,000)	(546,120)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(546,120)</u>
Net Change in Fund Balance	<u>\$ (273,250)</u>	<u>\$ (283,650)</u>	(285,863)	(518,450)
Fund Balance at Beginning of Year			<u>370,297</u>	<u>888,747</u>
Fund Balance at End of Year			<u>\$ 84,434</u>	<u>\$ 370,297</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,148,120	\$ 1,148,120	\$ 519,081	\$ 830,890
Investment Income	8,000	6,000	2,202	5,070
Miscellaneous	17,460	17,460	17,465	93,168
TOTAL REVENUES	<u>1,171,580</u>	<u>1,171,580</u>	<u>538,748</u>	<u>929,128</u>
EXPENDITURES				
Current				
Economic Development	<u>211,040</u>	<u>211,040</u>	<u>26,817</u>	<u>2,290</u>
TOTAL EXPENDITURES	<u>211,040</u>	<u>211,040</u>	<u>26,817</u>	<u>2,290</u>
Excess (Deficiency) of Revenues over Expenditures	<u>960,540</u>	<u>960,540</u>	<u>511,931</u>	<u>926,838</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(70,000)</u>	<u>(120,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(70,000)</u>	<u>(120,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	<u>\$ 890,540</u>	<u>\$ 840,540</u>	481,931	876,838
Fund Balance at Beginning of Year			<u>1,414,888</u>	<u>538,050</u>
Fund Balance at End of Year			<u>\$ 1,876,819</u>	<u>\$ 1,414,888</u>

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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.
- 2005 EDA TIF Refunding Bond Fund – 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.
- 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, 2011

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
ASSETS			
Cash and Investments	\$ 5,541	\$ 41,053	\$ 17,928
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property Taxes	407,462	952	9,328
Accrued Interest	-	-	-
Due from Other Funds	-	75,936	-
TOTAL ASSETS	<u>\$ 413,003</u>	<u>\$ 117,941</u>	<u>\$ 27,256</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Deferred Revenues	\$ 407,462	\$ -	\$ -
Due to Other Funds	-	55,000	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>407,462</u>	<u>55,000</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Debt Service	5,541	62,941	27,256
TOTAL FUND BALANCES	<u>5,541</u>	<u>62,941</u>	<u>27,256</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 413,003</u>	<u>\$ 117,941</u>	<u>\$ 27,256</u>

2004 General Obligation Refunding Bond	2005 EDA TIF Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ 18,969	\$ 38,317	\$ 82,962	\$ 1,210,296	\$ 1,415,066
625,358	-	-	527,470	1,570,570
-	-	-	19,731	19,731
-	-	-	67,505	143,441
<u>\$ 644,327</u>	<u>\$ 38,317</u>	<u>\$ 82,962</u>	<u>\$ 1,825,002</u>	<u>\$ 3,148,808</u>
\$ 615,068	\$ -	\$ -	\$ 527,470	\$ 1,550,000
-	-	-	-	55,000
-	1,500	-	-	1,500
<u>615,068</u>	<u>1,500</u>	<u>-</u>	<u>527,470</u>	<u>1,606,500</u>
29,259	36,817	82,962	1,297,532	1,542,308
<u>29,259</u>	<u>36,817</u>	<u>82,962</u>	<u>1,297,532</u>	<u>1,542,308</u>
<u>\$ 644,327</u>	<u>\$ 36,317</u>	<u>\$ 82,962</u>	<u>\$ 1,825,002</u>	<u>\$ 3,148,808</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended December 31, 2011

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
REVENUES			
Taxes	\$ -	\$ 68,831	\$ 704,202
Charges for Services	-	-	-
Investment Income	18	35	180
TOTAL REVENUES	<u>18</u>	<u>68,866</u>	<u>704,382</u>
EXPENDITURES			
Debt Service			
Principal Retirement	505,000	520,000	680,000
Interest and Fiscal Charges	48,393	24,000	23,380
TOTAL EXPENDITURES	<u>553,393</u>	<u>544,000</u>	<u>703,380</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(553,375)</u>	<u>(475,134)</u>	<u>1,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	553,430	571,620	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>553,430</u>	<u>571,620</u>	<u>-</u>
Net Change in Fund Balances	<u>55</u>	<u>96,486</u>	<u>1,002</u>
Fund Balances at Beginning of Year	<u>5,486</u>	<u>(33,545)</u>	<u>26,254</u>
Fund Balances at End of Year	<u>\$ 5,541</u>	<u>\$ 62,941</u>	<u>\$ 27,256</u>

2004 General Obligation Refunding Bond	2005 EDA TIF Refunding Bond	2008A General Obligation Debt Service	2009A General Obligation Debt Service	Total Debt Service Funds
\$ 776,495	\$ 2,000	\$ -	\$ -	\$ 1,551,528
-	-	-	314,935	314,935
208	57	14	25,553	26,065
<u>776,703</u>	<u>2,057</u>	<u>14</u>	<u>340,488</u>	<u>1,892,528</u>
905,000	-	-	-	2,610,000
67,238	5,000	1,332,750	1,514,356	3,015,117
<u>972,238</u>	<u>5,000</u>	<u>1,332,750</u>	<u>1,514,356</u>	<u>5,625,117</u>
<u>(195,535)</u>	<u>(2,943)</u>	<u>(1,332,736)</u>	<u>(1,173,868)</u>	<u>(3,732,589)</u>
196,260	-	1,332,250	-	2,653,560
<u>196,260</u>	<u>-</u>	<u>1,332,250</u>	<u>-</u>	<u>2,653,560</u>
725	(2,943)	(486)	(1,173,868)	(1,079,029)
<u>28,534</u>	<u>39,760</u>	<u>83,448</u>	<u>2,471,400</u>	<u>2,621,337</u>
<u>\$ 29,259</u>	<u>\$ 36,817</u>	<u>\$ 82,962</u>	<u>\$ 1,297,532</u>	<u>\$ 1,542,308</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 50	\$ 50	\$ 18	\$ 78
TOTAL REVENUES	<u>50</u>	<u>50</u>	<u>18</u>	<u>78</u>
EXPENDITURES				
Debt Service				
Principal Retirement	505,000	505,000	505,000	480,000
Interest and Fiscal Charges	48,400	48,400	48,393	70,473
TOTAL EXPENDITURES	<u>553,400</u>	<u>553,400</u>	<u>553,393</u>	<u>550,473</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(553,350)</u>	<u>(553,350)</u>	<u>(553,375)</u>	<u>(550,395)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	553,430	553,430	553,430	550,480
TOTAL OTHER FINANCING SOURCES (USES)	<u>553,430</u>	<u>553,430</u>	<u>553,430</u>	<u>550,480</u>
Net Change in Fund Balance	<u>\$ 80</u>	<u>\$ 80</u>	55	85
Fund Balance at Beginning of Year			<u>5,486</u>	<u>5,401</u>
Fund Balance at End of Year			<u>\$ 5,541</u>	<u>\$ 5,486</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 71,780	\$ 71,780	\$ 68,831	\$ 869,875
Investment Income	200	200	35	371
TOTAL REVENUES	<u>71,980</u>	<u>71,980</u>	<u>68,866</u>	<u>870,246</u>
EXPENDITURES				
Debt Service				
Principal Retirement	520,000	520,000	520,000	1,090,000
Interest and Fiscal Charges	24,000	24,000	24,000	73,050
TOTAL EXPENDITURES	<u>544,000</u>	<u>544,000</u>	<u>544,000</u>	<u>1,163,050</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(472,020)</u>	<u>(472,020)</u>	<u>(475,134)</u>	<u>(292,804)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	571,620	571,620	571,620	454,660
TOTAL OTHER FINANCING SOURCES (USES)	<u>571,620</u>	<u>571,620</u>	<u>571,620</u>	<u>454,660</u>
Net Change in Fund Balance	<u>\$ 99,600</u>	<u>\$ 99,600</u>	96,486	161,856
Fund Balance at Beginning of Year			<u>(33,545)</u>	<u>(195,401)</u>
Fund Balance at End of Year			<u>\$ 62,941</u>	<u>\$ (33,545)</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, 2011
 (with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 710,780	\$ 710,780	\$ 704,202	\$ 927,050
Investment Income	500	500	180	644
TOTAL REVENUES	<u>711,280</u>	<u>711,280</u>	<u>704,382</u>	<u>927,694</u>
EXPENDITURES				
Debt Service				
Principal Retirement	680,000	680,000	680,000	915,000
Interest and Fiscal Charges	23,380	23,380	23,380	52,203
TOTAL EXPENDITURES	<u>703,380</u>	<u>703,380</u>	<u>703,380</u>	<u>967,203</u>
Net Change in Fund Balance	<u>\$ 7,900</u>	<u>\$ 7,900</u>	1,002	(39,509)
Fund Balance at Beginning of Year			<u>26,254</u>	<u>65,763</u>
Fund Balance at End of Year			<u>\$ 27,256</u>	<u>\$ 26,254</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, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 777,480	\$ 777,480	\$ 776,495	\$ 611,625
Investment Income	300	300	208	439
TOTAL REVENUES	<u>777,780</u>	<u>777,780</u>	<u>776,703</u>	<u>612,064</u>
EXPENDITURES				
Debt Service				
Principal Retirement	905,000	905,000	905,000	870,000
Interest and Fiscal Charges	67,240	67,240	67,238	97,688
TOTAL EXPENDITURES	<u>972,240</u>	<u>972,240</u>	<u>972,238</u>	<u>967,688</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(194,460)</u>	<u>(194,460)</u>	<u>(195,535)</u>	<u>(355,624)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	196,260	196,260	196,260	348,790
TOTAL OTHER FINANCING SOURCES (USES)	<u>196,260</u>	<u>196,260</u>	<u>196,260</u>	<u>348,790</u>
Net Change in Fund Balance	<u>\$ 1,800</u>	<u>\$ 1,800</u>	725	(6,834)
Fund Balance at Beginning of Year			<u>28,534</u>	<u>35,368</u>
Fund Balance at End of Year			<u>\$ 29,259</u>	<u>\$ 28,534</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, 2011
 (with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 21,000	\$ 21,000	\$ 2,000	\$ 10,095,108
Investment Income	-	-	57	40,584
TOTAL REVENUES	<u>21,000</u>	<u>21,000</u>	<u>2,057</u>	<u>10,135,692</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	-	-	23,800,000
Interest and Fiscal Charges	21,000	21,000	5,000	85,006
TOTAL EXPENDITURES	<u>21,000</u>	<u>21,000</u>	<u>5,000</u>	<u>23,885,006</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(2,943)	(13,749,314)
Fund Balance at Beginning of Year			<u>39,760</u>	<u>13,789,074</u>
Fund Balance at End of Year			<u>\$ 36,817</u>	<u>\$ 39,760</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, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 20,000	\$ 20,000	\$ 14	\$ 14,930
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>14</u>	<u>14,930</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	1,332,750	1,332,750	1,332,750	999,688
TOTAL EXPENDITURES	<u>1,332,750</u>	<u>1,332,750</u>	<u>1,332,750</u>	<u>999,688</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,312,750)</u>	<u>(1,312,750)</u>	<u>(1,332,736)</u>	<u>(984,758)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,332,260	1,332,260	1,332,250	293,595
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,332,260</u>	<u>1,332,260</u>	<u>1,332,250</u>	<u>293,595</u>
Net Change in Fund Balance	<u>\$ 19,510</u>	<u>\$ 19,510</u>	(486)	(691,163)
Fund Balance at Beginning of Year			<u>83,448</u>	<u>774,611</u>
Fund Balance at End of Year			<u>\$ 82,962</u>	<u>\$ 83,448</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 500,000	\$ 500,000	\$ 314,935	\$ 268,500
Investment Income	50,000	50,000	25,553	48,393
TOTAL REVENUES	<u>550,000</u>	<u>550,000</u>	<u>340,488</u>	<u>316,893</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	1,514,360	1,514,360	1,514,356	1,514,356
TOTAL EXPENDITURES	<u>1,514,360</u>	<u>1,514,360</u>	<u>1,514,356</u>	<u>1,514,356</u>
Net Change in Fund Balance	<u>\$ (964,360)</u>	<u>\$ (964,360)</u>	(1,173,868)	(1,197,463)
Fund Balance at Beginning of Year			<u>2,471,400</u>	<u>3,668,863</u>
Fund Balance at End of Year			<u>\$ 1,297,532</u>	<u>\$ 2,471,400</u>

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2011

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
ASSETS					
Cash and Investments	\$ 505,603	\$ 253,625	\$ 545,915	\$ 4,189,109	\$ 330,359
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):					
Accrued Interest	-	64	160	-	-
Other	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Due from Other Funds	-	-	7,835	234	-
Advances to Other Funds	-	-	-	-	-
TOTAL ASSETS	<u>505,603</u>	<u>253,689</u>	<u>553,910</u>	<u>4,189,343</u>	<u>330,359</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 46,932	\$ -	\$ 170,000
Deposits Payable	378,257	-	-	-	-
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	<u>378,257</u>	<u>-</u>	<u>46,932</u>	<u>-</u>	<u>170,000</u>
FUND BALANCES					
Nonspendable:					
Prepays	-	-	-	-	-
Restricted:					
Economic Development	-	-	-	4,189,343	-
Capital Improvements	-	-	-	-	-
Assigned:					
Capital Projects	127,346	253,689	506,978	-	160,359
TOTAL FUND BALANCES	<u>127,346</u>	<u>253,689</u>	<u>506,978</u>	<u>4,189,343</u>	<u>160,359</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 505,603</u>	<u>\$ 253,689</u>	<u>\$ 553,910</u>	<u>\$ 4,189,343</u>	<u>\$ 330,359</u>

Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	2009 Capital Projects	Total Capital Projects Funds
\$ 353,404	\$ 2,238,902	\$ 90,715	\$ 343,630	\$ 3,308,302	\$ 456,960	\$ 31,308	\$ 1,416,357	\$ 14,064,189
-	-	-	-	437	-	-	-	661
-	67,533	-	-	-	-	-	-	67,533
-	-	61,547	-	-	-	-	-	61,547
-	-	-	-	-	79,683	-	-	79,683
-	-	-	-	55,000	-	-	-	63,069
-	-	-	-	1,000,000	-	-	-	1,000,000
<u>353,404</u>	<u>2,306,435</u>	<u>152,262</u>	<u>343,630</u>	<u>4,363,739</u>	<u>536,643</u>	<u>31,308</u>	<u>1,416,357</u>	<u>15,336,682</u>
\$ 67,029	\$ 35,491	\$ -	\$ -	\$ 37,129	\$ -	\$ -	\$ 22,831	\$ 379,412
25,080	1,372,944	-	-	-	-	-	-	1,776,281
-	17,323	-	-	-	-	-	159,268	176,591
<u>92,109</u>	<u>1,425,758</u>	<u>-</u>	<u>-</u>	<u>37,129</u>	<u>-</u>	<u>-</u>	<u>182,099</u>	<u>2,332,284</u>
-	-	61,547	-	-	-	-	-	61,547
-	-	-	-	-	-	-	-	4,189,343
-	-	-	-	-	-	31,308	1,234,258	1,265,566
<u>261,295</u>	<u>880,677</u>	<u>90,715</u>	<u>343,630</u>	<u>4,326,610</u>	<u>536,643</u>	<u>-</u>	<u>-</u>	<u>7,487,942</u>
<u>261,295</u>	<u>880,677</u>	<u>152,262</u>	<u>343,630</u>	<u>4,326,610</u>	<u>536,643</u>	<u>31,308</u>	<u>1,234,258</u>	<u>13,004,398</u>
<u>\$ 353,404</u>	<u>\$ 2,306,435</u>	<u>\$ 152,262</u>	<u>\$ 343,630</u>	<u>\$ 4,363,739</u>	<u>\$ 536,643</u>	<u>\$ 31,308</u>	<u>\$ 1,416,357</u>	<u>\$ 15,336,682</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 Year Ended December 31, 2011

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 39,948	\$ -	\$ -
Charges for Services	-	-	-	-	-
Investment Income	567	169	484	3,526	484
Miscellaneous	-	-	-	2,430	-
TOTAL REVENUES	<u>567</u>	<u>169</u>	<u>40,412</u>	<u>5,956</u>	<u>484</u>
EXPENDITURES					
Capital Outlay	-	-	213,401	91,151	170,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>213,401</u>	<u>91,151</u>	<u>170,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>567</u>	<u>169</u>	<u>(172,989)</u>	<u>(85,195)</u>	<u>(169,536)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>567</u>	<u>169</u>	<u>(172,989)</u>	<u>(85,195)</u>	<u>(169,536)</u>
Fund Balance at Beginning of Year	<u>126,779</u>	<u>253,520</u>	<u>679,967</u>	<u>4,274,538</u>	<u>329,895</u>
Fund Balance at End of Year	<u>\$ 127,346</u>	<u>\$ 253,689</u>	<u>\$ 506,978</u>	<u>\$ 4,189,343</u>	<u>\$ 160,359</u>

Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2008 Capital Projects	2009 Capital Projects	Total Capital Projects Funds
\$ -	\$ -	\$ 312,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 851,948
6,344	112,461	-	-	-	-	-	-	118,805
111	3,021	40	388	3,916	559	35	4,555	17,815
<u>21,765</u>	<u>96,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,096</u>	<u>-</u>	<u>123,002</u>
<u>28,220</u>	<u>211,593</u>	<u>312,040</u>	<u>388</u>	<u>3,916</u>	<u>559</u>	<u>2,731</u>	<u>504,555</u>	<u>1,111,570</u>
<u>2,489,105</u>	<u>70,302</u>	<u>406,721</u>	<u>2,500</u>	<u>62,047</u>	<u>-</u>	<u>3,726</u>	<u>824,858</u>	<u>4,313,811</u>
<u>2,489,105</u>	<u>70,302</u>	<u>406,721</u>	<u>2,500</u>	<u>62,047</u>	<u>-</u>	<u>3,726</u>	<u>824,858</u>	<u>4,313,811</u>
<u>(2,440,885)</u>	<u>141,291</u>	<u>(94,681)</u>	<u>(2,112)</u>	<u>(58,131)</u>	<u>559</u>	<u>(995)</u>	<u>(320,303)</u>	<u>(3,202,241)</u>
<u>2,534,526</u>	<u>-</u>	<u>218,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,753,026</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,305,906)</u>	<u>(2,305,906)</u>
<u>2,534,526</u>	<u>-</u>	<u>218,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,305,906)</u>	<u>447,120</u>
<u>93,641</u>	<u>141,291</u>	<u>123,819</u>	<u>(2,112)</u>	<u>(58,131)</u>	<u>559</u>	<u>(995)</u>	<u>(2,626,209)</u>	<u>(2,755,121)</u>
<u>167,654</u>	<u>739,366</u>	<u>28,443</u>	<u>345,742</u>	<u>4,384,741</u>	<u>536,084</u>	<u>32,303</u>	<u>3,860,467</u>	<u>15,759,519</u>
<u>\$ 261,295</u>	<u>\$ 880,677</u>	<u>\$ 152,262</u>	<u>\$ 343,630</u>	<u>\$ 4,326,610</u>	<u>\$ 536,643</u>	<u>\$ 31,308</u>	<u>\$ 1,234,258</u>	<u>\$ 13,004,398</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 567	\$ 654
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>567</u>	<u>654</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(100,000)	(100,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (99,500)</u>	<u>\$ (99,500)</u>	567	654
Fund Balance at Beginning of Year			<u>126,779</u>	<u>126,125</u>
Fund Balance at End of Year			<u>\$ 127,346</u>	<u>\$ 126,779</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, 2011
 (with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 300	\$ 300	\$ 169	\$ 363
TOTAL REVENUES	<u>300</u>	<u>300</u>	<u>169</u>	<u>363</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(250,000)	(250,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (249,700)</u>	<u>\$ (249,700)</u>	169	363
Fund Balance at Beginning of Year			<u>253,520</u>	<u>253,157</u>
Fund Balance at End of Year			<u>\$ 253,689</u>	<u>\$ 253,520</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 39,948	\$ -
Investment Income	1,350	1,350	464	1,190
TOTAL REVENUES	<u>1,350</u>	<u>1,350</u>	<u>40,412</u>	<u>1,190</u>
EXPENDITURES				
Capital Outlay	56,000	56,000	213,401	35,000
TOTAL EXPENDITURES	<u>56,000</u>	<u>56,000</u>	<u>213,401</u>	<u>35,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(54,650)</u>	<u>(54,650)</u>	<u>(172,989)</u>	<u>(33,810)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(560,000)	(560,000)	-	(2,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(560,000)</u>	<u>(560,000)</u>	<u>-</u>	<u>(2,000)</u>
Net Change in Fund Balance	<u>\$ (614,650)</u>	<u>\$ (614,650)</u>	(172,989)	(35,810)
Fund Balance at Beginning of Year			<u>679,967</u>	<u>715,777</u>
Fund Balance at End of Year			<u>\$ 506,978</u>	<u>\$ 679,967</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, 2011
 (with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 340,000	\$ 340,000	\$ -	\$ -
Charges for Services	9,000	9,000	-	6,034
Investment Income	11,000	11,000	3,526	12,906
Miscellaneous	110,000	110,000	2,430	39,683
TOTAL REVENUES	<u>470,000</u>	<u>470,000</u>	<u>5,956</u>	<u>58,623</u>
EXPENDITURES				
Capital Outlay	1,591,020	1,591,020	91,151	58,347
TOTAL EXPENDITURES	<u>1,591,020</u>	<u>1,591,020</u>	<u>91,151</u>	<u>58,347</u>
Net Change in Fund Balance	<u>\$ (1,121,020)</u>	<u>\$ (1,121,020)</u>	(85,195)	276
Fund Balance at Beginning of Year			<u>4,274,538</u>	<u>4,274,262</u>
Fund Balance at End of Year			<u>\$ 4,189,343</u>	<u>\$ 4,274,538</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 720	\$ 720	\$ 464	\$ 603
TOTAL REVENUES	<u>720</u>	<u>720</u>	<u>464</u>	<u>603</u>
EXPENDITURES				
Capital Outlay	-	170,000	170,000	11,532
TOTAL EXPENDITURES	<u>-</u>	<u>170,000</u>	<u>170,000</u>	<u>11,532</u>
Net Change in Fund Balance	<u>\$ 720</u>	<u>\$ (169,280)</u>	(189,536)	(10,929)
Fund Balance at Beginning of Year			<u>329,895</u>	<u>340,824</u>
Fund Balance at End of Year			<u>\$ 160,359</u>	<u>\$ 329,895</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,600,500	\$ 1,600,500	\$ -	\$ 165,000
Charges for Services	-	-	6,344	5,000
Investment Income	510	510	111	372
Miscellaneous	4,470,000	4,470,000	21,765	427,389
TOTAL REVENUES	<u>6,071,010</u>	<u>6,071,010</u>	<u>28,220</u>	<u>597,761</u>
EXPENDITURES				
Capital Outlay	9,334,120	9,334,120	2,469,105	2,531,396
TOTAL EXPENDITURES	<u>9,334,120</u>	<u>9,334,120</u>	<u>2,469,105</u>	<u>2,531,396</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,263,110)</u>	<u>(3,263,110)</u>	<u>(2,440,885)</u>	<u>(1,933,635)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,263,620	3,263,620	2,534,526	2,258,059
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,263,620</u>	<u>3,263,620</u>	<u>2,534,526</u>	<u>2,258,059</u>
Net Change in Fund Balance	<u>\$ 510</u>	<u>\$ 510</u>	93,641	324,424
Fund Balance at Beginning of Year			167,654	(156,770)
Fund Balance at End of Year			<u>\$ 261,295</u>	<u>\$ 167,654</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ 112,461	\$ 14,864
Investment Income	5,100	5,100	3,021	4,201
Miscellaneous	-	-	96,111	-
TOTAL REVENUES	<u>5,100</u>	<u>5,100</u>	<u>211,593</u>	<u>19,065</u>
EXPENDITURES				
Capital Outlay	-	-	70,302	40,671
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>70,302</u>	<u>40,671</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,100</u>	<u>5,100</u>	<u>141,291</u>	<u>(21,606)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(300,000)</u>	<u>(300,000)</u>	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>(300,000)</u>	-	-
Net Change in Fund Balance	<u>\$ 5,100</u>	<u>\$ 5,100</u>	141,291	(21,606)
Fund Balance at Beginning of Year			<u>739,386</u>	<u>760,992</u>
Fund Balance at End of Year			<u>\$ 880,677</u>	<u>\$ 739,386</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, 2011
(with comparative actual for 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 312,000	\$ 312,000	\$ 312,000	\$ -
Fines and Forfeits	24,000	24,000	-	-
Investment Income	50	50	40	52
TOTAL REVENUES	<u>336,050</u>	<u>336,050</u>	<u>312,040</u>	<u>52</u>
EXPENDITURES				
Capital Outlay	554,500	554,500	406,721	16,729
TOTAL EXPENDITURES	<u>554,500</u>	<u>554,500</u>	<u>406,721</u>	<u>16,729</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(218,450)</u>	<u>(218,450)</u>	<u>(94,681)</u>	<u>(16,677)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	218,500	218,500	218,500	35,000
Transfers (Out)	-	-	-	(25,200)
TOTAL OTHER FINANCING SOURCES (USES)	<u>218,500</u>	<u>218,500</u>	<u>218,500</u>	<u>9,800</u>
Net Change in Fund Balance	<u>\$ 50</u>	<u>\$ 50</u>	123,819	(6,877)
Fund Balance at Beginning of Year			<u>28,443</u>	<u>35,320</u>
Fund Balance at End of Year			<u>\$ 152,262</u>	<u>\$ 28,443</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 470	\$ 470	\$ 388	\$ 545
TOTAL REVENUES	<u>470</u>	<u>470</u>	<u>388</u>	<u>545</u>
EXPENDITURES				
Capital Outlay	3,000	3,000	2,500	41,967
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>2,500</u>	<u>41,967</u>
Net Change in Fund Balance	<u>\$ (2,530)</u>	<u>\$ (2,530)</u>	(2,112)	(41,422)
Fund Balance at Beginning of Year			<u>345,742</u>	<u>387,164</u>
Fund Balance at End of Year			<u>\$ 343,630</u>	<u>\$ 345,742</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, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 6,000	\$ 6,000	\$ 3,916	\$ 5,422
TOTAL REVENUES	<u>6,000</u>	<u>6,000</u>	<u>3,916</u>	<u>5,422</u>
EXPENDITURES				
Capital Outlay	291,520	291,520	62,047	67,701
TOTAL EXPENDITURES	<u>291,520</u>	<u>291,520</u>	<u>62,047</u>	<u>67,701</u>
Net Change in Fund Balance	<u>\$ (285,520)</u>	<u>\$ (285,520)</u>	(58,131)	(62,279)
Fund Balance at Beginning of Year			<u>4,384,741</u>	<u>4,447,020</u>
Fund Balance at End of Year			<u>\$ 4,326,610</u>	<u>\$ 4,384,741</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN CORRIDOR FUND
 Year Ended December 31, 2011
 (with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 10,000	\$ 10,000	\$ -	\$ 5,687
Investment Income	1,100	1,100	559	904
Miscellaneous	-	-	-	72,395
TOTAL REVENUES	<u>11,100</u>	<u>11,100</u>	<u>559</u>	<u>78,966</u>
 Net Change in Fund Balance	 <u>\$ 11,100</u>	 <u>\$ 11,100</u>	 559	 78,966
 Fund Balance at Beginning of Year			 <u>536,084</u>	 <u>457,118</u>
 Fund Balance at End of Year			 <u>\$ 536,643</u>	 <u>\$ 536,084</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2008 CAPITAL PROJECTS FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 35	\$ 758
Miscellaneous	-	-	2,696	-
TOTAL REVENUES	-	-	2,731	758
EXPENDITURES				
Capital Outlay	-	3,750	3,726	83,017
TOTAL EXPENDITURES	-	3,750	3,726	83,017
Excess (Deficiency) of Revenues over Expenditures	-	(3,750)	(995)	(82,259)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(500)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(500)
Net Change in Fund Balance	\$ -	\$ (3,750)	(995)	(82,759)
Fund Balance at Beginning of Year			32,303	115,062
Fund Balance at End of Year			\$ 31,308	\$ 32,303

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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 825,000
Investment Income	-	-	4,555	27,625
TOTAL REVENUES	<u>1,000,000</u>	<u>1,000,000</u>	<u>504,555</u>	<u>852,625</u>
EXPENDITURES				
Capital Outlay	-	825,000	824,858	9,380,452
TOTAL EXPENDITURES	<u>-</u>	<u>825,000</u>	<u>824,858</u>	<u>9,380,452</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,000,000</u>	<u>175,000</u>	<u>(320,303)</u>	<u>(8,527,827)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(1,805,000)</u>	<u>(2,505,000)</u>	<u>(2,305,906)</u>	<u>(750,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,805,000)</u>	<u>(2,505,000)</u>	<u>(2,305,906)</u>	<u>(750,000)</u>
Net Change in Fund Balance	<u>\$ (805,000)</u>	<u>\$ (2,330,000)</u>	<u>(2,826,209)</u>	<u>(9,277,827)</u>
Fund Balance at Beginning of Year			<u>3,860,467</u>	<u>13,138,294</u>
Fund Balance at End of Year			<u>\$ 1,234,258</u>	<u>\$ 3,880,467</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
WATERWORKS AND SEWERAGE FUND
December 31, 2011
(with comparative totals for 2010)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 2,427,840	\$ 5,119,462
Receivables		
Accounts - Billed	877,617	858,557
Accounts - Unbilled	875,940	891,539
Accounts - Other Invoices	11,702	7,768
Inventories	174,472	190,055
Deferred Charges	55,841	57,909
TOTAL CURRENT ASSETS	4,423,412	7,125,290
CAPITAL ASSETS		
Not Depreciated	652,932	5,818,358
Depreciated	56,901,564	50,565,676
Accumulated Depreciation	(24,130,855)	(24,084,779)
NET CAPITAL ASSETS	33,423,641	32,297,255
TOTAL ASSETS	37,847,053	39,422,545
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	770,550	1,224,891
Accrued Payroll	47,073	46,696
Accrued Interest Payable	27,755	27,755
Due to Other Funds	99,505	129,866
Deposits Payable	33,959	35,400
Compensated Absences Payable	139,425	136,789
TOTAL CURRENT LIABILITIES	1,118,267	1,601,397
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	6,661,250	6,661,250
Compensated Absences Payable	169,697	191,621
Other Post-Employment Benefit Obligations	136,023	127,031
Termination Benefits Payable	61,159	63,726
Unamortized Discount on Bonds	(69,021)	(71,577)
TOTAL LONG-TERM LIABILITIES	6,959,108	6,972,051
TOTAL LIABILITIES	8,077,375	8,573,448
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	27,135,357	26,585,656
Unrestricted	2,634,321	4,263,441
TOTAL NET ASSETS	\$ 29,769,678	\$ 30,849,097

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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 11,100,300	\$ 11,100,300	\$ 10,604,162	\$ 10,367,612
TOTAL OPERATING REVENUES	<u>11,100,300</u>	<u>11,100,300</u>	<u>10,604,162</u>	<u>10,367,612</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	10,473,850	10,473,850	10,133,767	7,931,864
Sewer Division	3,169,270	3,169,270	1,917,708	1,946,656
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>13,643,120</u>	<u>13,643,120</u>	<u>12,051,475</u>	<u>9,878,520</u>
Operating Income (Loss) Before Depreciation	<u>(2,542,820)</u>	<u>(2,542,820)</u>	<u>(1,447,313)</u>	<u>489,092</u>
Depreciation	<u>1,094,400</u>	<u>1,094,400</u>	<u>1,148,042</u>	<u>1,783,933</u>
Operating Income (Loss)	<u>(3,637,220)</u>	<u>(3,637,220)</u>	<u>(2,595,355)</u>	<u>(1,294,841)</u>
NONOPERATING REVENUES (EXPENSES)				
Grant Income	-	-	11,345	-
Investment Income	15,000	15,000	4,694	17,100
Interest Expense	(4,630)	(4,630)	-	(314,786)
Amortization Expense	-	-	(4,625)	(4,625)
Miscellaneous Revenue	17,700	17,700	57,884	431,321
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>28,070</u>	<u>28,070</u>	<u>69,298</u>	<u>129,010</u>
Net Income (Loss) Before Transfers and Contributions	<u>(3,609,150)</u>	<u>(3,609,150)</u>	<u>(2,526,057)</u>	<u>(1,165,831)</u>
TRANSFERS				
Transfers In	279,720	279,720	279,720	-
Transfers (Out)	(337,510)	(337,510)	(350,753)	(293,095)
TOTAL TRANSFERS	<u>(57,790)</u>	<u>(57,790)</u>	<u>(71,033)</u>	<u>(293,095)</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>1,517,671</u>	<u>145,117</u>
Change in Net Assets	<u>\$ (3,666,940)</u>	<u>\$ (3,666,940)</u>	<u>(1,079,419)</u>	<u>(1,313,809)</u>
Net Assets at Beginning of Year			<u>30,849,097</u>	<u>32,162,906</u>
Net Assets at End of Year			<u>\$ 29,769,678</u>	<u>\$ 30,849,097</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET ASSETS
SEARS CENTRE OPERATING FUND
December 31, 2011
(with comparative totals for 2010)

	2011	2010
CURRENT ASSETS		
Cash and Investments	\$ 4,319,654	\$ 2,772,582
Receivables:		
Accounts	180,561	56,569
Accrued Interest	-	14
Other	315,770	238,208
Prepaid Items	52,871	58,542
Event Prepaid Items	-	64,720
Due from Other Funds	2,129	-
Deferred Charges	531,971	607,967
Total Current Assets	5,402,956	3,798,602
CAPITAL ASSETS		
Not Depreciated	6,000,000	6,000,000
Depreciated	78,047,516	77,997,267
Accumulated Depreciation	(4,799,727)	(2,449,651)
Net Capital Assets	79,247,789	81,547,616
Total Assets	84,650,745	85,346,218
CURRENT LIABILITIES		
Accounts Payable	761,846	351,178
Accrued Payroll	-	4,307
Events Payable	20,389	-
Accrued Interest Payable	217,858	222,475
Due to Other Funds	75,936	74,396
Advances	1,600,000	1,485,080
Deferred Revenue	896,379	1,185,264
Long-term Obligations, Due within One Year:		
General Obligation Bonds Payable	1,285,000	1,230,000
Capital Lease Payable	4,600	4,600
Total Current Liabilities	4,861,808	4,557,300
NONCURRENT LIABILITIES		
General Obligation Bonds Payable	48,020,000	49,305,000
Capital Leases Payable	11,883	16,483
Unamortized Discount on Bonds	(210,452)	(240,516)
Total Long-Term Liabilities	47,821,431	49,080,967
Total Liabilities	52,683,239	53,638,267
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	30,153,241	31,253,132
Unrestricted	1,814,285	454,819
Total Net Assets	\$ 31,967,506	\$ 31,707,951

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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 2,485,150	\$ 2,485,150	\$ 2,419,078	\$ 2,061,842
TOTAL OPERATING REVENUES	<u>2,485,150</u>	<u>2,485,150</u>	<u>2,419,078</u>	<u>2,061,842</u>
OPERATING EXPENSES				
Sears Centre	3,490,700	3,490,700	2,472,951	3,445,658
Depreciation	95,000	2,454,000	2,346,785	2,351,827
TOTAL OPERATING EXPENSES	<u>3,585,700</u>	<u>5,944,700</u>	<u>4,819,736</u>	<u>5,797,485</u>
Operating Income (Loss)	<u>(1,100,550)</u>	<u>(3,459,550)</u>	<u>(2,400,658)</u>	<u>(3,735,643)</u>
NONOPERATING REVENUES (EXPENSES)				
Entertainment and Food & Beverage Tax	2,157,000	2,157,000	2,100,316	1,154,561
Charges for Services	27,000	27,000	31,216	28,584
Investment Income	2,500	2,500	732	1,370
Principal Retirement	(1,230,000)	(1,230,000)	(1,230,000)	(1,175,000)
Amount to Reduce Principal on Bonds	-	-	1,230,000	1,175,000
Interest Expense	(2,674,700)	(2,674,700)	(2,664,898)	(2,719,785)
Amortization Expense	-	-	(106,060)	(106,060)
Miscellaneous Revenue	1,000,000	1,000,000	929,687	4,232,487
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(718,200)</u>	<u>(718,200)</u>	<u>290,993</u>	<u>2,591,157</u>
Net Income (Loss) Before Transfers and Contributions	<u>(1,818,750)</u>	<u>(4,177,750)</u>	<u>(2,109,665)</u>	<u>(1,144,486)</u>
TRANSFERS				
Transfers In	605,000	2,969,000	4,650,570	-
Transfers (Out)	(605,000)	(2,969,000)	(2,286,300)	-
TOTAL TRANSFERS	<u>-</u>	<u>-</u>	<u>2,364,270</u>	<u>-</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>4,950</u>	<u>-</u>
Change in Net Assets	<u>\$ (1,818,750)</u>	<u>\$ (4,177,750)</u>	<u>259,555</u>	<u>(1,144,486)</u>
Net Assets at Beginning of Year			<u>31,707,951</u>	<u>32,852,437</u>
Net Assets at End of Year			<u>\$ 31,967,506</u>	<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, 2011

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 484,889	\$ 1,874,941	\$ 2,359,830
Deposits	-	59,200	59,200
Prepaid Items	3,416	-	3,416
Due from Other Funds	9,284	-	9,284
TOTAL CURRENT ASSETS	497,589	1,934,141	2,431,730
CAPITAL ASSETS			
Depreciated	449,291	-	449,291
Accumulated Depreciation	(222,987)	-	(222,987)
NET CAPITAL ASSETS	226,304	-	226,304
TOTAL ASSETS	723,893	1,934,141	2,658,034
LIABILITIES			
Current Liabilities			
Accounts Payable	4,923	36,591	41,514
Accrued Payroll	8,507	-	8,507
Claims Payable	-	634,744	634,744
Benefits Payable	-	187,469	187,469
Due to Other Funds	22,758	46,896	69,654
Compensated Absences Payable	26,686	-	26,686
Total Current Liabilities	62,874	905,700	968,574
Long-Term Liabilities			
Other Post-Employment Benefit Obligation	18,892	-	18,892
TOTAL LIABILITIES	81,766	905,700	987,466
NET ASSETS			
Invested in Capital Assets	226,304	-	226,304
Unrestricted	415,823	1,028,441	1,444,264
TOTAL NET ASSETS	\$ 642,127	\$ 1,028,441	\$ 1,670,568

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2011

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,042,801	\$ 1,594,060	\$ 2,636,861
TOTAL OPERATING REVENUES	1,042,801	1,594,060	2,636,861
OPERATING EXPENSES			
Operations	936,808	-	936,808
Claims and Insurance	-	893,908	893,908
Depreciation	41,773	-	41,773
TOTAL OPERATING EXPENSES	978,581	893,908	1,872,489
Operating Income (Loss)	64,220	700,152	764,372
NONOPERATING REVENUES (EXPENSES)			
Investment Income	214	1,456	1,670
TOTAL NONOPERATING REVENUES (EXPENSES)	214	1,456	1,670
Income (Loss) Before Transfers	64,434	701,608	766,042
TRANSFERS			
Transfers In	63,163	-	63,163
TOTAL TRANSFERS	63,163	-	63,163
Changes in Net Assets	127,597	701,608	829,205
Net Assets Beginning of Year	514,530	326,833	841,363
Net Assets End of Year	\$ 642,127	\$ 1,028,441	\$ 1,670,568

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2011

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Interfund Services Transactions	\$ 1,042,801	\$ 1,594,060	\$ 2,636,861
Cash Payments to Suppliers	(486,163)	(1,602,362)	(2,088,525)
Cash Payments to Employees	(458,365)	-	(458,365)
Net Cash Provided By (Used In) Operating Activities	<u>98,273</u>	<u>(8,302)</u>	<u>89,971</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund Borrowing (Lending)	20,829	46,896	67,725
Transfers In (Out)	63,163	-	63,163
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>83,992</u>	<u>46,896</u>	<u>130,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	214	1,456	1,670
Net Cash Provided By (Used In) Investing Activities	<u>214</u>	<u>1,456</u>	<u>1,670</u>
Net Increase (Decrease) in Cash	182,479	40,050	222,529
Cash and Cash Equivalents, Beginning of Year	302,410	1,834,891	2,137,301
Cash and Cash Equivalents, End of Year	<u>\$ 484,889</u>	<u>\$ 1,874,941</u>	<u>\$ 2,359,830</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Used in Operating Activities:			
Operating Income (Loss)	\$ 64,220	\$ 700,152	\$ 764,372
Adjustment to Reconcile Operating Income			
to Net Cash Used in Operating Activities:			
Depreciation	41,773	-	41,773
Increase (Decrease) in Accounts Payable	(7,546)	(350,721)	(358,267)
Increase (Decrease) in Salaries Payable	(573)	-	(573)
Increase (Decrease) in Benefits Payable	-	60,810	60,810
Increase (Decrease) in Deposits	(3,416)	-	(3,416)
Increase (Decrease) in Claims Payable	-	(418,543)	(418,543)
Increase (Decrease) in Compensated Absences Payable	2,567	-	2,567
Increase (Decrease) in Other Post-Employment Benefits Payable	1,248	-	1,248
Total Adjustments	<u>34,053</u>	<u>(708,454)</u>	<u>(674,401)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 98,273</u>	<u>\$ (8,302)</u>	<u>\$ 89,971</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, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,042,030	\$ 1,042,030	\$ 1,042,801	\$ 1,080,700
TOTAL OPERATING REVENUES	<u>1,042,030</u>	<u>1,042,030</u>	<u>1,042,801</u>	<u>1,080,700</u>
OPERATING EXPENSES				
Operations	1,054,030	1,054,030	936,808	932,308
Depreciation	52,710	52,710	41,773	66,331
TOTAL OPERATING EXPENSES	<u>1,106,740</u>	<u>1,106,740</u>	<u>978,581</u>	<u>998,639</u>
Operating Income (Loss)	<u>(64,710)</u>	<u>(64,710)</u>	<u>64,220</u>	<u>82,061</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	130	130	214	202
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>130</u>	<u>130</u>	<u>214</u>	<u>202</u>
Income (Loss) Before Transfers	<u>(64,580)</u>	<u>(64,580)</u>	<u>64,434</u>	<u>82,263</u>
TRANSFERS				
Transfers In	64,580	64,580	63,163	58,447
TOTAL TRANSFERS	<u>64,580</u>	<u>64,580</u>	<u>63,163</u>	<u>58,447</u>
Changes in Net Assets	<u>\$ -</u>	<u>\$ -</u>	127,597	140,710
Net Assets at Beginning of Year			<u>514,530</u>	<u>373,820</u>
Net Assets at End of Year			<u>\$ 642,127</u>	<u>\$ 514,530</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF NET ASSETS - BY PROGRAM
INSURANCE FUND
December 31, 2011
(with comparative actual for 2010)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2011	2010
ASSETS						
Cash and Investments	\$ 1,043	\$ 187,469	\$ 774,986	\$ 911,443	\$ 1,874,941	\$ 1,834,891
Deposits	-	-	20,000	39,200	59,200	59,200
TOTAL ASSETS	1,043	187,469	794,986	950,643	1,934,141	1,894,091
LIABILITIES						
Accounts Payable	302	-	31,189	5,100	36,591	387,312
Claims Payable	-	-	556,815	77,929	634,744	1,053,287
Benefits Payable	-	187,469	-	-	187,469	126,659
Due to General Fund	-	-	-	46,896	46,896	-
TOTAL LIABILITIES	302	187,469	588,004	129,925	905,700	1,567,258
NET ASSETS						
Unrestricted	741	-	206,982	820,718	1,028,441	326,833
TOTAL NET ASSETS	\$ 741	\$ -	\$ 206,982	\$ 820,718	\$ 1,028,441	\$ 326,833

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
INSURANCE FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,594,100	\$ 1,594,100	\$ 1,594,060	\$ 1,672,960
TOTAL OPERATING REVENUES	<u>1,594,100</u>	<u>1,594,100</u>	<u>1,594,060</u>	<u>1,672,960</u>
OPERATING EXPENSES				
Claims and Insurance	1,589,100	1,589,100	893,908	1,778,662
TOTAL OPERATING EXPENSES	<u>1,589,100</u>	<u>1,589,100</u>	<u>893,908</u>	<u>1,778,662</u>
Operating Income (Loss)	<u>5,000</u>	<u>5,000</u>	<u>700,152</u>	<u>(105,702)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	3,000	3,000	1,456	2,733
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,000</u>	<u>3,000</u>	<u>1,456</u>	<u>2,733</u>
Changes in Net Assets	<u>\$ 8,000</u>	<u>\$ 8,000</u>	701,608	(102,969)
Net Assets at Beginning of Year			<u>326,833</u>	<u>429,802</u>
Net Assets at End of Year			<u>\$ 1,028,441</u>	<u>\$ 326,833</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
BY PROGRAM
INSURANCE FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2011	2010
OPERATING REVENUES						
Charges for Services	\$ 35,504	\$ -	\$ 714,112	\$ 844,444	\$ 1,594,060	\$ 1,672,960
TOTAL OPERATING REVENUES	<u>35,504</u>	<u>-</u>	<u>714,112</u>	<u>844,444</u>	<u>1,594,060</u>	<u>1,672,960</u>
OPERATING EXPENSES						
Claims and Insurance	35,506	7,311	508,005	343,086	893,908	1,778,662
TOTAL OPERATING EXPENSES	<u>35,506</u>	<u>7,311</u>	<u>508,005</u>	<u>343,086</u>	<u>893,908</u>	<u>1,778,662</u>
Operating Income (Loss)	(2)	(7,311)	206,107	501,358	700,152	(105,702)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	2	101	875	478	1,456	2,733
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2</u>	<u>101</u>	<u>875</u>	<u>478</u>	<u>1,456</u>	<u>2,733</u>
Income (Loss) Before Transfers	-	(7,210)	206,982	501,836	701,608	(102,969)
TRANSFERS						
Transfers In	-	7,210	-	-	7,210	82,647
Transfers (Out)	-	-	-	(7,210)	(7,210)	(82,647)
TOTAL TRANSFERS	<u>-</u>	<u>7,210</u>	<u>-</u>	<u>(7,210)</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	-	-	206,982	494,626	701,608	(102,969)
Net Assets at Beginning of Year	741	-	-	326,092	326,833	429,802
Net Assets at End of Year	<u>\$ 741</u>	<u>\$ -</u>	<u>\$ 206,982</u>	<u>\$ 820,718</u>	<u>\$ 1,028,441</u>	<u>\$ 326,833</u>

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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, 2011

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 847,111	\$ 1,040,436	\$ 1,887,547
Investments, at Fair Value			
U.S. Treasury Securities	15,626,870	17,304,855	32,931,725
U.S. Agency Securities	9,972,648	10,615,434	20,588,082
Corporate Bonds	-	263,973	263,973
Mutual Funds	24,894,304	12,239,406	37,133,710
Money Market Mutual Funds	520,054	1,084,448	1,584,502
Equities	-	12,194,954	12,194,954
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	195,122	219,140	414,262
Due from Primary Government	33,802	28,946	62,748
TOTAL ASSETS	<u>52,089,911</u>	<u>54,971,592</u>	<u>107,061,503</u>
LIABILITIES			
Accounts payable	4,289	52,934	57,223
TOTAL LIABILITIES	<u>4,289</u>	<u>52,934</u>	<u>57,223</u>
NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 52,085,622</u>	<u>\$ 54,918,658</u>	<u>\$ 107,004,280</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUNDS
 Year ended December 31, 2011

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 2,497,419	\$ 2,488,676	\$ 4,986,095
Employee	830,869	772,772	1,603,641
Other	33,447	617	34,064
Total Contributions	<u>3,361,735</u>	<u>3,262,065</u>	<u>6,623,800</u>
Investment Income (Loss)			
Net Appreciation in Fair Value of Investments	(1,782,306)	(1,514,189)	(3,296,495)
Interest Revenue	1,524,855	1,893,238	3,418,093
Investment Expense	(81,434)	(219,364)	(300,798)
Net Investment Income	<u>(338,885)</u>	<u>159,685</u>	<u>(179,200)</u>
TOTAL ADDITIONS	<u>3,022,850</u>	<u>3,421,750</u>	<u>6,444,600</u>
DEDUCTIONS			
Benefits and Refunds	2,996,242	2,892,303	5,888,545
Miscellaneous	33,930	40,723	74,653
TOTAL DEDUCTIONS	<u>3,030,172</u>	<u>2,933,026</u>	<u>5,963,198</u>
Net Increase (Decrease)	<u>(7,322)</u>	<u>488,724</u>	<u>481,402</u>
Plan Net Assets at Beginning of Year	<u>52,092,944</u>	<u>54,429,934</u>	<u>106,522,878</u>
Plan Net Assets at End of Year	<u>\$ 52,085,622</u>	<u>\$ 54,918,658</u>	<u>\$ 107,004,280</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
POLICE PENSION FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,355,714	\$ 2,355,714	\$ 2,356,575	\$ 2,403,127
Intergovernmental	141,070	141,070	140,844	138,687
Employee Contributions	858,400	858,400	830,869	836,606
Other Contributions	-	-	33,447	233
Total Contributions	<u>3,355,184</u>	<u>3,355,184</u>	<u>3,361,735</u>	<u>3,378,653</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	(1,782,306)	3,864,322
Interest Revenue	1,050,000	1,050,000	1,524,855	1,351,268
Investment Expense	(100,000)	(100,000)	(81,434)	(103,783)
Net Investment Income	<u>950,000</u>	<u>950,000</u>	<u>(338,885)</u>	<u>5,111,807</u>
TOTAL ADDITIONS	<u>4,305,184</u>	<u>4,305,184</u>	<u>3,022,850</u>	<u>8,490,460</u>
DEDUCTIONS				
Benefits and Refunds	2,706,611	2,996,511	2,996,242	2,540,174
Miscellaneous	32,290	32,290	33,930	27,609
TOTAL DEDUCTIONS	<u>2,738,901</u>	<u>3,028,801</u>	<u>3,030,172</u>	<u>2,567,783</u>
Net Increase (Decrease)	<u>\$ 1,566,283</u>	<u>\$ 1,276,383</u>	(7,322)	5,922,677
Plan Net Assets at Beginning of Year			<u>52,092,944</u>	<u>46,170,267</u>
Plan Net Assets at End of Year			<u>\$ 52,085,622</u>	<u>\$ 52,092,944</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL
FIRE PENSION FUND
Year Ended December 31, 2011
(with comparative actual for 2010)

	2011		2010	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,037,214	\$ 2,037,214	\$ 2,034,472	\$ 2,037,318
Intergovernmental	454,430	454,430	454,204	416,837
Employee Contributions	804,650	804,650	772,772	806,981
Other Contributions	-	-	617	2,744
Total Contributions	<u>3,296,294</u>	<u>3,296,294</u>	<u>3,262,065</u>	<u>3,263,880</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	(1,514,189)	3,989,549
Interest Revenue	890,000	890,000	1,893,238	1,282,659
Investment Expense	(225,000)	(225,000)	(219,364)	(178,247)
Net Investment Income	<u>665,000</u>	<u>665,000</u>	<u>159,685</u>	<u>5,093,961</u>
TOTAL ADDITIONS	<u>3,961,294</u>	<u>3,981,294</u>	<u>3,421,750</u>	<u>8,357,841</u>
DEDUCTIONS				
Benefits and Refunds	2,901,973	2,901,973	2,892,303	2,350,719
Miscellaneous	38,090	38,090	40,723	38,537
TOTAL DEDUCTIONS	<u>2,940,063</u>	<u>2,940,063</u>	<u>2,933,026</u>	<u>2,387,256</u>
Net Increase (Decrease)	<u>\$ 1,021,231</u>	<u>\$ 1,021,231</u>	488,724	5,970,585
Plan Net Assets at Beginning of Year			<u>54,429,934</u>	<u>48,459,349</u>
Plan Net Assets at End of Year			<u>\$ 54,918,658</u>	<u>\$ 54,429,934</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 December 31, 2011

	Balances January 1	Additions	Deletions	Balances December 31
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 18,960,647	\$ 27,312,867	\$ 30,713,523	\$ 15,559,991
Assets Held by Agents	105,619	219,530	266,395	58,754
Due from Primary Government	-	1,500	-	1,500
TOTAL ASSETS	\$ 19,066,266	\$ 27,533,897	\$ 30,979,918	\$ 15,620,245
LIABILITIES				
Due to Participants	\$ 40,519	\$ 219,530	\$ 232,395	\$ 27,654
Due to Primary Government	882,861	721,814	882,861	721,814
Advances from Other Funds	65,100	-	34,000	31,100
Due to Other Entities	18,077,786	26,592,553	29,830,662	14,839,677
TOTAL LIABILITIES	\$ 19,066,266	\$ 27,533,897	\$ 30,979,918	\$ 15,620,245
BARRINGTON/HIGGINS TIF FUND				
ASSETS				
Cash and Investments	\$ 502,115	\$ 686,374	\$ 943,497	\$ 244,992
TOTAL ASSETS	\$ 502,115	\$ 686,374	\$ 943,497	\$ 244,992
LIABILITIES				
Due to Other Entities	\$ 502,115	\$ 686,374	\$ 943,497	\$ 244,992
TOTAL LIABILITIES	\$ 502,115	\$ 686,374	\$ 943,497	\$ 244,992

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2011

	Balances January 1	Additions	Deletions	Balances December 31
EDA SPECIAL TAX ALLOCATION FUND				
ASSETS				
Cash and Investments	\$ 18,458,532	\$ 26,626,493	\$ 29,770,026	\$ 15,314,999
Due from Primary Government	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 18,458,532</u>	<u>\$ 26,627,993</u>	<u>\$ 29,770,026</u>	<u>\$ 15,316,499</u>
LIABILITIES				
Due to Other Entities	\$ 17,575,671	\$ 25,906,179	\$ 28,887,165	\$ 14,594,685
Due to Primary Government	<u>882,861</u>	<u>721,814</u>	<u>882,861</u>	<u>721,814</u>
TOTAL LIABILITIES	<u>\$ 18,458,532</u>	<u>\$ 26,627,993</u>	<u>\$ 29,770,026</u>	<u>\$ 15,316,499</u>
FLEXIBLE SPENDING ACCOUNT FUND				
ASSETS				
Assets Held by Agents	\$ 105,619	\$ 219,530	\$ 266,395	\$ 58,754
TOTAL ASSETS	<u>\$ 105,619</u>	<u>\$ 219,530</u>	<u>\$ 266,395</u>	<u>\$ 58,754</u>
LIABILITIES				
Due to Participants	\$ 40,519	\$ 219,530	\$ 232,395	\$ 27,654
Advances from Other Funds	<u>65,100</u>	<u>-</u>	<u>34,000</u>	<u>31,100</u>
TOTAL LIABILITIES	<u>\$ 105,619</u>	<u>\$ 219,530</u>	<u>\$ 266,395</u>	<u>\$ 58,754</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF INSURANCE IN FORCE
December 31, 2011

Type of Coverage	SIR or Deductibles	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
All Village property including Sears Centre					
Building & Personal Property	\$ 100000	\$ 169029055	N/A	Affiliated FM	1/1/2013
Mobile Equipment	100000	845047	N/A	Insurance Co.	"
Earthquake	100000	25000000	N/A	"	"
Flood	100000	25000000	N/A	"	"
Business Income	N/A	7,500,000	N/A	"	"
General Liability:					
Employee Liability, Nurse Professional	10,000	2,000,000	3,000,000	One Beacon Insurance	1/1/2013
Damages to Premises Rented	100000 *	1000000	3000000	"	"
Failure to Supply	100000 *	1000000	3000000	"	"
Sexual Abuse	100000 *	1000000	3000000	"	"
Law Enforcement	100,000 *	2,000,000	3,000,000	One Beacon Insurance	1/1/2013
Auto Liability	100,000 *	2,000,000	N/A	One Beacon Insurance	1/1/2013
Auto Physical Damage	100,000	ACV	N/A	"	"
Auto - Hired & Non-owned Liability	100,000 *	2,000,000	N/A	"	"
Employee Dishonesty, Crime	5,000 *	500,000	N/A	Travelers Insurance Co.	1/1/2013
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)	7/1/2013
Boller and Machinery	100,000	169,029,055	N/A	Affiliated FM Insurance Co.	1/1/2013
Employment Related Practices	50,000	2,000,000	3,000,000	One Beacon Insurance	1/1/2013
Public Officials' Liability	25,000	2,000,000	2,000,000	One Beacon Insurance	1/1/2013
Public Officials' Employee Benefits	1,000	2,000,000	3,000,000	One Beacon Insurance	1/1/2013
Healthcare/EMT	100,000	2,000,000	3,000,000	One Beacon Insurance	1/1/2013
Liquor Liability	N/A	1000000	1000000	Lloyds	1/1/2013
Pollution Legal Liability Underground Storage Tanks	5000	1000000	1000000	Great American Insurance Company	1/1/2013
Position Surety Bonds					
William McLeod, Village President	N/A	3000	3000	Fidelity & Deposit Co.	1/1/2013
Karen Mills, Deputy President	N/A	3000	3000	"	"
Bev Romanoff, Village Clerk	N/A	3000	3000	"	"
James Norris, Village Manager	N/A	5000	5000	"	"
Michael DuCharme, Treasurer	N/A	150000	150000	"	"
Police and Fire Commission Members	N/A	500	500	"	"
Excess Workers' Compensation	500,000/ 600,000 Police & Fire	Statutory	2,000,000	Safety National	12/31/2012

* One Beacon Insurance - All casualty lines retentions subject to a maximum \$400,000 aggregate loss fund.

N/A - Not Applicable

600,000 Police & Fire

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 1997A
December 31, 2011

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			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>June 1</u>	<u>Amount</u>	<u>Dec.1</u>	<u>Amount</u>
2011	\$ 530,000	\$ 24,910	\$ 554,910	2012	\$ 12,455	2012	\$ 12,455
	\$ 530,000	\$ 24,910	\$ 554,910		\$ 12,455		\$ 12,455

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2004
December 31, 2011

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
2011	\$ 935,000	\$ 35,063	\$ 970,063	2012	\$ 17,531	2012	\$ 17,532
	<u>\$ 935,000</u>	<u>\$ 35,063</u>	<u>\$ 970,063</u>		<u>\$ 17,531</u>		<u>\$ 17,532</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION TAXABLE BOND SERIES OF 2005A
December 31, 2011

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
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>\$ 49,305,000</u>	<u>\$ 35,236,763</u>	<u>\$ 84,541,763</u>		<u>\$ 17,618,384</u>		<u>\$ 17,618,379</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2008A
December 31, 2011

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
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>\$ 31,073,750</u>	<u>\$ 57,718,750</u>		<u>\$ 15,536,875</u>		<u>\$ 15,536,875</u>

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2011

	Developer Cash Advance Note #1	Developer Cash Advance Note #3	Private Interest Financing Note #1	Private Interest Financing Note #2	Private Interest Financing Note #3
Date of Issue	Mar 1, 1993	Sep 1, 1994	Feb 1, 2000	Feb 1, 2000	Mar 1, 2001
Date of Maturity	Sep 10, 2012				
Original Amount of Note	\$ 733,580	\$ 196,685	\$ 1,693,397	\$ 5,009,329	\$ 5,228,265
Interest Rate	Adjustable	Adjustable	None	None	None
Interest Dates	March 1 and September 1	March 1 and September 1	None	None	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	\$ 1,693,397	\$ 5,009,329	\$ 5,228,265
Accrued Interest	838,210	197,549	-	-	-
Sub-total	1,571,790	394,234	1,693,397	5,009,329	5,228,265
Previous Payments	-	-	-	-	-
Adjusted Principal Balance	<u>\$ 1,571,790</u>	<u>\$ 394,234</u>	<u>\$ 1,693,397</u>	<u>\$ 5,009,329</u>	<u>\$ 5,228,265</u>

Private Interest Financing Note #4	Private Interest Financing Note #5	Private Interest Financing Note #6	Developer Project Cost Note #24	Developer Project Cost Note #25	Developer Project Cost Note #26	Developer Project Cost Note #27	Developer Project Cost Note #28
Aug 1, 2002 Sep 10, 2012	Feb 1, 2003 Sep 10, 2012	Feb 1, 2007 Sep 10, 2012	Sep 1, 1997 Sep 10, 2012				
\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ 12,169,244	\$ 5,248,409	\$ 4,347,908	\$ 354,035	\$ 288,720
None	None	None	Adjustable	Adjustable	Adjustable	Adjustable	Adjustable
None	None	None	March 1 and September 1				
March 1 and September 1							
Sears, Roebuck and Co. Hoffman Estates, IL							
\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ 12,169,244	\$ 5,248,409	\$ 4,347,908	\$ 354,035	\$ 288,720
-	-	-	10,454,021	4,891,171	4,111,526	334,788	273,024
4,800,779	4,293,238	13,147,485	22,623,265	10,139,580	8,459,434	688,823	561,744
-	-	-	22,623,265	2,709,966	-	-	-
<u>\$ 4,800,779</u>	<u>\$ 4,293,238</u>	<u>\$ 13,147,485</u>	<u>\$ -</u>	<u>\$ 7,429,614</u>	<u>\$ 8,459,434</u>	<u>\$ 688,823</u>	<u>\$ 561,744</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2011

	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	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	\$ 2,244,798	\$ 336,341	\$ 814,106	\$ 1,435,686	\$ 708,661
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	\$ 2,244,798	\$ 336,341	\$ 814,106	\$ 1,435,686	\$ 708,661
Accrued Interest	<u>1,815,216</u>	<u>271,976</u>	<u>584,943</u>	<u>902,148</u>	<u>416,502</u>
Sub-total	4,060,014	608,317	1,399,049	2,337,834	1,125,163
Previous Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Principal Balance	<u>\$ 4,060,014</u>	<u>\$ 608,317</u>	<u>\$ 1,399,049</u>	<u>\$ 2,337,834</u>	<u>\$ 1,125,163</u>

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	\$ 75,893,957
<u>5,931,977</u>	<u>114,158</u>	<u>144,645</u>	<u>349,771</u>	<u>28,046</u>	<u>14,380</u>	<u>31,674,051</u>
16,708,000	336,925	447,716	1,701,178	148,705	83,746	107,568,008
-	-	-	-	-	-	25,333,231
<u>\$ 16,708,000</u>	<u>\$ 336,925</u>	<u>\$ 447,716</u>	<u>\$ 1,701,178</u>	<u>\$ 148,705</u>	<u>\$ 83,746</u>	<u>\$ 82,234,777</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 ECONOMIC DEVELOPMENT PROJECT AREA
 SCHEDULE OF INDENTURE FLOW OF FUNDS
 Year Ended December 31, 2011

	EDA Special Tax Allocation Fund			Sears EDA General Account
	Unallocated	Gov't Share Account	Totals	
Revenues				
Incremental Taxes	\$ 17,224,738	\$ 9,398,463	\$ 26,623,201	\$ -
Investment Earnings	4,792	-	4,792	-
Total Revenues	<u>17,229,530</u>	<u>9,398,463</u>	<u>26,627,993</u>	<u>-</u>
Expenditures				
Principal, Bonds and Notes	-	-	-	15,988,968
Trustee Fees	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,988,968</u>
Excess (Deficiency) of Revenues over Expenditures	<u>17,229,530</u>	<u>9,398,463</u>	<u>26,627,993</u>	<u>(15,988,968)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	15,988,968
Operating Transfers (Out)	(15,990,968)	-	(15,990,968)	-
Distribution of Surplus	-	(9,738,381)	(9,738,381)	-
Transfer to EDA Admin. Fund	-	(4,040,677)	(4,040,677)	-
Total Other Financing Sources (Uses)	<u>(15,990,968)</u>	<u>(13,779,058)</u>	<u>(29,770,026)</u>	<u>15,988,968</u>
Net Change in Fund Balances	1,238,562	(4,380,595)	(3,142,033)	-
Fund Balances (Deficit) Beginning of Year	<u>13,356,123</u>	<u>5,102,409</u>	<u>18,458,532</u>	<u>-</u>
Fund Balances (Deficit) End of Year	<u>\$ 14,594,685</u>	<u>\$ 721,814</u>	<u>\$ 15,316,499</u>	<u>\$ -</u>

Series 2005 EDA TIF Refunding Bond Fund

<u>Program Expenses Account</u>	<u>Series 2005 Bond and Interest Account</u>	<u>Series 2005 Reserve and Redemption Account</u>	<u>Series 2005 Rebate Account</u>	<u>Totals</u>	<u>Totals (Memorandum Only)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,623,201
-	-	-	57	57	4,849
-	-	-	57	57	26,628,050
-	-	-	-	-	15,988,968
5,000	-	-	-	-	5,000
5,000	-	-	-	-	15,993,968
(5,000)	-	-	57	57	10,634,082
41,812	-	-	-	-	16,030,780
2,703,311	(2,622,555)	(80,756)	(39,812)	(2,743,123)	(16,030,780)
-	-	-	-	-	(9,738,381)
-	-	-	-	-	(4,040,677)
2,745,123	(2,622,555)	(80,756)	(39,812)	(2,743,123)	(13,779,058)
2,740,123	(2,622,555)	(80,756)	(39,755)	(2,743,066)	(3,144,976)
(2,703,306)	2,622,555	80,756	39,755	2,743,066	18,498,292
\$ 36,817	\$ -	\$ -	\$ -	\$ -	\$ 15,353,316

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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.	145-154
Revenue Capacity These schedules contain more information to help the reader assess the Village's most significant local revenue source, the property tax.	155-161
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.	162-166
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.	167-169
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.	170-171

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 Nine Fiscal Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
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	\$ 96,991,246
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	12,287,308
Unrestricted	(208,737,371)	(191,260,938)	(179,534,956)	(202,902,550)	(187,818,909)	(182,324,268)	(118,128,995)	(84,178,176)	(68,641,607)
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	\$ 40,636,947
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	\$ 57,818,793	\$ 57,288,598
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	8,759,802	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663	4,738,255	4,448,586
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	\$ 61,737,184
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	\$ 155,253,530	\$ 154,279,844
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	12,287,308
Unrestricted	(199,977,569)	(182,666,232)	(169,922,806)	(193,674,081)	(178,361,704)	(173,919,447)	(110,353,332)	(79,439,921)	(64,193,021)
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	\$ 102,374,131

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET ASSETS BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Nine Fiscal Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
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	\$ 96,991,246
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	6,477,937
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	13,598,311
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	\$ 117,067,494
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	\$ 57,288,598
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	4,448,586
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	\$ 61,737,184
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	\$ 154,279,844
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	6,477,937
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	18,046,897
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	\$ 178,804,678

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET ASSETS

Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 7,040,128
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	33,040,212
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	9,460,214
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901
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	1,655,456
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883	237,733	241,334
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	2,009,349
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	5,503,426
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	60,066,020
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	13,204,142
Sears Centre	-	-	-	-	-	-	4,800,908	8,623,330	7,666,340
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	20,870,482
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	\$ 80,936,502
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	\$ 3,172,718
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	2,946,067
Higways and Streets	876,053	1,023,264	1,415,253	882,063	1,212,692	586,879	152,321	153,363	220,572
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654	1,124,851
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515	1,343,752
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737	521,449	548,461
Economic Development	10,212,855	11,093,955	12,585,713	20,107,123	19,807,712	4,036,017	165,424	173,414	231,994
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	3,581,885
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366	4,322,051
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	17,492,351

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 10,604,162
Sears Centre	-	-	-	-	-	-	-	2,090,426	2,450,294
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions									
Water/Sewer	-	-	-	-	1,448,966	2,146,311	1,397,019	145,117	1,529,016
Sears Centre	-	-	-	-	-	-	83,960,100	-	4,950
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	14,588,422
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	\$ 32,080,773
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)	\$ (42,573,669)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)	(6,282,060)
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)	\$ (48,855,729)
General Revenue 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	\$ 38,455,279
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	5,951,289
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	4,913,556
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	2,741,011
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333	366,253
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	3,312,721
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	1,375,898
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	72,689
Miscellaneous	213,611	297,218	236,165	788,180	723,047	576,648	648,653	1,119,747	3,250,112
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	(2,293,237)
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	58,145,571

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
Business-type Activities									
Taxes									
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	42,580	1,154,561	2,100,316
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920	18,470	5,426
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808	1,063,217
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)	2,293,237
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744	5,462,196
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	\$ 63,607,767
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	\$ 15,571,902
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)	(819,864)
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	\$ 14,752,038

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY

Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 6,697,489
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	29,181,960
Highways 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	9,303,991
Sanitation	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901
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	1,655,456
Culture and Recreation	246,447	229,402	226,608	239,480	251,527	277,806	234,883	237,733	241,334
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	1,918,198
Interest	1,237,618	978,608	2,073,221	3,895,783	3,695,876	4,322,420	2,318,891	2,807,720	2,994,525
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	53,108,854
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	13,204,142
Seam Centre	-	-	-	-	-	-	4,800,908	8,623,330	7,666,340
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	20,870,482
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	\$ 73,979,336
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	\$ 3,172,718
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	2,946,067
Highways and Streets	754,997	601,295	838,681	728,344	1,035,978	537,754	152,321	153,363	220,572
Sanitation	73,499	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654	1,124,851
Health and Welfare	1,114,771	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515	1,343,752
Culture and Recreation	469,330	493,933	513,635	571,287	593,476	579,111	530,737	521,449	548,461
Economic Development	77,552	248,944	123,997	1,514,531	3,108,021	4,036,017	156,391	167,380	231,994
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	3,581,885
Capital Grants and Contributions	579,609	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366	4,322,051
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	17,492,351

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY (Continued)

Last Nine Fiscal Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
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	\$ 10,604,162
Sears Centre	-	-	-	-	-	-	-	2,090,426	2,450,294
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions									
Water/Sewer	-	-	-	-	1,448,966	2,146,311	1,397,019	145,117	1,529,016
Sears Centre	-	-	-	-	-	-	83,960,100	-	4,950
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	14,588,422
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	\$ 32,080,773
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)	\$ (35,616,503)
Business-type Activities	(1,488,044)	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)	(6,282,060)
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)	\$ (41,898,563)
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	\$ 18,423,634
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	5,951,289
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	4,913,556
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	2,741,011
Real Estate Transfer	1,150,049	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333	366,253
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	3,312,721
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	1,375,898
Investment Earnings	429,786	359,295	1,690,290	3,271,265	1,663,534	1,141,282	539,884	154,620	67,938
Miscellaneous	213,611	297,218	236,165	788,180	723,047	556,431	637,178	1,079,364	3,229,174
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	(1,870,187)
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	38,511,287

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET ASSETS EXCLUDING EDA TIF ACTIVITY (Continued)

Last Nine Fiscal Years

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011
Business-type Activities									
Taxes									
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	42,580	1,154,561	2,100,316
Investment Earnings	126,699	105,028	251,322	395,450	419,999	325,328	164,920	18,470	5,426
Miscellaneous	8,278	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808	1,063,217
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)	2,293,237
Total Business-type Activities	134,977	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744	5,462,196
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	\$ 43,973,483
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)	\$ 2,894,784
Business-type Activities	(1,353,067)	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)	(819,864)
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)	\$ 2,074,920

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,148,877
Restricted	1,508,813	1,517,642	1,578,110	1,663,522	709,834 ^b	405,464	469,637	1,182,766 ^d	934,184	177,139
Unassigned	-	-	-	-	-	-	-	-	-	11,616,671
Unrestricted	14,207,167	13,134,103	12,079,973	14,363,833	14,302,062	13,608,472	12,370,115	9,886,577	10,455,842	-
Total General Fund	\$ 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	\$ 12,942,687
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,688
Restricted	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	12,110,169
Assigned	-	-	-	-	-	-	-	-	-	7,487,942
Unassigned	-	-	-	-	-	-	-	-	-	-
Unrestricted, reported in										
Special Revenue Funds	(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	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	\$ 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	\$ 19,664,799

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. GASB 54 was implemented in 2011 and fund balance reclassifications occurred.

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 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	\$ 45,643,831
Licenses and Permits	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	2,049,297
Intergovernmental	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	14,606,305
Charges for Services	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	6,703,490
Fines and Forfeitures	902,403	760,890	808,496	763,189	973,637	1,347,750	1,682,621	1,140,814	1,029,384	1,965,165
Investment Income	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	71,019
Miscellaneous	6,496,890	401,198	677,244	444,639	1,812,212	3,630,999	4,647,638	539,553	1,263,575	3,494,374
Total Revenues	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	74,533,481
Expenditures										
General Government	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	5,638,169
Public Safety	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	32,067,394
Highways and Streets	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	5,200,961
Sanitation	554,997	531,458	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901
Health and Welfare	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	1,661,144
Culture and Recreation	281,344	235,705	222,720	223,112	241,172	289,403	276,335	367,578	248,571	216,819
Economic Development	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	1,999,468
Capital Outlay	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	4,313,811
Debt Service										
Principal	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	18,598,968
Interest and Other Charges	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	3,015,117
Total Expenditures	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	73,827,752
Excess (Deficiency) of Revenues over Expenditures	(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)	705,729
Other Financing Sources (Uses)										
Transfers In	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	5,786,586
Transfers Out	(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)	(8,156,236)
Sale of Capital Assets	72,952	73,014	61,789	62,084	6,839	123,733	85,058	167,872	-	-
Bonds Issued, at Par	-	6,155,000	6,765,000	120,335,000	-	-	19,983,750	30,355,000	-	-
Note Proceeds	15,576,802	4,819,075	-	-	-	14,619,551	69,366	-	-	-
Payment to Escrow Agent	-	(6,118,307)	(6,852,230)	(66,518,105)	-	-	-	-	-	-
Premium (Discount) on Issuance of Bonds	-	44,192	163,592	(420,904)	-	-	(237,739)	1,262,028	-	-
Total Other Financing Sources (Uses)	15,500,037	4,984,138	96,708	53,360,688	(38,515)	14,707,066	19,820,896	29,649,809	234,648	(2,369,650)
Net Change in Fund Balances	\$ (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)	\$ (1,663,921)
Debt Service as a Percentage of Noncapital Expenditures	48.26%	49.61%	48.26%	42.23%	48.85%	47.47%	31.92%	46.95%	22.42%	31.92%

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
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	1,284,024,644	440,752,860	187,250,761	94,827	402,454,268	2,314,577,360	0.888	6,943,732,080	33.333%
2010	(B)						0.986		
2011	(B)								

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

(B) 2010 detail valuations and 2011 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Rates (A)										
General	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	0.645	(B)
Municipal Waste	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	0.091	
Police Pension	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	0.134	
Firefighters Pension	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	0.116	
Total Direct Rate	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.888	0.986	
Overlapping Rates										
School District #54	3.142	3.414	3.106	3.003	3.104	2.582	2.559	2.592	2.996	
Palatine Twp. H.S. #211	2.067	2.165	2.158	2.191	2.261	1.972	1.928	1.916	2.204	
Junior College District #512	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	
Forest Preserve District of Cook County	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	
Sub. T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	0.000	
Schaumburg Township Library District	0.304	0.319	0.285	0.277	0.287	0.256	0.254	0.258	0.295	
Township of Schaumburg (All Funds)	0.105	0.111	0.101	0.100	0.104	0.089	0.089	0.092	0.110	
Metropolitan Sanitary District of Greater Chicago	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	
Hoffman Estates Park District	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	0.465	
Consolidated Elections	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	0.000	
County of Cook	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	0.423	
Cook County Health Facility	0.156	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	8.510	8.976	8.373	8.167	8.286	7.181	7.046	7.150	8.108	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.4%	11.4%	11.2%	11.0%	11.0%	11.4%	11.6%	12.4%	12.2%	

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

(B) 2011 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Rates (A)										
General	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	0.645	(B)
Municipal Waste	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	0.091	
Police Pension	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	0.134	
Firefighters Pension	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	0.116	
Total Direct Rate	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.887	0.986	
Overlapping Rates										
Unit School District #220	3.741	4.011	3.456	3.348	3.460	3.148	2.982	3.036	3.343	
Junior College District #512	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	
Forest Preserve District of Cook County	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	
Sub. T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.229	0.230	0.201	0.166	0.180	0.166	0.157	0.157	0.172	
Township of Barrington (All Funds)	0.041	0.036	0.030	0.028	0.027	0.023	0.022	0.022	0.023	
Metropolitan Sanitary District of Greater Chicago	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	
Hoffman Estates Park District	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	0.465	
Consolidated Elections	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	0.000	
County of Cook	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	0.423	
Cook County Health Facility	0.156	0.141	0.000	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	0.065	0.053	0.052	0.078	0.080	
Total Tax Rate per \$100 of Assessed Valuation	6.903	7.244	6.410	6.138	6.262	5.672	5.429	5.584	6.121	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	14.1%	14.1%	14.6%	14.7%	14.5%	14.5%	15.1%	15.9%	16.1%	

(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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Rates (A)										
General	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	0.645	(B)
Municipal Waste	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	0.091	
Police Pension	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	0.134	
Firefighters Pension	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	0.116	
Total Direct Rate	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.887	0.986	
Overlapping Rates										
School District #15	3.185	3.313	2.925	2.840	2.763	2.435	2.385	2.307	2.603	
Palatine Twp. H.S. #211	2.067	2.165	2.158	2.191	2.261	1.972	1.928	1.916	2.204	
Junior College District #512	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	
Forest Preserve District of Cook County	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	
Sub. T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000	0.000	
Palatine Public Library	0.310	0.315	0.280	0.271	0.280	0.246	0.240	0.229	0.198	
Township of Palatine (All Funds)	0.123	0.129	0.116	0.114	0.120	0.107	0.106	0.103	0.119	
Metropolitan Sanitary District of Greater Chicago	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	
Hoffman Estates Park District	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	0.465	
Consolidated Elections	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	0.000	
County of Cook	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	0.423	
Cook County Health Facility	0.156	0.141	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	8.577	8.889	8.202	8.012	7.954	7.042	6.875	6.846	7.627	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.4%	11.5%	11.4%	11.2%	11.4%	11.6%	11.9%	13.0%	12.9%	

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

(B) 2011 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Rates (A)										
General	0.617	0.695	0.646	0.625	0.628	0.566	0.565	0.576	0.645	(B)
Municipal Waste	0.023	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.169	0.141	0.118	0.109	0.104	0.091	0.084	0.083	0.091	
Police Pension	0.098	0.108	0.096	0.094	0.102	0.094	0.095	0.124	0.134	
Firefighters Pension	0.066	0.080	0.076	0.073	0.075	0.069	0.075	0.105	0.116	
Total Direct Rate	0.974	1.024	0.936	0.901	0.910	0.820	0.820	0.887	0.986	
Overlapping Rates										
Unit School District #220	3.741	4.011	3.456	3.348	3.460	3.148	2.982	3.036	3.343	
Junior College District #512	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	
Forest Preserve District of Cook County	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	
Sub. T.B. Sanitarium	0.006	0.004	0.001	0.005	0.005	0.000		0.000	0.000	
Poplar Creek Public Library District	0.340	0.355	0.318	0.304	0.310	0.367	0.357	0.350	0.394	
Township of Hanover (All Funds)	0.259	0.273	0.242	0.237	0.250	0.224	0.223	0.218	0.248	
Metropolitan Sanitary District of Greater Chicago	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	
Hoffman Estates Park District	0.486	0.540	0.498	0.478	0.477	0.420	0.414	0.413	0.465	
Consolidated Elections	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021	0.000	
County of Cook	0.534	0.489	0.593	0.533	0.500	0.446	0.415	0.394	0.423	
Cook County Health Facility Comm. Mental Health Facility and Service District	0.156	0.141	0.000	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	0.065	0.053	0.052	0.078	0.080	
Total Tax Rate per \$100 of Assessed Valuation	7.270	7.646	6.775	6.520	6.652	6.107	5.863	6.006	6.606	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	13.4%	13.4%	13.8%	13.8%	13.7%	13.4%	14.0%	14.8%	14.9%	

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

(B) 2011 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	2010 Tax Levy			2001 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	\$ 186,638,143	1	8.07%	\$ 252,204,041	1	18.27%
AT&T Lease & SBC Ameritech	130,888,897	2	5.66%	137,612,868	2	9.97%
Property Tax Advisors	47,742,024	3	2.06%	34,712,867	3	2.51%
Terry Kemp	34,703,011	4	1.50%			
Madkatstep Entertainment	24,931,447	5	1.08%			
Stonegate Properties	20,931,319	6	0.91%	21,711,591	5	1.57%
Cabelas Inc.	18,480,505	7	0.80%			
American Heritage	17,132,745	8	0.74%			
TransAmerica	15,983,784	9	0.69%	13,094,067	7	0.95%
Thompson Property	14,395,930	10	0.62%			0.00%
Park Place Apartments				15,071,918	6	1.09%
Town Management Corporation				24,527,016	4	1.78%
Autumn Chase Apartments				11,229,933	8	0.81%
Alexian Brothers Health System				9,060,831	10	0.66%
Siemens Medical System				9,551,346	9	0.69%
	<u>\$ 511,827,805</u>		<u>22.13%</u>	<u>\$ 528,776,478</u>		<u>38.30%</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
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	16,425,598	96.79%	202,648	16,628,246	97.99%
2010	17,136,948	16,498,732	96.28%	-	16,498,732	96.28%
2011	17,340,949	(A)				

(A) Collections for the 2011 Tax Levy Year will not be received until fiscal year 2012.

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			
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	13.8%	4,718
2009	57,768,750	23,800,000	105,882,371	-	58,371,250	-	-	245,822,371	14.3%	4,861
2010	54,413,750	-	99,304,684	-	57,196,250	-	-	210,914,684	12.5%	4,064
2011	51,803,750	-	85,819,617	-	55,966,250	-	-	193,589,617	11.7%	3,730

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
2002	\$ 30,125,000	\$ 557,999	\$ 29,567,001	0.66%	597.37
2003	26,985,000	511,235	26,473,765	0.59%	523.48
2004	24,180,000	541,239	23,638,761	0.47%	467.42
2005 (A)	76,170,000	5,152,212	71,017,788	1.29%	1,404.26
2006	73,020,000	3,809,110	69,210,890	1.21%	1,368.53
2007	68,670,000	2,886,519	65,783,481	0.98%	1,300.76
2008	84,043,750	4,206,373	79,837,377	1.15%	1,578.66
2009	57,768,750	4,354,605	53,414,145	0.77%	1,056.18
2010	54,413,750	2,581,577	51,832,173	0.67%	998.79
2011	51,803,750	1,542,308	50,261,442	0.58%	968.52

(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 and Actual Value of Taxable Property on page 155 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2011

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	\$ 51,803,750	100.000%	\$ 51,803,750
Dundee Township	9,980,000	0.093%	9,281
Dundee Township Park District	1,747,520	0.092%	1,608
Hoffman Estates Park District	10,293,000	93.803%	9,655,143
Palatine Park District	11,980,000	2.823%	338,195
South Barrington Park District	690,000	0.033%	228
Schools			
District No. 211	17,255,000	12.826%	2,213,126
District No. 54	-	0.000%	-
District No. 15	28,585,805	8.253%	2,359,186
District No. 220	81,800,000	9.607%	7,858,526
District No. 300	301,797,154	1.719%	5,187,893
District No. 46	295,389,006	3.265%	9,644,451
Junior College District No. 512	185,775,000	6.309%	11,720,545
Junior College District No. 509	161,034,978	2.277%	3,666,766
Metropolitan Water Reclamation District	2,466,463,694	1.043%	25,725,216
Cook County including Forest Preserve District	3,804,145,000	1.021%	38,840,320
Kane County including Forest Preserve District	228,485,866	0.011%	25,133
Gail Borden Library District	21,750,000	5.635%	1,225,613
Poplar Creek Library District	21,290,000	7.562%	1,609,950
Schaumburg Library District	1,150,000	15.336%	176,364
	<u>7,649,612,023</u>		<u>120,257,546</u>
	<u>\$ 7,701,415,773</u>		<u>\$ 172,061,296</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, 2011

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

PLEGGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds							Tax Increment Financing Notes			
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Debt Service		Coverage ^a	Incremental Property Taxes	Debt Service		
					Principal	Interest			Principal	Interest	Coverage
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)	(215,309)	13,342,098	11,100,000	789,964	1.12	10,181,363	10,181,363	-	1.00
2010	14,685,323	(11,312,353)	(22,052)	3,350,918	23,800,000	63,368	0.14 ^b	10,146,764	10,146,764	-	1.00
2011	10,634,233	(14,500,872)	(5,000)	(3,871,639)	-	-	N/A	15,988,968	15,988,968	-	1.00

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
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
2011	51,895	1,655,761,870	31,906	7.9

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	2011			2002		
	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	8.1%
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	350	9	0.7%	378	8	0.8%
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	14,850			14,620		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Management Services	27	27	25	25	26	29	29	27	25	24
Finance	17	16	15	15	15	16	16	15	14	14
Public Safety										
Police										
Officers	95	94	95	94	97	99	101	96	92	92
Civilians	24	24	24	24	24	25	25	23	23	20
Fire										
Firefighters and officers	92	99	98	98	100	103	113	102	101	94
Civilians	4	4	4	5	5	4	3	3	3	3
Highways and Streets										
Administration	3	3	3	3	3	4	3	3	3	3
Engineering	11	11	11	11	11	12	11	9	8	9
Street Maintenance	69	70	70	70	72	73	75	71	71	66
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	24	24	23	23	24	24	25	19	19	18
Culture and Recreation	2	2	2	2	2	1	2	2	2	2
Economic Development	10	10	10	10	9	10	9	8	7	7
Total	378	384	380	380	388	399	413	377	368	350

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Physical arrests	2,200	1,877	2,008	1,956	2,838	2,418	2,360	2,259	1,985	1,661
Parking violations	7,331	4,497	5,553	6,321	8,750	8,503	9,608	8,336	3,138	2,262
Traffic violations	16,604	16,488	16,189	17,765	18,834	12,641	18,700	18,111	20,638	17,614
Fire										
Emergency responses	2,854	2,889	2,860	2,994	4,984	5,276	5,414	5,272	5,653	5,419
Fire/Miscellaneous responses	1,646	1,681	1,731	1,758	1,751	1,721	1,956	1,670	1,678	1,802
Inspections	2,796	3,156	3,023	2,923	3,415	3,136	3,282	2,006	1,835	2,130
Public Works										
Vehicles Maintained by Dept	177	179	178	182	191	201	230	223	227	225
Street reconstruction (miles)	1.1	1.4	1.5	1.4	1.8	2.0	0.5	0.3	0.3	1.0
Street resurfacing (miles)	8.0	4.7	7.1	2.5	5.2	3.4	4.3	4.8	1.3	1.6
Water										
New connections	237	190	224	237	200	227	54	16	12	12
Water main breaks	18	35	23	45	41	66	53	42	63	65
Average daily consumption	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	4,907,000
Peak daily consumption	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	8,554,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area patrols	10	10	10	10	10	10	10	10	10	10
Patrol units	41	40	41	42	47	47	51	51	53	54
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	9	9	9	9	9	10	12	11	11	11
Public Works										
Miles of Streets	141	142	142	145	145	157	158	158	158	158
Streetlights	N/A	N/A	2,196	2,246	2,261	2,261	2,261	2,388	2,388	2,464
Traffic signals	2	2	2	2	3	3	3	3	3	3
Water										
Water mains (miles)	213	218	221	224	226	228	232	232	233	235
Fire hydrants	2,581	2,671	2,727	2,775	2,815	2,854	2,926	2,827	2,827	3,076
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	11,720,000	11,820,000
Wastewater										
Sanitary sewers (miles)	169	171	172	173	175	176	179	176	179	203
Storm sewers (miles)	N/A	N/A	N/A	N/A	N/A	N/A	10	11	11	150

N/A - Data was not available.

Data Source

Various Village Departments

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Village of Hoffman Estates, Illinois
Continuing Disclosure Undertaking for the Fiscal Year Ended
December 31, 2011.

"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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assets					
Cash and Investments	\$12,213,972	\$10,574,805	\$7,596,239	\$6,014,780	\$7,892,228
Receivables:					
Property Taxes	13,604,904	13,456,391	16,194,251	18,284,432	15,734,333
Accounts	25,448	121,345	170,362	214,524	164,719
Accrued Interest	30,738	15,984	322	-	187
Other	711,378	807,566	789,802	1,054,720	1,752,822
Prepaid Items	6,154	63,294	1,386	52,253	115,656
Inventory	190,218	216,620	194,019	161,322	156,286
Due from Other Governments	4,019,113	3,900,678	4,748,143	4,993,233	4,848,393
Due from Other Funds	1,066,479	2,646,552	931,939	317,618	428,480
Due from Fiduciary Funds	-	112,976	252,745	882,861	721,814
Advance to Other Funds	-	-	796,291	550,180	600,000
Advance to Fiduciary Funds	11,000	5,000	-	-	31,100
Total Assets	<u>\$31,879,404</u>	<u>\$31,921,211</u>	<u>\$31,675,499</u>	<u>\$32,525,923</u>	<u>\$32,446,018</u>
Liabilities					
Accounts Payable	\$1,471,498	\$1,752,815	\$1,486,298	\$1,230,311	\$1,246,047
Accrued Payroll	1,021,549	1,325,720	642,542	467,968	459,475
Current Compensated Absences	-	-	-	216,739	-
Deferred Revenues	13,770,134	14,440,946	17,124,924	16,500,482	16,668,859
Due to Other Funds	-	87,799	-	163,869	83,009
Due to Fiduciary Funds	187,916	5,906	-	934,134	62,748
Deposits Payable	1,414,371	1,468,273	1,352,392	1,622,394	983,193
Total Liabilities	<u>\$17,865,468</u>	<u>\$19,081,459</u>	<u>\$20,606,156</u>	<u>\$21,135,897</u>	<u>\$19,503,331</u>
Fund Balances					
Nonspendable for Prepaid Items	\$6,154	\$63,294	\$1,386	\$52,253	\$115,656
Nonspendable for Inventory	190,218	216,620	194,019	161,322	156,286
Nonspendable for Insurance Deposits	-	-	-	-	876,935
Reserved for Advances to Other Funds	11,000	5,000	796,291	550,180	-
Restricted for Public Safety	116,371	114,324	126,964	98,502	91,786
Restricted for Employee Loan Program	81,721	70,399	64,106	71,927	85,353
Reserved for Compensated Absences	-	-	-	216,739	-
Unassigned	13,608,472	12,370,115	9,886,577	10,239,103	11,616,671
Total Equity and Credits	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,390,026</u>	<u>\$12,942,687</u>
Total Liabilities, Equity and Other Credits	<u>\$31,879,404</u>	<u>\$31,921,211</u>	<u>\$31,675,499</u>	<u>\$32,525,923</u>	<u>\$32,446,018</u>

Sources: Comprehensive Annual Financial Reports, FY 2007 - 2011

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

	2007	2008	2009	2010	2011	Budget 2012
Revenues:						
Taxes	\$21,710,526	\$22,702,394	\$22,629,437	\$23,526,451	\$23,543,577	\$23,958,430
Licenses and Permits	2,637,624	1,313,427	1,103,880	1,276,000	2,049,297	1,160,500
Intergovernmental	12,713,142	13,474,956	11,670,548	12,101,914	12,019,865	11,739,720
Charges for Services	4,950,909	4,566,938	4,483,868	4,830,580	6,269,750	6,097,750
Fines and Forfeits	1,160,360	1,451,980	966,369	884,908	806,084	1,459,500
Investment Income	700,628	345,136	56,881	37,508	23,016	37,050
Miscellaneous	362,605	602,449	246,975	501,131	3,334,574	856,720
Total Revenues	\$44,235,794	\$44,457,280	\$41,157,958	\$43,158,492	\$48,046,163	\$45,309,670
Expenditures:						
General Government	\$5,534,581	\$5,817,443	\$5,352,058	\$5,259,070	\$5,295,530	\$5,962,880
Public Safety	26,217,176	27,011,405	26,913,669	28,239,314	28,034,071	28,443,850
Highways and Streets	5,286,342	6,261,272	5,471,434	4,896,159	4,961,989	4,932,770
Sanitation	-	-	-	-	1,115,901	1,050,820
Health and Welfare	1,898,681	1,945,636	1,783,070	1,680,372	1,661,144	1,704,950
Culture and Recreation	289,403	276,335	367,578	248,571	216,819	279,980
Economic Development	1,393,040	1,932,884	1,808,471	1,783,336	1,792,813	1,792,220
Miscellaneous	-	-	-	-	-	-
Total Expenditures	\$40,619,223	\$43,244,975	\$41,696,280	\$42,106,822	\$43,078,267	\$44,167,470
Excess (Deficiency) of Revenues Over Exp	\$3,616,571	\$1,212,305	(\$538,322)	\$1,051,670	\$4,967,896	\$1,142,200
Other Financing Sources (Uses)	(\$4,614,531)	(\$2,386,489)	(\$1,232,087)	(\$730,987)	(\$3,475,963)	(\$1,462,230)
Net Change in Fund Balance	(997,960)	(1,174,184)	(1,770,409)	320,683	1,491,933	(320,030)
Fund Balance, January 1	\$15,011,896	\$14,013,936	\$12,839,752	\$11,069,343	\$11,450,754	\$12,942,687
Ending Fund Balance	\$14,013,936	\$12,839,752	\$11,069,343	\$11,390,026	\$12,942,687	\$12,622,657

Sources Comprehensive Annual Financial Reports, Fiscal Years 2007 - 2011; Budget, Fiscal Year 2012

Note: Beginning Fund Balance for FY2011 has been restated to include the Municipal Waste System Fund.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Fund Types:					
General Fund	\$14,013,936	\$12,839,752	\$11,069,343	\$11,390,026	\$12,942,687
Special Revenue Funds:					
Motor Fuel Tax Fund	219,094	137,107	91,469	198,055	1,423,852
Com. Development Block Grant Fund	1	1	1	1	1
Asset Seizure Fund	96,522	128,209	152,689	158,675	154,917
Econ. Dev. Area Admin.	359,265	453,451	714,816	2,297,881	1,578,070
E911	1,157,635	924,651	888,747	370,297	84,434
Roselle Rd TIF	1,172,555	2,126,206	538,050	1,414,888	1,876,819
Municipal Waste	373,656	126,568	69,366	60,728	-
Total Special Revenue	<u>\$3,378,728</u>	<u>\$3,896,193</u>	<u>\$2,455,138</u>	<u>\$4,500,525</u>	<u>\$5,118,093</u>
Debt Service Funds	\$26,571,279	\$28,505,183	\$18,143,679	\$2,621,337	\$1,542,308
Capital Project Funds	14,074,558	15,706,446	24,894,345	15,759,519	13,004,398
Total Governmental	<u>\$58,038,501</u>	<u>\$60,947,574</u>	<u>\$56,562,505</u>	<u>\$34,271,407</u>	<u>\$32,607,486</u>
Proprietary Fund Types:					
Waterworks and Sewerage	\$34,477,794	\$34,672,776	\$32,162,906	\$30,849,097	\$29,769,678
Sears Centre	-	-	32,852,437	31,707,951	31,967,506
Insurance	954,825	599,874	429,802	326,833	1,028,441
Information Systems	678,423	570,450	373,820	514,530	642,127
Total Proprietary	<u>\$36,111,042</u>	<u>\$35,843,100</u>	<u>\$65,818,965</u>	<u>\$63,398,411</u>	<u>\$63,407,752</u>
Fiduciary Fund Types:					
Expendable Trust Funds	-	-	-	-	-
Pension Trust:					
Police Pension	\$45,509,710	\$40,439,193	\$46,170,267	\$52,092,944	\$52,085,622
Firefighters' Pension	49,711,799	43,975,311	48,459,349	54,429,934	54,918,658
Total Fiduciary	<u>\$95,221,509</u>	<u>\$84,414,504</u>	<u>\$94,629,616</u>	<u>\$106,522,878</u>	<u>\$107,004,280</u>
Total All Funds (Memo Only)	<u>\$189,371,052</u>	<u>\$181,205,178</u>	<u>\$217,011,086</u>	<u>\$204,192,696</u>	<u>\$203,019,518</u>

Sources Comprehensive Annual Financial Reports, FY 2007 - 2011

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

As of December 31

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund	\$12,213,972	\$10,574,805	\$7,596,239	\$6,014,780	\$7,892,228
Special Revenue Funds	3,776,172	4,585,577	3,038,268	5,788,453	5,481,475
Debt Service - GO Bonds	2,696,779	4,192,144	4,616,286	2,650,611	1,376,749
Debt Service - EDA Related	23,762,202	24,475,971	13,833,257	39,760	38,317
Total Debt Service Funds	<u>\$26,458,981</u>	<u>\$28,668,115</u>	<u>\$18,449,543</u>	<u>\$2,690,371</u>	<u>\$1,415,066</u>
Capital Project Funds	\$11,772,164	\$18,167,827	\$24,472,630	\$11,691,292	\$9,875,080
Capital Projects - EDA, Series 1991	4,973,716	4,517,254	4,287,319	4,238,130	4,189,109
Total Capital Project Funds	<u>\$16,745,880</u>	<u>\$22,685,081</u>	<u>\$28,759,949</u>	<u>\$15,929,422</u>	<u>\$14,064,189</u>
Waterworks and Sewerage	\$8,733,814	\$12,696,513	\$8,679,680	\$5,119,462	\$2,427,840
Sears Centre	-	-	770,078	2,772,582	4,319,654
Total Enterprise Funds	<u>\$8,733,814</u>	<u>\$12,696,513</u>	<u>\$9,449,758</u>	<u>\$7,892,044</u>	<u>\$6,747,494</u>
Insurance	\$2,032,468	\$2,098,246	\$1,840,307	\$1,834,891	\$1,874,941
Information Systems	733,055	655,694	121,176	302,410	484,889
Total Internal Service Funds	<u>\$2,765,523</u>	<u>\$2,753,940</u>	<u>\$1,961,483</u>	<u>\$2,137,301</u>	<u>\$2,359,830</u>
Pension Funds	\$2,499,588	\$2,541,339	\$2,905,028	\$3,893,073	\$1,887,547
All Other Funds	6,814,816	13,170,550	25,620,650	18,960,647	15,559,991
Total	<u>\$80,008,746</u>	<u>\$97,675,920</u>	<u>\$97,780,918</u>	<u>\$63,306,091</u>	<u>\$55,407,820</u>

Sources Comprehensive Annual Financial Reports, FY 2007 - 2011

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

Revenues	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Property Taxes	\$9,007,836	\$9,563,610	\$10,276,657	\$10,636,766	\$11,002,303
Sales Tax	6,590,165	6,990,526	6,069,966	6,026,619	5,957,084
Home Rule Sales tax	3,456,973	3,938,726	3,508,616	3,406,116	3,319,905
Local Use Tax	670,755	748,732	614,640	665,122	751,257
State Income Tax	4,475,720	4,781,261	3,991,678	4,350,948	4,154,694
Licenses and Permits	2,637,624	1,313,427	1,103,879	1,276,000	1,781,831
Charges for Services	4,950,909	4,566,938	4,483,869	4,830,580	6,345,366
Fines and Forfeits	1,160,360	1,451,980	941,060	884,908	776,084
Investment Income	700,625	345,136	56,866	37,508	23,010
Hotel Tax	1,106,043	1,263,922	923,549	1,005,562	1,064,607
Real Estate Transfer Tax	1,323,132	755,637	510,990	406,333	366,253
Telecommunications Tax	3,378,962	3,404,303	3,119,398	2,919,649	2,760,859
All Other	4,785,947	5,349,802	5,565,084	7,308,502	10,122,910
Total Revenue	<u>\$44,245,051</u>	<u>\$44,474,000</u>	<u>\$41,166,252</u>	<u>\$43,754,612</u>	<u>\$48,426,163</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2011

	<u>Outstanding</u> <u>Bonds</u>	<u>Applicable to Village</u>	
		<u>Percentage</u>	<u>Amount</u>
Direct Debt			
General Obligation Bonds Outstanding	\$51,803,750	100.0%	\$51,803,750
Overlapping Debt			
Cook County	\$3,804,145,000	1.021%	\$38,840,320
Metropolitan Water Reclamation District	2,466,463,694	1.043%	25,725,216
Kane County	228,485,866	0.011%	25,133
Dundee Township	9,980,000	0.093%	9,281
Dundee Township Park District	1,747,520	0.092%	1,608
Hoffman Estates Park District	10,293,000	93.803%	9,655,143
Palatine Park District	11,980,000	2.823%	338,195
South Barrington Park District	690,000	0.033%	228
Gail Borden Public Library District	21,750,000	5.635%	1,225,613
Poplar Creek Library District	21,290,000	7.562%	1,609,950
Schaumburg Township Library District	1,150,000	15.336%	176,364
School District #15	28,585,805	8.253%	2,359,186
Community Unit School District #46	295,389,006	3.265%	9,644,451
Community Unit School District #220	81,800,000	9.607%	7,858,526
Community Unit School District #300	301,797,154	1.719%	5,187,893
High School District #211	17,255,000	12.826%	2,213,126
Community College #509	161,034,978	2.277%	3,666,766
Community College #512	185,775,000	6.309%	<u>11,720,545</u>
			\$120,257,546
Total Direct and Overlapping General Obligation Bonded Debt			\$172,061,296

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates, Illinois
Total General Obligation Bond Debt Service
As of December 31, 2011

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
2012	\$1,465,000	\$59,973	\$1,524,973	\$1,285,000	\$2,611,890	\$3,896,890	\$0	\$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>\$1,465,000</u>	<u>\$59,973</u>	<u>\$1,524,973</u>	<u>\$49,305,000</u>	<u>\$35,236,767</u>	<u>\$84,541,767</u>	<u>\$57,000,000</u>	<u>\$48,384,318</u>	<u>\$105,384,318</u>	<u>\$107,770,000</u>	<u>\$83,681,058</u>	<u>\$191,451,058</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2009 v.</u> <u>2010</u>	<u>2010 v.</u> <u>2011</u>
January	October	\$ 490,417	\$ 614,831	\$ 505,056	\$ 499,781	\$ 567,696	-1%	14%
February	November	500,844	567,087	581,207	493,847	413,811	-15%	-16%
March	December	614,877	651,535	609,438	576,980	490,093	-5%	-15%
April	January	436,642	537,730	468,904	417,113	555,394	-11%	33%
May	February	482,243	527,687	428,140	475,153	491,400	11%	3%
June	March	527,647	572,460	542,983	484,646	469,329	-11%	-3%
July	April	529,255	609,868	490,141	460,764	528,513	-6%	15%
August	May	550,515	585,116	506,613	498,893	463,544	-2%	-7%
September	June	617,219	633,604	529,597	570,797	475,886	8%	-17%
October	July	539,236	592,928	484,807	508,110	493,201	5%	-3%
November	August	541,242	613,051	534,471	494,385	488,836	-8%	-1%
December	September	569,370	580,285	481,247	529,219	519,381	10%	-2%
Year Totals		<u>\$ 6,399,508</u>	<u>\$ 7,086,181</u>	<u>\$ 6,162,604</u>	<u>\$ 6,009,688</u>	<u>\$ 5,957,084</u>	<u>-2%</u>	<u>-1%</u>

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2009 v.</u> <u>2010</u>	<u>2010 v.</u> <u>2011</u>
January	October	\$ 266,186	\$ 334,762	\$ 310,368	\$ 285,698	\$ 344,625	-8%	21%
February	November	263,335	330,135	338,610	297,208	228,719	-12%	-23%
March	December	334,386	383,795	381,069	361,813	262,809	-5%	-27%
April	January	204,165	311,781	265,394	231,066	299,150	-13%	29%
May	February	231,916	285,826	252,890	268,550	274,031	6%	2%
June	March	268,747	299,470	295,060	273,585	280,136	-7%	2%
July	April	260,833	320,295	268,645	274,366	304,288	2%	11%
August	May	287,708	324,084	284,606	277,551	243,665	-2%	-12%
September	June	306,232	341,857	303,447	287,434	247,418	-5%	-14%
October	July	289,547	341,887	273,130	291,181	275,143	7%	-6%
November	August	279,871	349,666	314,903	269,544	268,583	-14%	0%
December	September	328,669	331,086	286,566	292,375	291,338	2%	0%
Year Totals		<u>\$ 3,321,595</u>	<u>\$ 3,954,646</u>	<u>\$ 3,574,688</u>	<u>\$ 3,410,371</u>	<u>\$ 3,319,905</u>	<u>-5%</u>	<u>-3%</u>

Source: Village Finance Department