

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Year Ended December 31, 2013

Prepared by: Finance Department

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Year Ended December 31, 2013

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2013

LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Karen V. Mills

Anna Newell

Gary J. Pilafas

Gary G. Stanton

Michael Gaeta

Gayle Vandenberg

Bev Romanoff, Village Clerk

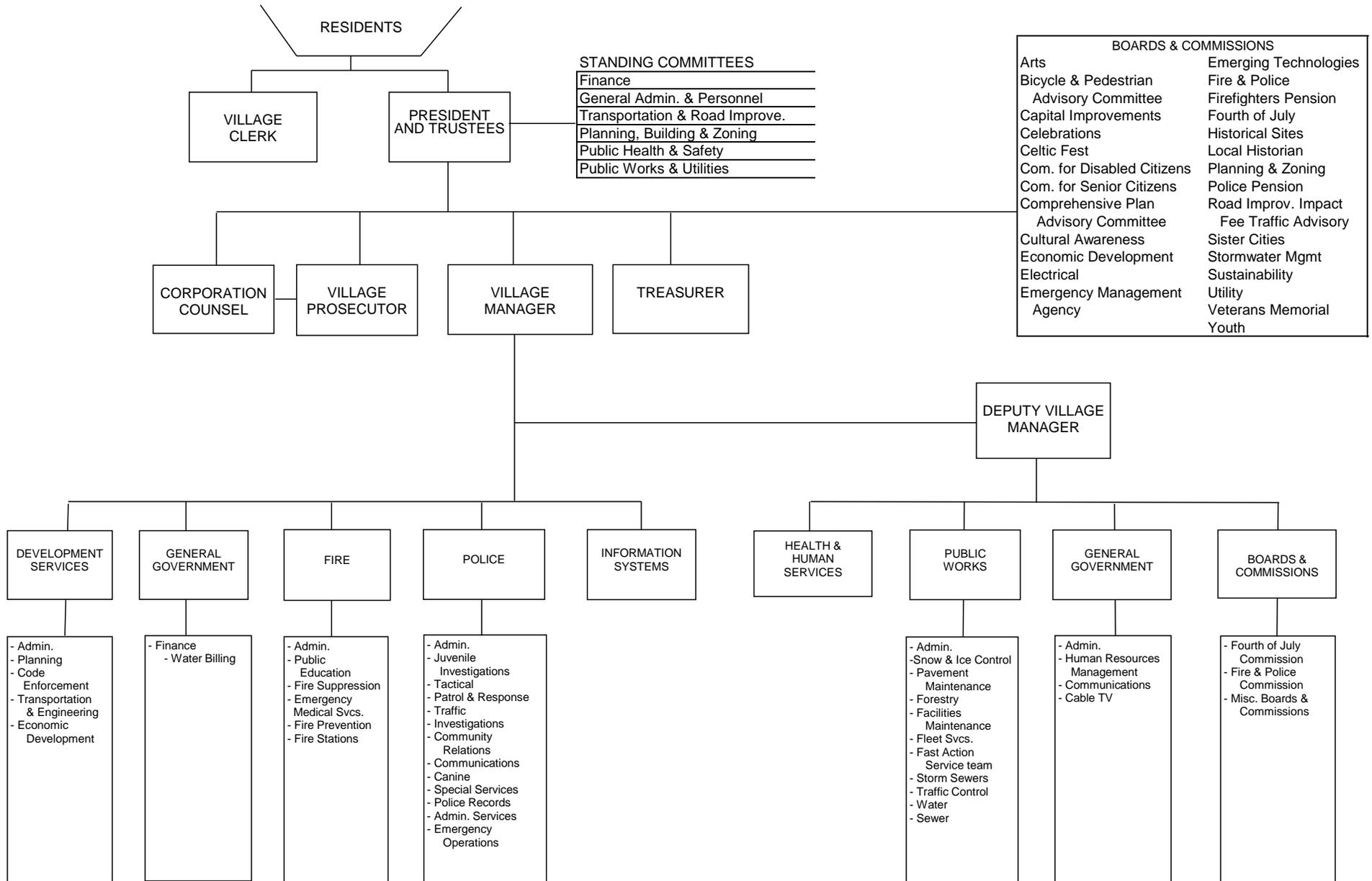
ADMINISTRATIVE

James H. Norris, Village Manager

FINANCE DEPARTMENT

Rachel Musiala, Director of Finance

VILLAGE OF HOFFMAN ESTATES ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Hoffman Estates
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO



HOFFMAN ESTATES

June 17, 2014

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, 2013.

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

State statutes require an annual audit by independent certified public accountants. The accounting firm of Crowe Horwath LLP performed the audit this year. The independent auditor's report is included in the Financial Section of this report. The auditors have given this report an unqualified ("clean") opinion, meaning that the financial statements fairly present the Village's financial position at December 31, 2013, and the changes in financial position for the year then ended.

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

Profile of the Government

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

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

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

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

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

While the economic recovery built momentum in 2013 and the Village of Hoffman Estates saw several new projects and reinvestments, the local economy still needs time to fully recover.

Office/Light Industrial: The Village saw development and occupancy for several major facilities in several areas of Hoffman Estates, including the occupancy of a major expansion at the St. Alexius Medical Center which allowed the hospital to meet their target grand opening. ADP, a Fortune 500 Company, reinvested in Hoffman Estates by remodeling their current building. The Greenspoint Office Campus was purchased by Lincoln Properties who signed Omron Corporation to a 70,000 square foot lease in the 6-story office building. Omron previously leased space in Schaumburg, a neighboring community, but outgrew the building and decided to invest in Hoffman Estates. The build out began at the end of 2013 and is expected to be completed by the summer of 2014.

A Golden Corridor Existing Conditions Report, as well as marketing and outreach plans, were completed in 2013. The Golden Corridor Advanced Manufacturing Partnership (GCAMP) formed a non-profit to continue to work with municipalities and private companies to increase awareness of advanced manufacturing jobs in the area and improve workforce development. The Village Board approved a \$10,000 grant for the GCAMP to be used for scholarships, marketing and overall development of the GCAMP.

Retail/Restaurants: During 2013, a number of retailers opened for business in Hoffman Estates while several others reinvested in the Village. Audi of Hoffman Estates opened in the summer of 2013 at Golf and Gannon Roads. The dealer aims to be the highest selling Audi dealership in the United States and sales projections were very high after the first few months. The introduction of Mariano's Fresh Market to Hoffman Village Shopping Center provided a new option for residents for picking up groceries, sushi and other specialties but also served as an attractive anchor for other tenants to the center. Goodwill opened in 2013 as a junior anchor to the center and Los Fernandez Restaurant moved into the center as well.

Several other retailers and restaurants signed leases in 2013. Ricky Rocket's, a convenience store, gas station and retail center located at Hassell and Barrington Roads opened near the end of 2013. The retail center features a Subway, Dunkin Donuts, Domino's Pizza and video gaming café. Other areas of the Village renovated facades and improved public spaces like Barrington Square Mall. The center began a complete façade renovation to compliment the grand opening of GiGi's Playhouse. This unique organization provides specialized education programs and resources to individuals with Down syndrome and their families.

Roselle Road Business Improvement District: The Hoffman Plaza Shopping Center owners continued to explore ways to enhance and add value to the center. The renovated Jewel store continues to be a solid anchor for the center but they also looked to add outlots to their Plaza. The vacant former

gas station at Higgins and Roselle Roads and former Burger King site remains an opportunity for potential developers.

Golf Center Shopping Center saw many old vacancies filled in 2012 and one large vacancy filled in 2013. Savers improved the center and opened in the 30,000 square feet left vacant by Michael's near the end of 2013. The Center has seen increased traffic due in part to the opening of Savers. Efforts continue to market the remaining vacant store fronts in the center to interested businesses.

Opportunities remain for redevelopment of the property. After many years of coordination, Cook County approved the traffic signal at the entrances to Golf Center and Hoffman Plaza on Roselle Road. The Village's consultant continues to address comments and conditions of Cook County's approval, with a goal of issuing a construction permit in 2014. The signal will help to connect the entrances of the two shopping centers, as well as address traffic safety issues.

Long-term Financial Planning

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

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

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

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

"The Village will strive to maintain an unassigned fund balance within the General Fund equal to 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, 2013, General Fund unassigned fund balance is 27 percent of budgeted operating expenditures.

Relevant Financial Policies

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

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

Major Initiatives

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

Short-Term Goals:

- Build upon recent environmental recognition, including Platinum Clean Air Counts status and the Illinois Governor's Sustainability Award, by researching and drafting a Sustainability Plan with assistance from Boards and Commissions and other environmental partners.
- Through cooperation with the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA), work toward completion of Phase I engineering for the Barrington Road full interchange project.
- Reconstruct Hassell Road and complete the Palatine Road project utilizing federal Surface Transportation Program (STP) funds.
- Address the Emerald Ash Borer (EAB) infestation and its numerous impacts on the Village's public tree population, and be a resource for residents and businesses for private infestation.

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

Ongoing Goals:

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

Awards and Acknowledgements

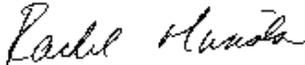
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the thirtieth 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 2013 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 fourth year the Village has received this award.

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

Respectfully submitted,



Rachel Musiala
Director of Finance

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 for the General Fund and Major Special Revenue Fund as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by 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.

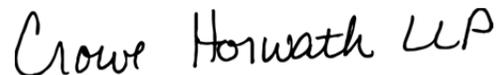
Supplementary Information

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 and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.



Crowe Horwath LLP

Oak Brook, Illinois
June 17, 2014

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013**

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, 2013. 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 serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 3 through 4 of this report.

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of

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

the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Village maintains 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 5 through 8 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 9 through 11 of this report.

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

The basic fiduciary fund financial statements can be found on pages 12 and 13 of this report.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 55 through 62 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 64 through 127 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, 2013.

Net Position

The table below reflects the condensed Statement of Net Position.

**Table 1
Statement of Net Position
As of December 31, 2013**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Current and Other Assets	\$ 58,636,420	\$ 64,988,676	\$ 5,806,481	\$ 7,551,492	\$ 64,442,901	\$ 72,540,168
Capital Assets	148,404,317	149,301,070	110,533,260	107,050,067	258,937,577	256,351,137
Total Assets	207,040,737	214,289,746	116,339,741	114,601,559	323,380,478	328,891,305
Long-Term Liabilities	128,178,236	114,892,436	54,979,404	53,703,678	183,157,640	168,596,114
Other Liabilities	25,761,249	31,932,404	1,848,264	2,494,287	27,609,513	34,426,691
Total Liabilities	153,939,485	146,824,840	56,827,668	56,197,965	210,767,153	203,022,805
Net Position:						
Investment in Capital Assets	97,300,601	99,421,159	56,288,010	54,117,345	153,588,611	153,538,504
Restricted	8,430,181	8,705,357	-	-	8,430,181	8,705,357
Unrestricted	(52,629,530)	(40,661,610)	3,224,063	4,286,249	(49,405,467)	(36,375,361)
Total Net Position	\$ 53,101,252	\$ 67,464,906	\$ 59,512,073	\$ 58,403,594	\$ 112,613,325	\$ 125,868,500

The deficit in unrestricted net position is primarily the result of the Village sponsoring one of the largest economic development area (EDA) tax increment financing (TIF) districts in the State of Illinois to induce the relocation of the headquarters of a major retailer to the Village and keeping the jobs within the state. As part of the inducement, the Village issued \$65,400,000 Senior Lien Tax Increment Revenue Bonds, Series 2005 (expired in 2010), \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$56,664,436 (as of December 31,

(See independent auditor's report.)

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

2013). These bonds and notes did not produce a capital asset that is owned by the Village, and even though the Village is not generally obligated for the retirement of the debt as it is payable solely from the incremental taxes generated by the EDA, the bonds and notes are, nonetheless, required to be reported as a liability of the Village. If sufficient funds are not available in the EDA to pay the debt as of the end of the useful life of the EDA, then the obligations would be cancelled and the Village would report a gain on the cancellation of said debt. Therefore, the deficit will be reduced and eliminated over the remaining life of the EDA. It should be noted that the end of the life of the EDA was originally scheduled for 2012. However, recent legislation enacted by the State of Illinois has extended the EDA for an additional 15 years and it will now end in 2027.

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

Table 1-a
Statement of Net Position Excluding EDA TIF Activity
As of December 31, 2013

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Current and Other Assets	\$ 53,655,920	\$ 60,159,658	\$ 5,806,481	\$ 7,551,492	\$ 59,462,401	\$ 67,711,150
Capital Assets	148,404,317	149,301,070	110,533,260	107,050,067	258,937,577	256,351,137
Total Assets	202,060,237	209,460,728	116,339,741	114,601,559	318,399,978	324,062,287
Long-Term Liabilities	58,409,132	76,427,981	54,979,404	53,703,678	113,388,536	130,131,659
Other Liabilities	25,576,810	13,620,152	1,848,264	2,494,287	27,425,074	16,114,439
Total Liabilities	83,985,942	90,048,133	56,827,668	56,197,965	140,813,610	146,246,098
Net Position:						
Investment in Capital Assets	97,300,601	99,421,159	56,288,010	54,117,345	153,588,611	153,538,504
Restricted	3,634,120	3,988,610	-	-	3,634,120	3,988,610
Unrestricted	17,139,574	16,002,826	3,224,063	4,286,249	20,363,637	20,289,075
Total Net Position	\$ 118,074,295	\$ 119,412,595	\$ 59,512,073	\$ 58,403,594	\$ 177,586,368	\$ 177,816,189

As you can see, the governmental activities no longer show a deficit in unrestricted net position when the EDA financial information is excluded. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Hoffman Estates (excluding EDA TIF activity), assets exceeded liabilities by \$177,816,189 as of December 31, 2013. The Village's combined net position increased by \$229,821 from 2012.

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

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

Table 2
Net Position Invested in Capital Assets, Net of Related Debt
As of December 31, 2013

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Capital Assets	\$ 148,404,317	\$ 149,301,070	\$ 110,533,260	\$ 107,050,067	\$ 258,937,577	\$ 256,351,137
Less Outstanding Related Debt:						
2005A G.O. Bonds	-	-	(48,020,000)	(46,675,000)	(48,020,000)	(46,675,000)
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)	(29,155,000)	-	-	(30,355,000)	(29,155,000)
Less Outstanding Premiums	(1,021,642)	(961,546)	-	-	(1,021,642)	(961,546)
Plus Outstanding Discounts	199,394	191,725	246,852	214,231	446,246	405,956
Plus Unspent Bond Proceeds	57,282	28,659	189,148	189,297	246,430	217,956
Total	97,300,601	99,421,159	56,288,010	54,117,345	153,588,611	153,538,504

The second portion of the Village's net position in the amount of \$20,289,075 represents funds that are unrestricted and can be used for Village services. The final portion of the Village's net position in the amount of \$3,988,610 represents resources that are subject to external restrictions on how they may be used.

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

Activities

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

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

Table 3
Changes in Net Position
For the Fiscal Year Ended December 31, 2013

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 9,170,539	\$ 11,511,935	\$ 15,424,687	\$ 15,796,230	\$ 24,595,226	\$ 27,308,165
Operating Grants	2,696,996	2,562,477	-	-	2,696,996	2,562,477
Capital Grants/Contributions	3,219,627	3,525,568	1,350,599	104,896	4,570,226	3,630,464
General Revenues:						
Property Taxes	37,109,465	36,803,822	-	-	37,109,465	36,803,822
Other Taxes	20,327,995	22,918,210	2,121,999	1,826,801	22,449,994	24,745,011
Other	1,565,561	3,300,104	1,310,666	1,058,592	2,876,227	4,358,696
Total Revenues	74,090,183	80,622,116	20,207,951	18,786,519	94,298,134	99,408,635
EXPENSES						
General Government	6,784,096	10,593,969	-	-	6,784,096	10,593,969
Public Safety	33,240,928	34,713,320	-	-	33,240,928	34,713,320
Highways and Streets	9,997,154	9,043,957	-	-	9,997,154	9,043,957
Sanitation	1,213,277	1,211,351	-	-	1,213,277	1,211,351
Health and Welfare	1,744,262	1,643,956	-	-	1,744,262	1,643,956
Culture and Recreation	339,529	360,479	-	-	339,529	360,479
Economic Development	3,086,713	2,435,172	-	-	3,086,713	2,435,172
Water and Sewer	-	-	14,419,572	15,096,017	14,419,572	15,096,017
Sears Centre	-	-	7,262,839	7,188,970	7,262,839	7,188,970
Interest on Long-Term Debt	4,974,048	3,866,269	-	-	4,974,048	3,866,269
Total Expenses	61,380,007	63,868,473	21,682,411	22,284,987	83,062,418	86,153,460
Excess (Deficiency)						
Before Transfers	12,710,176	16,753,643	(1,474,460)	(3,498,468)	11,235,716	13,255,175
Transfers In (Out)	162,839	(2,389,989)	(162,839)	2,389,989	-	-
Change in Net Position	\$ 12,873,015	\$ 14,363,654	\$ (1,637,299)	\$ (1,108,479)	\$ 11,235,716	\$ 13,255,175
Net Position,						
January 1	\$ 40,228,237	\$ 53,101,252	\$ 61,149,372	\$ 59,512,073	\$ 101,377,609	\$ 112,613,325
Net Position,						
December 31	\$ 53,101,252	\$ 67,464,906	\$ 59,512,073	\$ 58,403,594	\$ 112,613,325	\$ 125,868,500

For the fiscal year ended December 31, 2013, revenues from governmental activities totaled \$80 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$36 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.

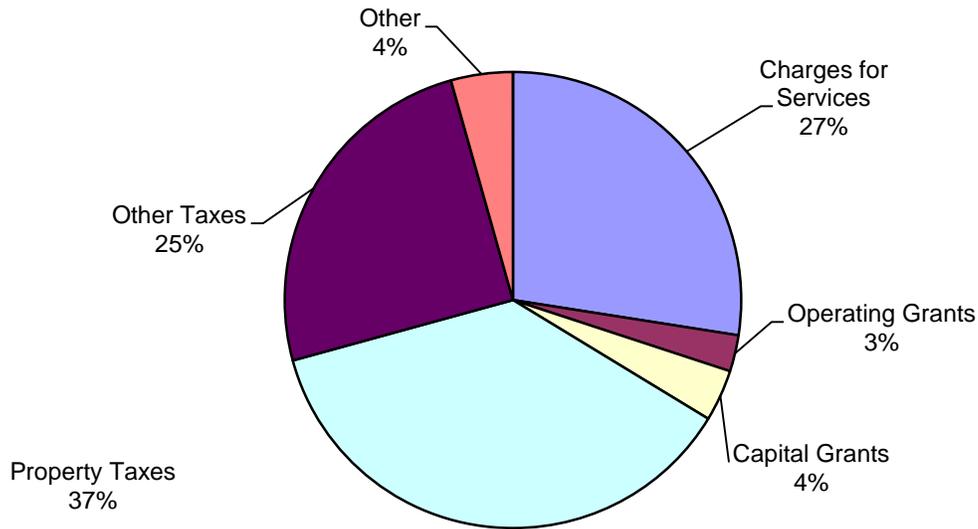
(See independent auditor's report.)

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

While the ROT is a 9, the equivalent of a 1 percent tax is remitted to Hoffman Estates, in addition to another 1 percent for the Village's home-rule sales tax portion.

In 2013, state-shared sales tax revenues were \$7,306,806 compared to \$6,432,977 in 2012. Home-rule sales tax revenues also saw an increase from \$3,547,063 in 2012 to \$3,777,094 in 2013. These increases reflect new business openings within the Village as well as the improvements in the nation's economy.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2013



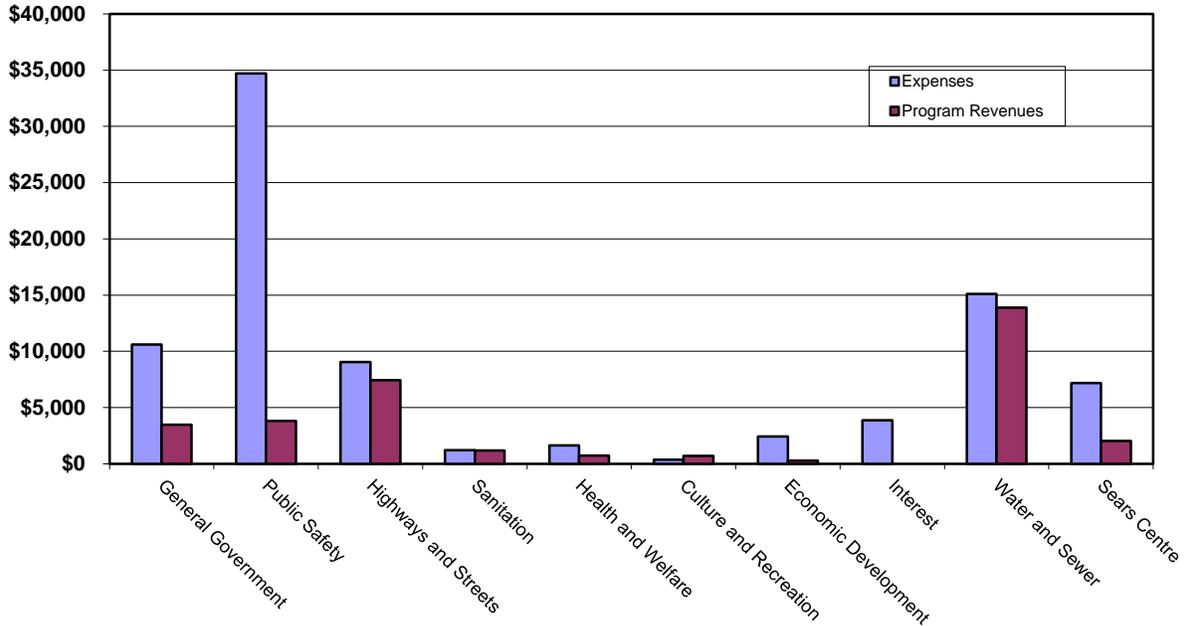
Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2012 and 2013, the Village's income and local use tax revenues increased from \$5,416,250 to \$5,931,409 primarily due to improvement in the economy.

A major revenue component of the "Charges for Services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$13,792,658 in 2013 compared to \$13,480,853 in 2012. The Village had been increasing the water rates at approximately 6.2 percent each year based on a water rate study that is done every five years. However, in 2012, the City of Chicago, the water supplier for the Village, imposed significant water rate increases. As a result, the Village had to pass these costs along to the residents. Thus, in 2013, the water rates were increased by approximately 10%.

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)

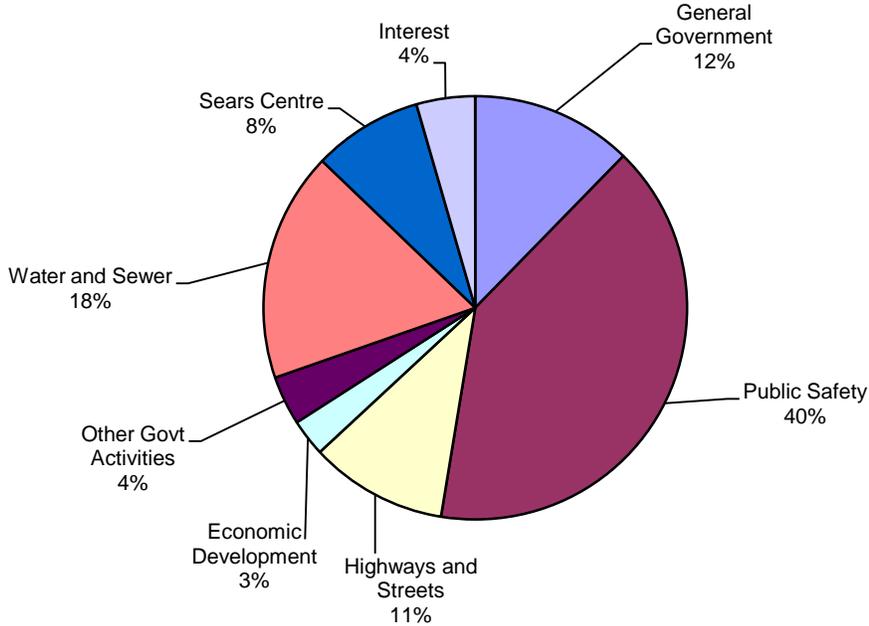
Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2013
(Dollars in Thousands)



Village expenses amounted to \$86 million in 2013. Accounting for the largest share of the total expenses are public safety expenses related to the operations of the Police and Fire Departments.

With a high demand for skilled employees in both the public and private sectors in this region, it is important that the Village provide competitive compensation levels for our employees. However, due to economic uncertainty in terms of recovery and continuing the effort to reduce General Fund expenditures, the annual funding of the Village's performance based employee compensation package was kept at a minimum with only an average of a 2 percent increase given to non-union employees. Each of the collective bargaining units (Police, Fire, and Public Works) received salary increases based on their contractual agreements. Those agreements provided for various step (seniority) and general cost of living increases.

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2013



Once again, it needs to be mentioned that the inclusion of the EDA debt distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$18,834,653, which represents general revenue to the governmental activities. There is also some miscellaneous and investment income in the amount of \$5,453. On the expense side, the Village recognized interest expense of \$1,074,589 related to the Revenue Notes as well as \$4,453,643 of general government, public safety and infrastructure improvements for the EDA. Removing this activity from the governmental activities results in the following:

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

Table 3-a
Changes in Net Position Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2013

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 9,170,539	\$ 11,511,935	\$ 15,424,687	\$ 15,796,230	\$ 24,595,226	\$ 27,308,165
Operating Grants	2,696,996	2,562,477	-	-	2,696,996	2,562,477
Capital Grants/Contributions	3,219,627	3,525,568	1,350,599	104,896	4,570,226	3,630,464
General Revenues:						
Property Taxes	18,274,812	18,169,718	-	-	18,274,812	18,169,718
Other Taxes	20,327,995	22,918,210	2,121,999	1,826,801	22,449,994	24,745,011
Other	1,560,108	3,296,109	1,310,666	1,058,592	2,870,774	4,354,701
Total Revenues	55,250,077	61,984,017	20,207,951	18,786,519	75,458,028	80,770,536
EXPENSES						
General Government	6,434,941	10,273,676	-	-	6,434,941	10,273,676
Public Safety	29,418,704	30,876,317	-	-	29,418,704	30,876,317
Highways and Streets	9,799,549	8,892,032	-	-	9,799,549	8,892,032
Sanitation	1,213,277	1,211,351	-	-	1,213,277	1,211,351
Health and Welfare	1,744,262	1,643,956	-	-	1,744,262	1,643,956
Culture and Recreation	339,529	360,479	-	-	339,529	360,479
Economic Development	2,633,690	2,290,749	-	-	2,633,690	2,290,749
Water and Sewer	-	-	14,419,572	15,096,017	14,419,572	15,096,017
Sears Centre	-	-	7,262,839	7,188,970	7,262,839	7,188,970
Interest on Long-Term Debt	2,847,779	2,791,680	-	-	2,847,779	2,791,680
Total Expenses	54,431,731	58,340,240	21,682,411	22,284,987	76,114,142	80,625,227
Excess (Deficiency)						
Before Transfers	818,346	3,643,777	(1,474,460)	(3,498,468)	(656,114)	145,309
Transfers In (Out)	597,165	(2,305,477)	(162,839)	2,389,989	434,326	84,512
Change in Net Position	\$ 1,415,511	\$ 1,338,300	\$ (1,637,299)	\$ (1,108,479)	\$ (221,788)	\$ 229,821

As can be seen, when the EDA activity is removed, a clearer picture of the Village's finances is revealed. The decrease of net position realized in 2012 of \$221,788 is primarily due to the spending of bond proceeds for capital projects. As for 2013, the Village is showing an increase in net position of \$229,821 primarily due to proceeds for road reconstruction.

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, 2013, the governmental funds reported combined ending fund balances of over \$29 million. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,177,033, while total fund balance equaled \$15,206,612. Unassigned fund balance may serve as a useful measure of a

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

government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27 percent of budgeted General Fund expenditures, while total fund balance represents 31.2 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	
			2013	2012
<i>REVENUES & SALE OF CAPITAL ASSETS</i>				
Taxes	\$24,249,540	\$24,249,540	\$24,417,385	\$24,231,961
Inter-Governmental	13,681,100	13,681,100	14,386,548	12,856,322
Other	9,443,530	9,443,530	10,575,794	9,722,616
Transfers In	203,060	203,600	192,417	-
Total Revenues	47,577,230	47,577,770	49,572,144	46,810,899
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(46,252,970)	(46,694,970)	(45,654,640)	(43,333,612)
Transfers Out	(1,634,190)	(3,438,317)	(3,401,999)	(1,728,867)
Total Expenditures and Transfers	(47,887,160)	(50,133,287)	(49,056,639)	(45,062,479)
Change in Fund Balance	(\$309,930)	(\$2,555,517)	\$515,505	\$1,748,420

The fund balance of the Village's General Fund increased by \$515,505 during the current fiscal year. This was a positive result when compared to the planned drawdown of \$309,930. In years where revenues exceed expenditures within the General Fund, excess funds are utilized according to the Village's Fund Balance Policy. This policy states that the Village will strive to maintain an unassigned fund balance within the General Fund equal to 18 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board.

Actual General Fund revenues exceeded original budgeted revenues by \$2,609,514 during fiscal year 2013, 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. While actual General Fund expenditures and transfers ended up being over the original budget by \$1,169,479 in 2013, they were less than the amended budget by \$1,076,648.

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2013. 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, 2013.

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 position in the amount of \$1,619,072, which was greater than the \$727,520 decrease that was originally projected. This is primarily due to the fact that the Village budgets from a cash flow perspective, therefore depreciation expense is not part of the annual budgeted costs. Unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$2,188,786.

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, 2013 this fund had an unrestricted net position in the amount of \$2,097,463.

The Village Board amended the fiscal year 2013 budget twice. These budget amendments were primarily for the following purposes related to the General Fund:

- Fund Balance Policy transfer of \$1.8 million for the purpose of debt service and enterprise fund operations.
- Fire Department overtime budget needed to be increased by \$345,000 to accommodate new Collective Bargaining Agreement requirements in 2013.

Of the total budgeted expense increases of \$21,447,180, \$14,174,300 represented EDA incremental property taxes to pay outstanding EDA revenue notes; \$5,404,890 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, 2013 amounted to \$256,351,137 (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 2012.

Major capital asset events during 2013 included the following:

- The Village purchased thirteen new vehicles totaling \$971,396. Six of them were for the Police Department, three of them were for the Public Works Department, two of them were for the Fire Department, one of them was for the Transportation and Engineering Division, and one of them was for the Legislative Division.
- The Village purchased three new production grade, multipurpose office equipment machines for a total of \$63,931 to assist Village Hall staff with copying, printing and scanning needs.
- The Heidner/Ricky's Rockets retail center was accepted into the Village, adding \$84,406 in water main and sanitary sewer assets.

The following schedule reflects the Village's capital asset balances as of December 31, 2013.

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

Table 5
Capital Assets
As of December 31, 2013

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Land and Land Right of Way	\$ 49,184,394	\$ 49,184,394	\$ 6,499,000	\$ 6,499,000	\$ 55,683,394	\$ 55,683,394
Plant System and Equipment	-	-	55,184,649	55,288,621	55,184,649	55,288,621
Buildings and Improvements	50,212,758	50,212,758	74,174,256	74,258,503	124,387,014	124,471,261
Machinery, Vehicles and Equipment	12,110,814	12,225,196	7,221,809	7,221,809	19,332,623	19,447,005
Infrastructure	105,123,137	105,123,137	-	-	105,123,137	105,123,137
Construction in Progress	162,340	5,290,267	-	19,575	162,340	5,309,842
Less:						
Accumulated Depreciation	(68,389,126)	(72,734,682)	(32,546,454)	(36,237,441)	(100,935,580)	(108,972,123)
Total	148,404,317	149,301,070	110,533,260	107,050,067	258,937,577	256,351,137

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

Long-Term Debt

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

Table 6
Bonded and Similar Indebtedness
As of December 31, 2013

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
General Obligation Bonds	\$ 50,338,750	\$ 49,138,750	\$ 54,681,250	\$ 53,336,250	\$ 105,020,000	\$ 102,475,000
Unamortized Prem/(Discount)	822,248	769,821	(246,852)	(214,231)	575,396	555,590
TIF Revenue Notes	73,353,944	60,249,276	-	-	73,353,944	60,249,276
Net Pension Obligation	297,602	270,319	-	-	297,602	270,319
Capital Lease	-	-	11,883	7,283	11,883	7,283
Compensated Absences	2,743,421	2,871,443	345,670	377,343	3,089,091	3,248,786
Net OPEB	1,279,124	1,588,603	154,924	192,409	1,434,048	1,781,012
Termination Benefits	165,395	4,224	32,529	4,624	197,924	8,848
Total	\$ 129,000,484	\$ 114,892,436	\$ 54,979,404	\$ 53,703,678	\$ 183,979,888	\$ 168,596,114

At the end of the current fiscal year, the Village had total debt outstanding of \$168,596,114. Of this amount, \$102,475,000 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.

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

In 2013, the Village's total long-term debt decreased by \$15,383,774 or 8.4 percent. This was primarily due to the annual EDA note payment in the amount of \$14,174,300 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 29 through 34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. The levies for the police and fire pension plans, which are actuarially determined, increased in 2013. Due to the mature demographic of the Village's police force and a new mandate by the American Association of Actuaries to use a more aggressive mortality table, the minimum pension funding level calculations significantly increased from the 2013 actuarial calculations in both of the pension 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. No other progress was made in terms of pension reform during 2013. Because of this, 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 2014 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased from \$13,144,269 to \$13,177,033 primarily due to higher than projected revenues. The Village is planning on utilizing \$1,525,140 of this fund balance in the 2014 fiscal year budget.

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

The water and sewer rates were increased by an average of 6.2 percent in both 2010 and 2011 for all customers. These rate increases were determined by a water rate study conducted by the Village every five years in order to fund future water and sewer system improvements. However, in 2012, the City of Chicago significantly increased 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 was not in a position to absorb any of this increase. To ease the burden on the residents, the Village has spread the needed rate increases into three installments. The first increase was effective March 1, 2012 for 13.5 percent. The next increase was on December 1, 2012 for approximately 14.0 percent. The final increase pertaining to the current water rate study and City of Chicago rate increase was implemented on December 1, 2013 for about 10 percent.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 37,114,404	\$ 4,004,026	\$ 41,118,430
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property taxes	18,229,586	-	18,229,586
Accounts	217,105	2,942,603	3,159,708
Accrued Interest	5,100	-	5,100
Other	2,892,765	277,640	3,170,405
Deposits	527,120	-	527,120
Prepaid Items	310,136	7,417	317,553
Inventory	140,181	184,135	324,316
Due from Other Governments	5,056,096	-	5,056,096
Internal Balances	162	(162)	-
Advances to Fiduciary Funds	31,100	-	31,100
Noncurrent Receivables	-	135,833	135,833
Net Pension Asset	464,921	-	464,921
Capital Assets			
Not Depreciated	54,474,660	6,518,575	60,993,235
Depreciated (Net of Accumulated Depreciation)	94,826,410	100,531,492	195,357,902
TOTAL ASSETS	<u>214,289,746</u>	<u>114,601,559</u>	<u>328,891,305</u>
LIABILITIES			
Accounts Payable	3,886,697	1,484,826	5,371,523
Accrued Payroll	895,316	67,880	963,196
Accrued Interest Payable	206,420	234,780	441,200
Claims Payable	625,947	-	625,947
Benefits Payable	221,553	-	221,553
Unearned Revenues	377,592	635,782	1,013,374
Deposits Payable	4,449,134	52,564	4,501,698
Event Deposits	-	18,455	18,455
Due to Fiduciary Funds	3,069,764	-	3,069,764
Long-Term Liabilities			
Due Within One Year	2,914,811	1,576,393	4,491,204
Due in More than One Year	111,977,625	52,127,285	164,104,910
TOTAL LIABILITIES	<u>128,624,859</u>	<u>56,197,965</u>	<u>184,822,824</u>
DEFERRED INFLOWS			
Property Taxes	18,199,981	-	18,199,981
TOTAL DEFERRED INFLOWS	<u>18,199,981</u>	<u>-</u>	<u>18,199,981</u>
NET POSITION			
Net Investment in Capital Assets	99,421,159	54,117,345	153,538,504
Restricted for:			
Employee Loan Program	85,754	-	85,754
Highways and Streets	1,984,638	-	1,984,638
Emergency Equipment	78,141	-	78,141
Public Safety	227,034	-	227,034
Economic Development	5,662,066	-	5,662,066
Bond Projects	34,018	-	34,018
Debt service	633,706	-	633,706
Unrestricted (Deficit)	(40,661,610)	4,286,249	(36,375,361)
TOTAL NET POSITION	<u>\$ 67,464,906</u>	<u>\$ 58,403,594</u>	<u>\$ 125,868,500</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 10,593,969	\$ 3,450,495	\$ -	\$ 10,313	\$ (7,133,161)		\$ (7,133,161)
Public Safety	34,713,320	3,494,101	256,109	65,867	(30,897,243)		(30,897,243)
Highways and Streets	9,043,957	1,801,285	2,187,010	3,449,388	(1,606,274)		(1,606,274)
Sanitation	1,211,351	1,167,784	-	-	(43,567)		(43,567)
Health and Welfare	1,643,956	738,546	-	-	(905,410)		(905,410)
Culture and Recreation	360,479	709,863	-	-	349,384		349,384
Economic Development	2,435,172	149,861	119,358	-	(2,165,953)		(2,165,953)
Interest	3,866,269	-	-	-	(3,866,269)		(3,866,269)
Total Governmental Activities	63,868,473	11,511,935	2,562,477	3,525,568	(46,268,493)		(46,268,493)
Business-Type Activities:							
Waterworks and Sewerage	15,096,017	13,792,658	-	84,406	-	\$ (1,218,953)	(1,218,953)
Sears Centre	7,188,970	2,003,572	-	20,490	-	(5,164,908)	(5,164,908)
Total Business-Type Activities	22,284,987	15,796,230	-	104,896	-	(6,383,861)	(6,383,861)
Total Primary Government	\$ 86,153,460	\$ 27,308,165	\$ 2,562,477	\$ 3,630,464	(46,268,493)	(6,383,861)	(52,652,354)
General Revenues:							
Taxes:							
Property					36,803,822	-	36,803,822
Home Rule Sales (non-state)					3,777,094	-	3,777,094
Real Estate Transfer					917,245	-	917,245
Hotel/Motel					1,161,494	-	1,161,494
Telecommunications					2,441,097	-	2,441,097
Food and Beverage					-	1,545,737	1,545,737
Entertainment					9,174	230,760	239,934
Replacement					281,872	-	281,872
Other					1,092,019	50,304	1,142,323
Unrestricted Intergovernmental Revenues:							
Sales Tax					7,306,806	-	7,306,806
Income and Local Use Tax					5,931,409	-	5,931,409
Investment Income					32,737	912	33,649
Miscellaneous					3,267,367	1,057,680	4,325,047
Transfers In (Out)					(2,389,989)	2,389,989	-
Total General Revenues and Transfers					60,632,147	5,275,382	65,907,529
Change in Net Position					14,363,654	(1,108,479)	13,255,175
Net Position, Beginning of Year					53,101,252	59,512,073	112,613,325
Net Position, End of Year					\$ 67,464,906	\$ 58,403,594	\$ 125,868,500

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	Major Governmental Funds			Total
	General	EDA General Account	Other Governmental Funds	
ASSETS				
Cash and Investments	\$ 15,278,521	\$ -	\$ 18,674,696	\$ 33,953,217
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	16,481,760	-	1,747,826	18,229,586
Accounts	168,009	-	-	168,009
Accrued Interest	1,769	-	2,306	4,075
Other	2,441,989	-	499,872	2,941,861
Prepaid Items	122,778	-	184,664	307,442
Inventory	140,181	-	-	140,181
Other Assets	-	-	477,120	477,120
Due from Other Governments	4,926,237	-	129,859	5,056,096
Due from Other Funds	189,746	-	463,247	652,993
Advances to Fiduciary Funds	31,100	-	-	31,100
TOTAL ASSETS	<u>\$ 39,782,090</u>	<u>\$ -</u>	<u>\$ 22,179,590</u>	<u>\$ 61,961,680</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,641,295	\$ -	\$ 2,128,373	\$ 3,769,668
Accrued Payroll	866,017	-	15,801	881,818
Unearned Revenues	78,641	-	298,951	377,592
Due to Other Funds	20,700	-	625,810	646,510
Due to Fiduciary Funds	3,069,764	-	-	3,069,764
Deposits Payable	1,056,312	-	3,392,822	4,449,134
TOTAL LIABILITIES	<u>6,732,729</u>	<u>-</u>	<u>6,461,757</u>	<u>13,194,486</u>
DEFERRED INFLOWS				
Property Taxes	16,455,329	-	1,744,652	18,199,981
Unavailable State Taxes	1,387,420	-	-	1,387,420
TOTAL DEFERRED INFLOWS	<u>17,842,749</u>	<u>-</u>	<u>1,744,652</u>	<u>19,587,401</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	122,778	-	184,664	307,442
Inventories	140,181	-	-	140,181
Insurance Deposits	1,582,687	-	-	1,582,687
Restricted:				
Employee Loan Program	85,754	-	-	85,754
Highways and Streets	-	-	1,984,638	1,984,638
Emergency Equipment	-	-	78,141	78,141
Public Safety	98,179	-	128,855	227,034
Economic Development - State Statute	-	-	5,662,066	5,662,066
Bond Projects	-	-	34,018	34,018
Debt Service	-	-	633,706	633,706
Assigned:				
Capital Improvements	-	-	5,365,498	5,365,498
Unassigned	13,177,033	-	(98,405)	13,078,628
TOTAL FUND BALANCES	<u>15,206,612</u>	<u>-</u>	<u>13,973,181</u>	<u>29,179,793</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 39,782,090</u>	<u>\$ -</u>	<u>\$ 22,179,590</u>	<u>\$ 61,961,680</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
December 31, 2013

Total Fund Balances - Governmental Funds		\$ 29,179,793
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital Assets Used in Governmental Activities are not Financial Resources and, therefore, are not Reported in the Funds:		
Capital assets	\$ 222,035,752	
Accumulated depreciation	<u>(72,734,682)</u>	
Net capital assets	149,301,070	
Less Capital Assets of Internal Service Funds Included Below	<u>(165,217)</u>	
		149,135,853
Net Pension Asset is Reported as an Asset on the Statement of Net Position		464,921
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	(2,871,443)	
Plus Compensated Absences of Internal Service Funds Included Above	31,626	
Net Other Post-Employment Benefit Obligation	(1,592,827)	
Plus Net Other Post-Employment Benefit Obligation of Internal Service Funds Included Above	29,601	
Net Pension Obligation	(156,972)	
Net IMRF Pension Obligation	(113,347)	
Unamortized Bond Premium/Discount	(769,821)	
General Obligation Bonds Payable	(49,138,750)	
Tax Increment Financing Notes Payable	<u>(60,249,276)</u>	
		(114,831,209)
Accrued Interest on Long-Term Liabilities is Shown as a Liability on the Statement of Net Position		(206,420)
Certain Revenues that are Unavailable in the Governmental Funds are Recognized as Revenue on the Statement of Net Position		1,387,420
The Net Position of the Internal Service Funds are Included in the Governmental Activities in the Statement of Net Position		<u>2,334,548</u>
Net Position of Governmental Activities		<u>\$ 67,464,906</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2013

	<u>Major Governmental Funds</u>			<u>Total</u>
	<u>General</u>	<u>EDA General Account</u>	<u>Other Governmental Funds</u>	
REVENUES				
Taxes	\$ 24,417,385	\$ 14,174,258	\$ 7,191,642	\$ 45,783,285
Licenses and Permits	1,493,182	-	-	1,493,182
Intergovernmental	14,386,548	-	1,730,279	16,116,827
Charges for Services	6,283,087	-	2,020,133	8,303,220
Fines and Forfeits	1,323,962	-	233,007	1,556,969
Interest Income	15,720	-	14,340	30,060
Miscellaneous	1,459,843	-	2,164,102	3,623,945
TOTAL REVENUES	<u>49,379,727</u>	<u>14,174,258</u>	<u>13,353,503</u>	<u>76,907,488</u>
EXPENDITURES				
Current:				
General Government	5,526,598	-	320,292	5,846,890
Public Safety	29,391,729	-	4,095,614	33,487,343
Highways and Streets	5,349,853	-	222,746	5,572,599
Sanitation	1,211,351	-	-	1,211,351
Health and Welfare	1,670,982	-	-	1,670,982
Culture and Recreation	336,655	-	-	336,655
Economic Development	2,167,472	-	251,163	2,418,635
Capital Outlay	-	-	6,928,824	6,928,824
Debt Service				
Principal Retirement	-	14,174,258	1,200,000	15,374,258
Interest and Fiscal Charges	-	-	2,852,106	2,852,106
TOTAL EXPENDITURES	<u>45,654,640</u>	<u>14,174,258</u>	<u>15,870,745</u>	<u>75,699,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,725,087</u>	<u>-</u>	<u>(2,517,242)</u>	<u>1,207,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	192,417	-	4,568,905	4,761,322
Transfers (Out)	(3,401,999)	-	(3,822,501)	(7,224,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,209,582)</u>	<u>-</u>	<u>746,404</u>	<u>(2,463,178)</u>
Net Changes in Fund Balances	515,505	-	(1,770,838)	(1,255,333)
Fund Balances at Beginning of Year	<u>14,691,107</u>	<u>-</u>	<u>15,744,019</u>	<u>30,435,126</u>
Fund Balances at End of Year	<u>\$ 15,206,612</u>	<u>\$ -</u>	<u>\$ 13,973,181</u>	<u>\$ 29,179,793</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, 2013

Net Change in Total Fund Balances - Governmental Funds		\$ (1,255,333)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital Expenditures	2,648,294	
Contributed Assets	3,449,388	
Depreciation	<u>(5,120,825)</u>	
Capital Expenditures in Excess of Depreciation		976,857
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) is to decrease net position.		
		(69,791)
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		
		15,374,257
Certain Items are Reported as Interest Expense on the Statement of Activities:		
Accretion of Interest on Bonds	\$ (1,069,589)	
Change in Accrued Interest Payable	3,000	
Amortization of Bond Premiums and Discounts, Net	<u>52,427</u>	
		(1,014,162)
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Fund Statements		
		252,250
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	161,171	
Change in Net Other Post-Employment Benefit Obligations	(303,713)	
Change in Net Pension Asset	(10,528)	
Change in Net Pension Obligation	29,657	
Change in Net IMRF Obligation	(2,374)	
Change in Compensated Absences	<u>(128,900)</u>	
		(254,687)
The Change in Net Position of Certain Activities of Internal Service Funds (Excluding Depreciation Included Above) is Not Recorded in Governmental Funds		
		<u>354,263</u>
Change in Net Position of Governmental Activities		<u>\$ 14,363,654</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
ASSETS				
Current				
Cash and Investments	\$ 1,268,610	\$ 2,735,416	\$ 4,004,026	\$ 3,161,187
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Accounts	2,616,851	325,752	2,942,603	-
Other	-	277,640	277,640	1,025
Prepaid Items	-	7,417	7,417	2,694
Deposits	-	-	-	50,000
Inventory	184,135	-	184,135	-
Total Current Assets	4,069,596	3,346,225	7,415,821	3,214,906
Noncurrent Assets				
Capital Assets Not Being Depreciated	518,575	6,000,000	6,518,575	-
Capital Assets Being Depreciated	58,637,169	78,131,763	136,768,932	408,220
Accumulated Depreciation	<u>(26,726,917)</u>	<u>(9,510,523)</u>	<u>(36,237,440)</u>	<u>(243,003)</u>
Total Capital Assets, Net	32,428,827	74,621,240	107,050,067	165,217
Accounts Receivable	-	135,833	135,833	-
Total Noncurrent Assets	32,428,827	74,757,073	107,185,900	165,217
TOTAL ASSETS	36,498,423	78,103,298	114,601,721	3,380,123
LIABILITIES				
Current Liabilities				
Accounts Payable	968,938	515,888	1,484,826	117,029
Accrued Payroll	67,880	-	67,880	13,498
Events Payable	-	18,455	18,455	-
Accrued Interest Payable	27,755	207,025	234,780	-
Unearned Revenues	-	635,782	635,782	-
Claims Payable	-	-	-	625,947
Benefits Payable	-	-	-	221,553
Due to Other Funds	-	162	162	6,321
Deposits Payable	52,564	-	52,564	-
Long-term Obligations, Due within One Year:				
General Obligation Bonds Payable	-	1,415,000	1,415,000	-
Capital Lease Payable	-	4,600	4,600	-
Compensated Absences Payable	152,169	-	152,169	31,626
Total Current Liabilities	1,269,306	2,796,912	4,066,218	1,015,974
NonCurrent Liabilities				
General Obligation Bonds Payable	6,597,342	45,109,677	51,707,019	-
Capital Lease Payable	-	2,683	2,683	-
Compensated Absences Payable	225,174	-	225,174	-
Other Post-Employment Benefit Obligations	197,033	-	197,033	29,601
Total Noncurrent Liabilities	7,019,549	45,112,360	52,131,909	29,601
TOTAL LIABILITIES	8,288,855	47,909,272	56,198,127	1,045,575
NET POSITION				
Net Investment in Capital Assets	26,020,782	28,096,563	54,117,345	165,217
Unrestricted	2,188,786	2,097,463	4,286,249	2,169,331
TOTAL NET POSITION	\$ 28,209,568	\$ 30,194,026	\$ 58,403,594	\$ 2,334,548

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Funds			
	Waterworks and Sewerage	Sears Centre Operating	Total	
OPERATING REVENUES				
Charges for Services	\$ 13,792,658	\$ 1,970,482	\$ 15,763,140	\$ 2,512,640
TOTAL OPERATING REVENUES	<u>13,792,658</u>	<u>1,970,482</u>	<u>15,763,140</u>	<u>2,512,640</u>
OPERATING EXPENSES				
Operations	-	-	-	1,201,674
Claims and Insurance	-	-	-	1,032,569
Water Division	11,657,115	-	11,657,115	-
Sewer Division	2,101,768	-	2,101,768	-
Sears Centre	-	2,257,779	2,257,779	-
Depreciation	1,334,578	2,356,408	3,690,986	21,628
TOTAL OPERATING EXPENSES	<u>15,093,461</u>	<u>4,614,187</u>	<u>19,707,648</u>	<u>2,255,871</u>
Operating Income (Loss)	<u>(1,300,803)</u>	<u>(2,643,705)</u>	<u>(3,944,508)</u>	<u>256,769</u>
NONOPERATING REVENUES (EXPENSES)				
Entertainment and Food & Beverage Tax	-	1,826,801	1,826,801	-
Charges for Services	-	33,090	33,090	-
Interest Income	436	476	912	2,677
Interest Expense	-	(2,544,718)	(2,544,718)	-
Amortization Expense	(2,556)	(30,065)	(32,621)	-
Miscellaneous Revenue	13,583	1,044,097	1,057,680	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>11,463</u>	<u>329,681</u>	<u>341,144</u>	<u>2,677</u>
Net Income (Loss) before Transfers and Contributions	<u>(1,289,340)</u>	<u>(2,314,024)</u>	<u>(3,603,364)</u>	<u>259,446</u>
TRANSFERS				
Transfers In	-	2,804,127	2,804,127	73,189
Transfers (Out)	(414,138)	-	(414,138)	-
TOTAL TRANSFERS	<u>(414,138)</u>	<u>2,804,127</u>	<u>2,389,989</u>	<u>73,189</u>
CONTRIBUTIONS	<u>84,406</u>	<u>20,490</u>	<u>104,896</u>	<u>-</u>
Changes in Net Position	(1,619,072)	510,593	(1,108,479)	332,635
Net Position at Beginning of Year	<u>29,828,640</u>	<u>29,683,433</u>	<u>59,512,073</u>	<u>2,001,913</u>
Net Position at End of Year	<u>\$ 28,209,568</u>	<u>\$ 30,194,026</u>	<u>\$ 58,403,594</u>	<u>\$ 2,334,548</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2013

	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	\$ 13,352,769	\$ 2,776,037	\$ 16,128,806	\$ -
Cash Received from Interfund Services Transactions	-	-	-	2,512,640
Cash Received from Entertainment/Food & Beverage Tax	-	1,784,511	1,784,511	-
Cash Received from Licenses and Permits	-	33,090	33,090	-
Cash Payments to Suppliers	(10,682,384)	(2,011,447)	(12,693,831)	(1,678,697)
Cash Payments to Employees	(2,687,279)	-	(2,687,279)	(494,224)
Net Cash Provided By (Used In) Operating Activities	<u>(16,894)</u>	<u>2,582,191</u>	<u>2,565,297</u>	<u>339,719</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Borrowing (Lending)	422,422	(999,838)	(577,416)	25,819
Transfers In (Out)	(414,138)	2,804,127	2,389,989	73,189
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>8,284</u>	<u>1,804,289</u>	<u>1,812,573</u>	<u>99,008</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of Capital Assets	(39,139)	(63,757)	(102,896)	-
Principal Payment on Bonds and Leases	-	(1,349,600)	(1,349,600)	-
Interest and Fiscal Charges Paid on Bonds	-	(2,520,147)	(2,520,147)	-
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(39,139)</u>	<u>(3,933,504)</u>	<u>(3,972,643)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned	436	476	912	1,652
Net Cash Provided By (Used In) Investing Activities	<u>436</u>	<u>476</u>	<u>912</u>	<u>1,652</u>
Net Increase (Decrease) in Cash	(47,313)	453,452	406,139	440,379
Cash and Cash Equivalents, Beginning of Year	1,315,923	2,281,964	3,597,887	2,720,808
Cash and Cash Equivalents, End of Year	<u>\$ 1,268,610</u>	<u>\$ 2,735,416</u>	<u>\$ 4,004,026</u>	<u>\$ 3,161,187</u>
Reconciliation of Operating Income to				
Net Cash Used in Operating Activities:				
Operating Income (Loss)	\$ (1,300,803)	\$ (2,643,705)	\$ (3,944,508)	\$ 256,769
Adjustment to Reconcile Operating Income				
to Net Cash Used in Operating Activities:				
Depreciation and Amortization	1,334,578	2,326,343	3,660,921	21,628
Miscellaneous Revenues	13,583	1,044,097	1,057,680	-
Entertainment/Food & Beverage Tax	-	1,784,511	1,784,511	-
Licenses and Permits	-	33,090	33,090	-
(Increase) Decrease in Receivables	(453,472)	(238,542)	(692,014)	-
(Increase) Decrease in Prepaid Items	-	(27,152)	(27,152)	(1,730)
Increase (Decrease) in Deposits	17,057	-	17,057	39,200
(Increase) Decrease in Inventory	-	-	-	-
Increase (Decrease) in Accounts Payable	312,415	(22,263)	290,152	50,529
Increase (Decrease) in Accrued Payroll	18,495	-	18,495	3,938
Increase (Decrease) in Benefits Payable	-	-	-	40,638
Increase (Decrease) in Claims Payable	-	-	-	(76,141)
Increase (Decrease) in Unearned Revenue	-	325,812	325,812	-
Increase (Decrease) in Compensated Absences Payable	31,673	-	31,673	(878)
Increase (Decrease) in Termination Benefits Payable	-	-	-	-
Increase (Decrease) in Other Post-Employment Benefits Payable	9,580	-	9,580	5,766
Total Adjustments	<u>1,283,909</u>	<u>5,225,896</u>	<u>6,509,805</u>	<u>82,950</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (16,894)</u>	<u>\$ 2,582,191</u>	<u>\$ 2,565,297</u>	<u>\$ 339,719</u>
Noncash Activities:				
Capital Contributions	<u>\$ 84,406</u>	<u>\$ 20,490</u>	<u>\$ 104,896</u>	<u>\$ -</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 1,691,146	\$ 12,306,468
Investments, at Fair Value		
U.S. Treasury Securities	17,887,397	-
U.S. Agency Securities	22,460,040	-
Corporate Bonds	6,417,156	-
IMET	402,504	-
Mutual Funds	77,506,138	-
Money Market Mutual Funds	1,050,310	-
Equity Securities	6,810,292	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Interest Receivable	299,943	-
Other	7,397	-
Due from Primary Government	-	3,069,764
Assets Held by Agents	-	58,754
TOTAL ASSETS	134,532,323	\$ 15,434,986
LIABILITIES		
Accounts Payable	4,593	\$ 356,103
Due to Participants	-	27,654
Advances from Primary Government	-	31,100
Due to Other Entities	-	15,020,129
TOTAL LIABILITIES	4,593	\$ 15,434,986
NET POSITION		
Held in Trust for Pension Benefits	\$ 134,527,730	

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
Year ended December 31, 2013

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer Contributions	\$ 4,588,634
Employee Contributions	1,689,012
Other Contributions	<u>155,123</u>
Total Contributions	<u>6,432,769</u>
Investment Income (Loss)	
Net Appreciation in Fair Value of Investments	14,296,426
Interest Revenue	2,937,903
Investment Expense	<u>(253,313)</u>
Net Investment Income	<u>16,981,016</u>
 TOTAL ADDITIONS	 <u>23,413,785</u>
DEDUCTIONS	
Benefits and Refunds	6,629,240
Miscellaneous	<u>74,174</u>
 TOTAL DEDUCTIONS	 <u>6,703,414</u>
 Net Change in Plan Net Position	 16,710,371
 Plan Net Position at Beginning of Year	 <u>117,817,359</u>
 Plan Net Position at End of Year	 <u>\$ 134,527,730</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

<u>Footnote Number</u>	<u>Description</u>	<u>Page Number(s)</u>
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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

C. Government-Wide and Fund Financial Statements

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

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

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

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major proprietary funds:

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

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

Additionally, the Village reports the following internal service funds:

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

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

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

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

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2013, 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 \$476,802, 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.

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes for 2013 attach as an enforceable lien on January 1, 2013 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, 2014 and August 1, 2014, and are payable in two installments, on or about March 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically. Since the 2013 levy is intended to finance the 2014 fiscal year, the levy has been recorded as receivable and deferred inflow. The revenues in the current year financial statements represent the 2012 property tax levy.

G. Inventories

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

H. Prepaid Items/Expenses

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

I. Capital Assets

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

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

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

J. Compensated Absences

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

K. Interfund Transactions

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

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

L. Interfund Receivables/Payables

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

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

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

N. Net Position

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

O. Fund Balance

The components of 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, 2013, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use, where the intended use is established by the Board of Trustees. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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.

The following deficit fund balance was noted:

<u>Fund</u>	<u>Amount</u>
Higgins/Hassell Road TIF	\$ (9,924)

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash

The carrying amount of cash, excluding the Pension Trust Funds, was \$5,238,167 at December 31, 2013, while the bank balances were \$5,802,546.

At December 31, 2013, the Pension Trust Funds' carrying amount of cash was \$2,000, and bank balances of cash were \$6,005.

The Village's investment policy authorizes the Village to invest in debt securities guaranteed by the United States (explicitly or implicitly), debt securities of the United States or its agencies, interest-bearing savings accounts, time deposits and certificates of deposit of a bank that is insured by the FDIC, certain insured short-term obligations of corporations organized in the United States, certain money market mutual funds, interest-bearing bonds of other local governments, and Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value). In addition, the pension funds may invest in certain tax anticipation warrants, certain savings and loan institutions, certain credit unions, certain mutual funds, certain obligations of the State of Israel (Firefighters' Pension only) and life insurance contracts and separate accounts.

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

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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, 2013.

B. Investments

Village

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2013:

Investment type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Certificate of Deposits	\$ 4,973,060	\$ 2,491,700	\$ 2,481,360	\$ -	\$ -
IMET	5,994,961	4,652,221	1,342,740	-	-
Money market mutual funds	1,103,748	1,103,748	-	-	-
Investment contracts	17,877,055	17,877,055	-	-	-
Illinois funds	<u>18,296,661</u>	<u>18,296,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 48,245,485</u>	<u>\$ 44,421,385</u>	<u>\$ 3,824,100</u>	<u>\$ -</u>	<u>\$ -</u>

Police Pension

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Securities	\$ 12,227,944	\$ 2,254,259	\$ 7,509,299	\$ 2,464,386	\$ -
U.S. Agency Securities	12,248,641	1,209,018	6,252,556	3,094,266	1,692,801
Mutual Funds	40,182,605	40,182,605	-	-	-
Money Market Mutual Funds	174,781	174,781	-	-	-
IMET	402,504	402,504	-	-	-
Illinois Funds	<u>1,180,883</u>	<u>1,180,883</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 66,417,358</u>	<u>\$ 45,404,050</u>	<u>\$ 13,761,855</u>	<u>\$ 5,558,652</u>	<u>\$ 1,692,801</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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, 2013:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. Treasury Securities	\$ 5,659,453	\$ 794,368	\$ 3,162,112	\$ 1,702,973	\$ -
U.S. Agency Securities	10,211,399	459,775	2,419,168	1,048,355	6,284,101
Corporate Bonds	6,417,156	349,874	4,008,720	2,058,562	-
Mutual Funds	37,323,533	37,323,533	-	-	-
Equities	6,810,292	6,810,292	-	-	-
Money Market Mutual Funds	875,529	875,529	-	-	-
Illinois Funds	<u>508,263</u>	<u>508,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 67,805,625</u>	<u>\$ 47,121,634</u>	<u>\$ 9,590,000</u>	<u>\$ 4,809,890</u>	<u>\$ 6,284,101</u>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed currently. The investment policy limits the maximum maturity lengths of most investments to two years. There are no specified maximum maturity lengths for the pension funds. The Police Pension Fund's policy has an investment horizon for its investments of three years. The Firefighters' Pension Fund's has an investment horizon for its investments of three to five years. Also, up to 5% of police plan assets may be invested in non-liquid, long-term investments.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. Illinois Funds is rated AAA by a national rating agency. IMET is rated Aaa/MR1 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.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - The Village's investment policy has the following diversification guidelines: no more than 50% of the Village's investments can be held at any one financial institution, exclusive of bonds, notes debenture or other obligations of the United States or its agencies. 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	\$ 5,238,167	Statement of Net Position –	
Carrying Amount of Pension's Funds	2,000	Cash and Investments	\$41,118,430
Village's Investments	48,245,485	Statement of Fiduciary Net Position–	
Police Pension Fund Investments	66,417,358	Cash and Investments	
Fire Pension Fund Investments	<u>67,805,625</u>	Pension Funds' Cash and Short-Term	
Total Cash and Investments per Note	<u>\$187,708,635</u>	Investments	1,691,146
		Pension Funds' Investments	
		U.S. Treasury Securities	17,887,397
		U.S. Agency Securities	22,460,040
		Corporate Bonds	6,417,156
		IMET	402,504
		Mutual Funds	77,506,138
		Money Market Mutual Funds	1,050,310
		Equity Securities	6,810,292
		Agency Fund Cash and Short-Term	
		Investments	12,306,468
		Agency Fund Assets Held by Agents	<u>58,754</u>
		Total Cash and Investments	
		per Statements	<u>\$187,708,635</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 3 – RECEIVABLES

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

Governmental activities	
Hotel tax	\$ 275,210
Electric utility tax	161,599
Municipal gas use utility tax	192,100
Packaged liquor tax	39,543
Motor fuel tax	53,823
Cable franchise fees	196,508
IPBC terminal reserve	1,582,687
Grants	162,626
Waste management franchise fees	45,624
911 surcharge	3,712
Tipping fees	79,303
Employee computer program	85,754
Red light camera funds	5,100
Other miscellaneous	<u>9,176</u>
Total governmental activities	<u>\$ 2,892,765</u>
Business-type activities	
Entertainment tax	\$ 16,769
Food & Beverage	223,108
Ticketing	27,800
Other	<u>9,963</u>
Total business-type activities	<u>\$ 277,640</u>

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

Governmental activities	
Sales tax	\$ 1,965,282
Home rule sales tax	1,001,207
Income tax	1,056,852
Local use tax	270,061
Motor fuel tax	129,860
Simplified telecommunications tax	587,271
Court fines	<u>45,563</u>
Total governmental activities	<u>\$ 5,056,096</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - CAPITAL ASSETS

	Balances January 1	Increases	Decreases	Balances December 31
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,037,285	\$ -	\$ -	\$ 7,037,285
Land Right of Way	42,147,108	-	-	42,147,108
Construction in progress	162,340	5,290,267	162,340	5,290,267
Total capital assets not being depreciated	49,346,734	5,290,267	162,340	54,474,660
Capital Assets being depreciated				
Buildings and improvements	50,212,758	-	-	50,212,758
Department equipment	2,426,080	96,402	125,925	2,396,557
Vehicles	9,457,760	971,396	675,426	9,753,730
Office furniture	15,225	-	15,225	-
Office equipment	136,838	-	136,838	-
Software	74,911	-	-	74,911
Infrastructure	105,123,136	-	-	105,123,136
Total capital assets being depreciated	167,446,709	1,067,798	953,414	167,561,092
Less accumulated depreciation for				
Buildings and improvements	9,800,761	1,268,232	-	11,068,993
Department equipment	1,278,738	171,689	102,500	1,347,927
Vehicles	6,505,744	592,168	520,704	6,577,208
Office furniture	15,225	-	15,225	-
Office equipment	136,840	-	136,840	-
Software	69,686	5,226	-	74,912
Infrastructure	50,582,132	3,083,510	-	53,665,642
Total accumulated depreciation	68,389,126	5,120,825	775,269	72,734,682
Total capital assets being depreciated, net	99,057,583	(4,053,027)	178,145	94,826,410
Governmental activities capital assets, net	\$ 148,404,317	\$ 1,237,240	\$ 340,485	\$ 149,301,070

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

Governmental Activities	
General government	\$ 321,240
Public safety	1,330,709
Highways and streets, including depreciation of general infrastructure assets	3,416,394
Health and welfare	21,740
Culture and recreation	21,375
Economic development	9,367
Total depreciable expense - governmental activities	\$ 5,120,825

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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	<u>-</u>	<u>19,575</u>	<u>-</u>	<u>19,575</u>
Total capital assets not being depreciated	<u>6,499,000</u>	<u>19,575</u>	<u>-</u>	<u>6,518,575</u>
Capital assets being depreciated				
Buildings and improvements	74,174,256	84,247	-	74,258,503
Plant system and equipment	55,184,649	103,972	-	55,288,621
Vehicles	1,322,180	-	-	1,322,180
Software	14,077	-	-	14,077
Department equipment	<u>5,885,551</u>	<u>-</u>	<u>-</u>	<u>5,885,551</u>
Total capital assets being depreciated	<u>136,580,714</u>	<u>188,219</u>	<u>-</u>	<u>136,768,932</u>
Less accumulated depreciation for				
Buildings and improvements	6,348,438	1,859,315	-	8,207,753
Plant system and equipment	23,360,847	1,179,263	-	24,540,110
Vehicles	901,636	66,803	-	968,439
Software	3,050	2,815	-	5,865
Department equipment	<u>1,932,483</u>	<u>582,790</u>	<u>-</u>	<u>2,515,273</u>
Total accumulated depreciation	<u>32,546,454</u>	<u>3,690,986</u>	<u>-</u>	<u>36,237,440</u>
Total capital assets being depreciated, net	<u>104,034,260</u>	<u>(3,502,767)</u>	<u>-</u>	<u>100,531,492</u>
Business-type activities capital assets, net	<u>\$ 110,533,260</u>	<u>\$ (3,483,192)</u>	<u>\$ -</u>	<u>\$ 107,050,067</u>

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

Business-type Activities	
Waterworks and Sewerage	\$ 1,334,578
Sears Centre Operating	<u>2,356,408</u>
Total depreciable expense - business-type activities	<u>\$ 3,690,986</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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>
\$54,935,000 General Obligation Taxable Bonds, Series 2005A, Dated August 1, 2005 w ith interest at 4.40% to 5.40%.	Sears Centre Construction	Sears Centre	\$ 48,020,000	\$ -	\$ 1,345,000	\$ 46,675,000	\$ 1,415,000
\$26,645,000 General Obligation Bonds, Series 2008A, Dated March 7, 2008 w ith interest at 5.00%.	Village Hall, Police and Fire Station and Water Tank Construction	Water Debt Service	6,661,250	-	-	6,661,250	-
\$30,355,000 General Obligation Bonds, Series 2009A, Dated April 1, 2009 w ith interest at 3.00% to 5.25%.	Police Station Construction and Road Improvements	Debt Service	<u>30,355,000</u>	-	<u>1,200,000</u>	<u>29,155,000</u>	<u>1,235,000</u>
Total general obligation bonds			<u>\$ 105,020,000</u>	<u>\$ -</u>	<u>\$ 2,545,000</u>	<u>\$ 102,475,000</u>	<u>\$ 2,650,000</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

B. Tax Increment Financing Bonds and Notes

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

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Balance January 1</u>	<u>Issuances or Accretions</u>	<u>Retirements or Accretions</u>	<u>Balance December 31</u>	<u>Current Portion</u>
Tax Increment Revenue						
Notes due in annual installments only if tax increment revenues are available	Debt Service	\$ 69,769,104	\$ 1,069,589	\$ 14,174,257	\$ 56,664,436	\$ -
Tax Increment Redevelopment						
Note due in annual installments only if tax increment revenues are available	Debt Service	<u>3,584,840</u>	-	-	<u>3,584,840</u>	-
Total tax increment financing bonds		<u>\$ 73,353,944</u>	<u>\$ 1,069,589</u>	<u>\$ 14,174,257</u>	<u>\$ 60,249,276</u>	<u>\$ -</u>

The increase of \$1,069,589 in the Tax Increment Revenue Notes represents interest due March 31 and September 30, 2013 of \$1,069,589 that accrues to the principal balance if not paid.

C. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31	General Obligation Bonds	
	Governmental Activities	
	Principal	Interest
2014	\$ 1,235,000	\$ 2,477,044
2015	1,295,000	2,418,382
2016	1,360,000	2,356,869
2017	1,410,000	2,302,469
2018	1,485,000	2,231,969
2019-2023	8,645,000	9,927,332
2024-2028	11,140,000	7,424,126
2029-2033	10,396,250	4,566,294
2034-2038	12,172,500	1,885,313
Total	<u>\$ 49,138,750</u>	<u>\$ 35,589,798</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ending December 31	Tax Increment Revenue Notes *		General Obligation Bonds - Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ -	\$ -	\$ 1,415,000	\$ 2,817,368
2015	-	-	1,485,000	2,747,326
2016	-	-	1,555,000	2,673,076
2017	-	-	1,635,000	2,594,548
2018	-	-	1,720,000	2,510,346
2019-2023	-	-	10,055,000	11,100,452
2024-2028	-	-	13,045,000	8,106,772
2029-2033	-	-	18,368,750	3,998,658
2034-2038	-	-	4,057,500	628,438
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,336,250</u>	<u>\$ 37,176,984</u>

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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	\$ 50,338,750	\$ -	\$ 1,200,000	\$ 49,138,750	\$ 1,235,000
Unamortized bond discount	(199,394)	-	(7,669)	(191,725)	-
Unamortized bond premium	1,021,642	-	60,096	961,546	-
Tax increment financing Notes payable	73,353,944	1,069,589	14,174,257	60,249,276	-
Net pension obligation	186,629	-	29,657	156,972	-
Net IMRF pension obligation	110,973	2,374	-	113,347	-
Compensated absences payable - governmental funds*	2,710,917	1,658,899	1,529,999	2,839,817	1,643,961
Compensated absences payable - internal service	32,504	31,626	32,504	31,626	31,626
Net other post-employment benefit obligations	1,255,289	303,713	-	1,559,002	-
Net other post-employment benefit obligations - Internal Service Fund	23,835	5,766	-	29,601	-
Termination benefit **	<u>165,395</u>	<u>-</u>	<u>161,171</u>	<u>4,224</u>	<u>4,224</u>
Total governmental activities	<u>\$ 129,000,484</u>	<u>\$ 3,071,967</u>	<u>\$ 17,180,015</u>	<u>\$ 114,892,436</u>	<u>\$ 2,914,811</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
Year Ended December 31, 2013

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 31</u>	<u>Current</u> <u>Portion</u>
General obligations payable	\$ 54,681,250	\$ -	\$ 1,345,000	\$ 53,336,250	\$ 1,415,000
Unamortized bond discount	(246,852)	-	(32,621)	(214,231)	-
Capital lease payable	11,883	-	4,600	7,283	4,600
Compensated absences payable	345,670	164,835	133,162	377,343	152,169
Net other post-employment benefit obligations	154,924	37,485	-	192,409	-
Termination benefit	<u>32,529</u>	<u>-</u>	<u>27,905</u>	<u>4,624</u>	<u>4,624</u>
Total business-type activities	<u>\$ 54,979,404</u>	<u>\$ 202,320</u>	<u>\$ 1,478,046</u>	<u>\$ 53,703,678</u>	<u>\$ 1,576,393</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 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 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
 Year Ended December 31, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

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

G. Termination Benefits

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the Village is required to calculate and record a termination benefit liability, which is, in general, the future costs to the Village to fund costs associated with termination benefit. See Note 12 for further information regarding the termination benefit liability at December 31, 2013.

H. 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, 2013.

I. 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, 2013 is \$15,717. 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>
2014	\$ 4,600	\$ 2,876	\$ 7,476
2015	<u>2,683</u>	<u>1,678</u>	<u>4,361</u>
Total	\$ <u>7,283</u>	\$ <u>4,554</u>	\$ <u>11,837</u>

NOTE 6 - INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2013 consist of the following:

	<u>Due From</u>	<u>Due To</u>
General	\$ 189,746	\$ 3,090,464
Nonmajor Governmental	463,247	625,810
Sears Centre Arena	-	162
Internal Service	-	6,321
Fiduciary	<u>3,069,764</u>	<u>-</u>
Total	<u>\$ 3,722,757</u>	<u>\$ 3,722,757</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 6 - INTERFUND ACCOUNTS (Continued)

\$3,069,764 in the General Fund due to Fiduciary Funds relates to the timing of the governmental share distribution. 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, capital projects expenses, property tax allocations, and other expenses. These amounts will be repaid within one year.

Advances from/to other funds at December 31, 2013 consisted of the following:

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

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

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

Interfund transfers during the year ended December 31, 2013 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 192,417	\$ 3,401,999
Nonmajor Governmental	4,568,905	3,822,501
Waterworks and Sewerage	-	414,138
Sears Centre Operating	2,804,127	-
Internal Service	73,189	-
Total	<u>\$ 7,638,638</u>	<u>\$ 7,638,638</u>

The purposes of significant interfund transfers are as follows:

\$3,401,999 transferred to other funds from the General Fund. This relates to routine transfers from the General Fund to the 2008 General Obligation Debt Service Fund (\$999,187), 2009 General Obligation Debt Service Fund (\$134,000), Capital Improvements Fund (\$373,996), Capital Vehicle and Equipment Fund (\$17,500), Sears Centre Operating Fund (\$1,804,127), and the Information Systems Fund (\$73,189) for the payment of debt service and capital project costs. The transfers will not be repaid.

\$3,822,501 of Nonmajor Governmental Funds transferred out. This primarily relates to a \$1,000,000 transfer from the Capital Replacement Fund to the Sears Centre Operating Fund; \$1,120,763 from the Western Area Road Improvement Impact Fee Fund to the Capital Improvements Fund; and \$860,000 from the MFT Fund to the Capital Improvements Fund all for the payment of capital project costs. The transfers will not be repaid

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

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 was \$500,000 for each worker's compensation claim except for police and firefighters' coverage, which was increased to \$600,000. Since 2012, the coverage for all worker's compensation claims in \$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 \$1,582,687 available on deposit for use by the Village. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims have not exceeded this commercial coverage in fiscal year 2013.

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>2013</u>	<u>2012</u>
Unpaid claims, beginning of year	\$ 702,088	\$ 634,744
Incurred claims (including IBNR)	466,477	723,146
Claim payments	<u>(542,618)</u>	<u>(655,802)</u>
Unpaid claims, end of year	<u>\$ 625,947</u>	<u>\$ 702,088</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 the appropriate funds.

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 7 - RISK MANAGEMENT (Continued)

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

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

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

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

NOTE 8 - CONTINGENT LIABILITIES

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

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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>
2014	\$89,980
2015	89,980
2016	89,980
2017	89,980
2018	89,980

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

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

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

<u>Year Ending December 31</u>	<u>Amount</u>
2014	\$8,337,800
2015	8,337,800
2016	8,337,800
2017	8,337,800
2018	8,337,800
2019-2022	33,351,200

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 9 - CONTRACTUAL COMMITMENTS (Continued)

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>
2014	\$71,544
2015	68,292
2016	65,040

These amounts have been estimated based upon the Village's commitment for 2014. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

D. Economic Incentive Agreements

The Village has entered into economic incentive agreements with commercial entities whereby the Village has agreed to reimburse the commercial entities for certain unique infrastructure costs incurred by the commercial entities through sales tax and property tax rebates. The amount of the rebates is limited to the lower of actual costs or \$20,000,000 (\$5,636,429 paid as of December 31, 2013) and are payable over 4 to 12 years solely from sales taxes and property taxes generated by the commercial entities. The rebates are to be paid semi-annually 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, 2013, the Village has accrued an estimated rebate liability of \$807,123 for amounts collected by the state through December 31, 2013. The amounts to be reimbursed annually are limited to various percentages of sales taxes and property taxes generated by the commercial entities.

E. Construction Contracts

The Village has entered into a significant contract for the purpose of reconstructing Hassell Road. This is an intergovernmental agreement with Illinois Department of Transportation (IDOT), whereby IDOT established a contract with the contractor, pays 100% of the costs and subsequently bills the Village 20% of said costs. At December 31, 2013, the Village was committed for the following:

<u>Project</u>	<u>Village Portion of Contract Amount</u>	<u>Work Completed as of December 31, 2013</u>	<u>Total Contract Outstanding at December 31, 2013</u>
Hassell Road Reconstruction	\$917,200	\$825,480	\$91,720

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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 \$7,199,384 to JAWA for 2013. The Village does not have an equity interest in JAWA at December 31, 2013.

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 10 - JOINT VENTURES (Continued)

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 \$711,134 to SWANCC in 2013. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2013.

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 do not issue separate reports on the pension plans.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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 annual required contribution rate for calendar year 2013 was 14.57%. The employer 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: The required contribution for calendar year 2013 was \$1,642,364.

	<u>December 31, 2013</u>
Annual required contribution	\$ 1,642,364
Interest on net pension obligation	8,323
ARC adjustment	(5,949)
Annual pension cost	1,644,738
Contribution made	(1,642,364)
Increase in net pension obligation	2,374
NPO beginning of year	110,973
NPO end of year	\$ 113,347

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>
12/31/13	\$ 1,644,738	99.86%	\$ 113,347
12/31/12	1,485,520	100.00%	110,973
12/31/11	1,465,442	97.69%	108,649

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% per year, attributable to inflation; (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the Village's employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.00% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2013, the most recent actuarial valuation date, the plan was 70.81% funded. The actuarial accrued liability for benefits was \$38,546,198 and the actuarial value of assets was \$27,296,247, resulting in an underfunded actuarial accrued liability (UAAL) of \$11,249,951. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$11,273,313 and the ratio of the UAAL to the covered payroll was 99.79%.

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. A separate report for the Police Pension Plan is not available. At December 31, 2012, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	60
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	80
Nonvested	13
Total	154

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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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.

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. A separate report for the Firefighters' Pension Plan is not available. At December 31, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	54
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	65
Nonvested	27
Total	<u>146</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.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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.

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 $\frac{1}{2}$ 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. $\frac{1}{2}$ % 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 $\frac{1}{2}$ 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 mutual funds exceed 5.00% of plan net position for the Police Pension Plan. Investments in mutual funds exceed 5.00% of plan net position 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 position 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
Year Ended December 31, 2013

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, 2013	December 31, 2012	December 31, 2012
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Average Market Value	5 Year Average Market Value
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	28 Years, Closed	28 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
Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Fiscal</u> <u>Year</u>	Illinois <u>Municipal</u> <u>Retirement</u>	<u>Fiscal</u> <u>Year</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Annual pension cost (APC)	2011	\$ 1,465,442	2010	\$ 2,515,988	\$ 2,439,158
	2012	1,485,520	2011	2,468,728	2,480,105
	2013	1,644,738	2012	2,461,084	2,050,857
Actual contribution	2011	\$ 1,431,656	2010	\$ 2,541,814	\$ 2,454,155
	2012	1,485,520	2011	2,497,419	2,488,676
	2013	1,642,364	2012	2,450,556	2,080,514
Percentage of APC contributed	2011	97.69%	2010	101.00%	100.60%
	2012	100.00%	2011	101.20%	100.30%
	2013	99.86%	2012	99.57%	101.40%
NPO (asset)	2011	\$ 108,649	2010	\$ (446,758)	\$ 195,200
	2012	110,973	2011	(475,449)	186,629
	2013	113,347	2012	(464,921)	156,972

D. Funded Status and Funding Progress

The funded status and funding progress of the pension plans as of December 31, 2012 and for the Illinois Municipal Retirement Fund as of December 31, 2013 were as follows:

	Illinois <u>Municipal</u> <u>Retirement</u>	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>
Actuarial accrued liability (AAL)	\$ 38,546,198	\$ 93,998,295	\$ 85,996,699
Actuarial value of plan assets	27,296,247	58,169,982	59,649,650
Unfunded actuarial accrued liability (UAAL)	11,249,951	35,828,313	26,347,049
Funded ratio (actuarial value of plan assets/AAL)	70.81%	61.88%	69.36%
Covered payroll (active plan members)	11,273,313	8,667,490	8,272,945
UAAL as a percentage of covered payroll	99.79%	413.36%	318.47%

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

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

E. Net Pension Obligation

The NPO (asset) has been calculated as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contributions	\$ 2,473,855	\$ 2,045,844
Interest on net pension obligation	(35,659)	13,997
Adjustment to annual required contribution	<u>22,888</u>	<u>(8,984)</u>
Annual pension cost	2,461,084	2,050,857
Contributions made	<u>2,450,556</u>	<u>2,080,514</u>
Change in net pension obligation (asset)	10,528	(29,657)
Net pension obligation (asset), beginning of year	<u>(475,449)</u>	<u>186,629</u>
Net pension obligation (asset), end of year	<u>\$ (464,921)</u>	<u>\$ 156,972</u>

F. Pension Information

Fiduciary Net Position

	Pension Trust		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ASSETS			
Cash and short-term investments	\$ 1,181,883	\$ 509,263	\$ 1,691,146
Investments, at fair value			
U.S. treasury securities	12,227,944	5,659,453	17,887,397
U.S. agency securities	12,248,641	10,211,399	22,460,040
Corporate bonds	-	6,417,156	6,417,156
IMET	402,504	-	402,504
Mutual funds	40,182,605	37,323,533	77,506,138
Money market mutual funds	174,781	875,529	1,050,310
Equities	-	6,810,292	6,810,292
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	160,141	139,802	299,943
Other	<u>-</u>	<u>7,397</u>	<u>7,397</u>
Total assets	<u>66,578,499</u>	<u>67,953,824</u>	<u>134,532,323</u>
LIABILITIES			
Accounts payable	<u>680</u>	<u>3,913</u>	<u>4,593</u>
Total liabilities	<u>680</u>	<u>3,913</u>	<u>4,593</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 66,577,819</u>	<u>\$ 67,949,911</u>	<u>\$ 134,527,730</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Plan Net Position	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,525,766	\$ 2,062,868	\$ 4,588,634
Employee contributions	855,767	833,245	1,689,012
Other contributions	154,357	766	155,123
Total contributions	3,535,890	2,896,879	6,432,769
Investment income			
Net appreciation (depreciation) in fair value of investments	7,025,311	7,271,115	14,296,426
Interest	1,336,761	1,601,142	2,937,903
Total investment income	8,362,072	8,872,257	17,234,329
Less investment expense	(101,434)	(151,879)	(253,313)
Net investment income	8,260,638	8,720,378	16,981,016
Total additions	11,796,528	11,617,257	23,413,785
DEDUCTIONS			
Benefits and refunds	3,355,817	3,273,423	6,629,240
Miscellaneous	30,600	43,574	74,174
Total deductions	3,386,417	3,316,997	6,703,414
NET CHANGE IN PLAN NET POSITION	8,410,111	8,300,260	16,710,371
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	58,167,708	59,649,651	117,817,359
December 31	\$ 66,577,819	\$ 67,949,911	\$ 134,527,730

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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 2013 actual rates. The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments. As of December 31, 2013, the balance is \$8,848.

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, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	31
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees - Vested	222
Active Employees - Nonvested	<u>78</u>
Total	<u>331</u>
Participating Employers	<u>1</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2013

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, 2013 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, 2013. The Village's annual OPEB cost (expense) was \$675,328 for the year ended December 31, 2013. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 were as follows.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	Percentage of <u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2011	\$ 591,844	\$502,177	84.80%	\$1,356,451
December 31, 2012	579,774	502,177	86.60%	1,434,048
December 31, 2013	675,328	328,364	48.62%	1,781,012

The net OPEB obligation as of December 31, 2013, was calculated as follows:

Annual required contribution	\$ 665,768
Interest on net OPEB obligation	57,362
Adjustment to annual required contribution	<u>(47,802)</u>
Annual OPEB cost	675,328
Contributions made	<u>328,364</u>
Increase in net OPEB obligation	346,964
Net OPEB obligation, beginning of year	<u>1,434,048</u>
Net OPEB obligation, end of year	<u>\$ 1,781,012</u>

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 13 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress.

The funded status of the plan as of December 31, 2013 was as follows:

Actuarial accrued liability (AAL)	\$11,871,893
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	11,871,893
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	27,083,197
UAAL as a percentage of covered payroll	43.83%

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, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return and an annual initial healthcare cost trend rate of 8.00% decreasing to an ultimate rate of 6.00%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

(Continued)

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the Village's Pension Funds fiscal year ending December 31, 2014. Management has not determined what impact this GASB statement will have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of *Statement 27, Accounting for Pensions by State and Local Governmental Employers* and Statement 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending December 31, 2015. Management has not determined what impact this GASB statement will have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the Village's fiscal year ended December 31, 2014, with earlier application being encouraged. This GASB statement is not expected to have any impact on the Village's financial statements.

(Continued)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the Village's fiscal year ended December 31, 2014, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 and are effective for the Village's financial year ending December 31, 2015. Management has not determined what impact this statement will have on its financial statements.

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, 2013
 (with comparative totals for 2012)

	General Fund					EDA General Account				
	2013			Variance From Final Budget Positive (Negative)	2012	2013			Variance From Final Budget Positive (Negative)	2012
	Original Budget	Final Budget	Actual		Actual	Original Budget	Final Budget	Actual		Actual
REVENUES										
Taxes	\$ 24,249,540	\$ 24,249,540	\$ 24,417,385	\$ 167,845	\$ 24,231,961	\$ -	\$ 14,174,300	\$ 14,174,258	\$ (42)	\$ 14,588,442
Licenses and Permits	1,373,000	1,373,000	1,493,182	120,182	1,682,898	-	-	-	-	-
Intergovernmental	13,681,100	13,681,100	14,386,548	705,448	12,856,322	-	-	-	-	-
Charges for Services	6,153,250	6,153,250	6,283,087	129,837	6,158,999	-	-	-	-	-
Fines and Forfeits	1,149,500	1,149,500	1,323,962	174,462	905,297	-	-	-	-	-
Interest Income	27,120	27,120	15,720	(11,400)	16,089	-	-	-	-	-
Miscellaneous	740,660	740,660	1,459,843	719,183	959,333	-	-	-	-	-
TOTAL REVENUES	47,374,170	47,374,170	49,379,727	2,005,557	46,810,899	-	14,174,300	14,174,258	(42)	14,588,442
EXPENDITURES										
Current										
General Government	5,805,880	5,902,880	5,526,598	376,282	5,266,656	-	-	-	-	-
Public Safety	29,241,860	29,586,860	29,391,729	195,131	28,093,057	-	-	-	-	-
Highways and Streets	5,491,490	5,491,490	5,349,853	141,637	4,903,380	-	-	-	-	-
Sanitation	1,356,610	1,356,610	1,211,351	145,259	1,213,277	-	-	-	-	-
Health and Welfare	1,780,870	1,780,870	1,670,982	109,888	1,687,017	-	-	-	-	-
Culture and Recreation	344,620	344,620	336,655	7,965	319,509	-	-	-	-	-
Economic Development	2,231,640	2,231,640	2,167,472	64,168	1,850,716	-	-	-	-	-
Debt Service										
Principal Retirement	-	-	-	-	-	-	14,174,300	14,174,258	42	14,588,442
TOTAL EXPENDITURES	46,252,970	46,694,970	45,654,640	1,040,330	43,333,612	-	14,174,300	14,174,258	42	14,588,442
Excess (Deficiency) of Revenues Over Expenditures	1,121,200	679,200	3,725,087	3,045,887	3,477,287	-	-	-	-	-
OTHER FINANCING SOURCES (USES)										
Transfers In	203,060	203,600	192,417	(11,183)	-	-	-	-	-	-
Transfers (Out)	(1,634,190)	(3,438,317)	(3,401,999)	36,318	(1,728,867)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,431,130)	(3,234,717)	(3,209,582)	25,135	(1,728,867)	-	-	-	-	-
Net change in fund balances	\$ (309,930)	\$ (2,555,517)	515,505	\$ 3,071,022	1,748,420	\$ -	\$ -	\$ -	\$ -	-
Fund balances at beginning of year			14,691,107		12,942,687			-		-
Fund balances at end of year			\$ 15,206,612		\$ 14,691,107			\$ -		\$ -

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2013

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, two budget amendments were approved by the Village Board. The budget figures included in this report reflect all budget amendments made during the year.

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 December 31, 2013

Trend Information

Nine-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	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2-1)/5)
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%
12/31/12	24,020,334	36,106,378	12,086,044	66.53%	10,930,980	110.57%
12/31/13	27,296,247	38,546,198	11,249,951	70.81%	11,273,313	99.79%

On a market value basis, the actuarial value of assets as of December 31, 2013 was \$33,064,475. On a market basis, the funded ratio would be 85.78%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Hoffman Estates. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100.00% funded.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUNDS
 December 31, 2013

POLICE PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
12/31/2004	\$ 36,312,217	\$ 52,154,449	\$ 15,842,232	69.62%	\$ 6,624,855	239.13%
12/31/2005	38,197,403	57,086,394	18,888,991	66.91%	6,771,593	278.94%
12/31/2006	41,968,210	61,447,157	19,478,947	68.30%	7,373,997	264.16%
12/31/2007	45,509,710	65,825,715	20,316,005	69.14%	7,927,658	256.27%
12/31/2008	40,439,193	71,200,406	30,761,213	56.80%	8,118,084	378.92%
12/31/2009	46,170,267	76,001,039	29,830,772	60.75%	8,155,245	365.79%
12/31/2010	52,092,944	80,683,222	28,590,278	64.56%	8,202,710	348.55%
12/31/2011	52,085,622	86,206,210	34,120,588	60.42%	8,358,633	408.21%
12/31/2012	58,169,982	93,998,295	35,828,313	61.88%	8,667,490	413.36%

FIREFIGHTERS' PENSION FUND

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/5)
12/31/2004	\$ 40,731,107	\$ 49,152,952	\$ 8,421,845	82.87%	\$ 6,340,870	132.82%
12/31/2005	43,322,571	53,329,382	10,006,811	81.24%	6,661,577	150.22%
12/31/2006	46,581,608	57,700,568	11,118,960	80.73%	6,954,964	159.87%
12/31/2007	49,711,799	61,602,588	11,890,789	80.70%	7,533,523	157.84%
12/31/2008	43,975,311	66,323,357	22,348,046	66.30%	7,901,342	282.84%
12/31/2009	48,459,349	70,358,756	21,899,407	68.87%	8,186,783	267.50%
12/31/2010	54,429,934	74,471,179	20,041,245	73.09%	8,448,299	237.22%
12/31/2011	54,918,658	79,584,660	24,666,002	69.01%	8,231,207	299.66%
12/31/2012	59,649,650	85,996,699	26,347,049	69.36%	8,272,945	318.47%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST-EMPLOYMENT BENEFIT PLAN
 December 31, 2013

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2-1)/5)
12/31/2006	\$ -	\$ 8,678,983	\$ 8,678,983	0.00%	N/A	N/A
12/31/2007	*	*	*	*	*	*
12/31/2008	-	6,403,843	6,403,843	0.00%	\$ 26,385,184	24.27%
12/31/2009	*	*	*	*	*	*
12/31/2010	-	10,111,315	10,111,315	0.00%	27,072,995	37.35%
12/31/2011	*	*	*	*	*	*
12/31/2012	-	11,871,893	11,871,893	0.00%	27,083,197	43.83%
12/31/2013	*	*	*	*	*	*

*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, 2013

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
12/31/2004	\$ 872,022	\$ 872,022	100%
12/31/2005	956,952	956,952	100%
12/31/2006	1,090,910	1,090,910	100%
12/31/2007	1,172,145	1,172,145	100%
12/31/2008	1,196,303	1,196,303	100%
12/31/2009	1,342,307	1,342,307	100%
12/31/2010	1,348,938	1,422,238	95%
12/31/2011	1,431,656	1,465,442	98%
12/31/2012	1,485,520	1,485,520	100%
12/31/2013	1,642,364	1,642,364	100%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PENSION TRUST FUNDS
 December 31, 2013

POLICE PENSION				FIRE PENSION			
Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2004	\$ 1,373,666	\$ 1,345,336	102.11%	12/31/2004	\$ 1,194,531	\$ 1,176,166	101.56%
12/31/2005	1,355,494	1,363,653	99.40%	12/31/2005	1,262,516	1,270,100	99.40%
12/31/2006	1,471,015	1,476,740	99.61%	12/31/2006	1,347,220	1,334,036	100.99%
12/31/2007	1,638,142	1,663,437	98.48%	12/31/2007	1,426,737	1,426,524	100.01%
12/31/2008	1,800,870	1,785,384	100.87%	12/31/2008	1,561,796	1,545,560	101.05%
12/31/2009	1,979,784	1,912,498	103.52%	12/31/2009	1,771,131	1,755,105	100.91%
12/31/2010	2,541,814	2,524,331	100.69%	12/31/2010	2,454,155	2,434,992	100.79%
12/31/2011	2,497,419	2,476,784	100.83%	12/31/2011	2,488,676	2,474,644	100.57%
12/31/2012	2,450,556	2,473,855	99.06%	12/31/2012	2,080,514	2,045,844	101.69%
12/31/2013	2,387,875	N/A	N/A	12/31/2013	1,582,687	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, 2013

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	*
12/31/2012	502,177	570,731	87.99%
12/31/2013	328,364	665,768	49.32%

*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.

INDEPENDENT AUDITOR'S 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 years ended December 31, 2013 and 2012, which collectively comprise the Village's basic financial statements and have issued our reports thereon dated June 17, 2014 and June 24, 2013 which contained unmodified opinions on those financial statements. Our audits were performed for the purpose of forming opinions on the financial statements as a whole. The combining and individual fund financial statements and schedules and supplemental data are presented for the purpose 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 information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe Horwath LLP

Oak Brook, Illinois
June 17, 2014

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMPARATIVE BALANCE SHEET BY ACCOUNT
 GENERAL FUND
 December 31, 2013
 (with comparative totals for 2012)

	2013			2012
	General Account	Municipal Waste System Account	Total	
ASSETS				
Cash and Investments	\$ 15,238,332	\$ 40,189	\$ 15,278,521	\$ 11,370,920
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	16,481,760	-	16,481,760	15,625,569
Accounts	168,009	-	168,009	157,192
Accrued Interest	1,769	-	1,769	5,431
Other	2,309,166	132,823	2,441,989	1,904,501
Prepaid Items	58,419	64,359	122,778	129,796
Inventories	140,181	-	140,181	147,335
Due from Other Governments	4,926,237	-	4,926,237	4,939,041
Due from Other Funds	189,746	-	189,746	365,152
Due from Fiduciary Funds	-	-	-	630,223
Advances to Other Funds	-	-	-	-
Advances to Fiduciary Funds	31,100	-	31,100	31,100
	<u>39,544,719</u>	<u>237,371</u>	<u>39,782,090</u>	<u>35,306,260</u>
TOTAL ASSETS	\$ 39,544,719	\$ 237,371	\$ 39,782,090	\$ 35,306,260
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 1,641,295	\$ -	\$ 1,641,295	\$ 1,597,577
Accrued Payroll	866,017	-	866,017	537,830
Unearned Revenues	78,641	-	78,641	78,156
Due to Other Funds	17,500	3,200	20,700	444,434
Due to Fiduciary Funds	3,069,764	-	3,069,764	130,597
Deposits Payable	964,469	91,843	1,056,312	1,065,823
	<u>6,637,686</u>	<u>95,043</u>	<u>6,732,729</u>	<u>3,854,417</u>
TOTAL LIABILITIES	6,637,686	95,043	6,732,729	3,854,417
DEFERRED INFLOWS				
Property Taxes	16,455,329	-	16,455,329	15,625,569
Unavailable State Taxes	1,387,420	-	1,387,420	1,135,167
	<u>17,842,749</u>	<u>-</u>	<u>17,842,749</u>	<u>16,760,736</u>
TOTAL DEFERRED INFLOWS	17,842,749	-	17,842,749	16,760,736
FUND BALANCE				
Nonspendable:				
Prepaid Items	58,419	64,359	122,778	129,796
Inventories	140,181	-	140,181	147,335
Insurance Deposits	1,582,687	-	1,582,687	1,083,418
Restricted:				
Public Safety	98,179	-	98,179	99,590
Employee Loan Program	85,754	-	85,754	86,699
Unassigned	13,099,064	77,969	13,177,033	13,144,269
	<u>15,064,284</u>	<u>142,328</u>	<u>15,206,612</u>	<u>14,691,107</u>
TOTAL FUND BALANCES	15,064,284	142,328	15,206,612	14,691,107
	<u>39,544,719</u>	<u>237,371</u>	<u>39,782,090</u>	<u>35,306,260</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 39,544,719	\$ 237,371	\$ 39,782,090	\$ 35,306,260

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GENERAL FUND ACCOUNTS
Year Ended December 31, 2013

	General Account	Municipal Waste System Account	Total
REVENUES			
Taxes	\$ 24,417,385	\$ -	\$ 24,417,385
Licenses and Permits	1,493,182	-	1,493,182
Intergovernmental	14,386,548	-	14,386,548
Charges for Services	5,348,330	934,757	6,283,087
Fines and Forfeits	1,323,962	-	1,323,962
Interest Income	15,686	34	15,720
Miscellaneous	1,193,342	266,501	1,459,843
TOTAL REVENUES	<u>48,178,435</u>	<u>1,201,292</u>	<u>49,379,727</u>
EXPENDITURES			
Current:			
General Government	5,526,598	-	5,526,598
Public Safety	29,391,729	-	29,391,729
Highways and Streets	5,349,853	-	5,349,853
Sanitation	-	1,211,351	1,211,351
Health and Welfare	1,670,982	-	1,670,982
Culture and Recreation	336,655	-	336,655
Economic Development	2,167,472	-	2,167,472
TOTAL EXPENDITURES	<u>44,443,289</u>	<u>1,211,351</u>	<u>45,654,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,735,146</u>	<u>(10,059)</u>	<u>3,725,087</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	192,417	-	192,417
Transfers (Out)	(3,401,999)	-	(3,401,999)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,209,582)</u>	<u>-</u>	<u>(3,209,582)</u>
Net Changes in Fund Balances	525,564	(10,059)	515,505
Fund Balances at Beginning of Year	<u>14,538,720</u>	<u>152,387</u>	<u>14,691,107</u>
Fund Balances at End of Year	<u>\$ 15,064,284</u>	<u>\$ 142,328</u>	<u>\$ 15,206,612</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL ACCOUNT
 Year Ended December 31, 2013
 (with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 403,590	\$ 403,590	\$ 391,826	\$ 356,026
Administrative	573,220	573,220	561,619	551,415
Legal	478,360	575,360	574,576	597,258
Finance	863,980	863,980	859,408	849,626
Village Clerk	190,140	190,140	183,170	176,256
Human Resources Management	477,980	477,980	470,794	451,265
Communications	178,770	178,770	170,130	166,152
Buildings and Grounds	918,080	918,080	851,700	901,255
Fleet Services	1,406,950	1,406,950	1,291,528	1,224,876
Police and Fire Commission	156,060	156,060	25,297	11,007
Miscellaneous Boards and Commissions	158,750	158,750	146,550	147,672
TOTAL GENERAL GOVERNMENT	5,805,880	5,902,880	5,526,598	5,432,808
PUBLIC SAFETY				
Police Department				
Administration	1,274,100	1,274,100	1,258,745	1,229,043
Juvenile Investigations	494,860	494,860	481,767	505,621
Problem Oriented Policing	-	-	-	218
Tactical	774,740	774,740	752,417	758,687
Patrol and Response	9,613,590	9,613,590	9,692,062	9,494,270
Traffic Control	1,329,600	1,329,600	1,305,503	1,102,023
Investigations	1,171,490	1,171,490	1,176,960	1,135,033
Community Relations	9,570	9,570	8,614	7,313
Communications	615,010	615,010	612,927	574,174
Canine	157,040	157,040	153,378	153,277
Special Services	182,610	182,610	152,385	146,813
Records	361,850	361,850	301,770	329,648
Administrative Services	750,890	750,890	710,126	714,253
Emergency Operations	161,950	161,950	141,945	142,410
Total Police Department	16,897,300	16,897,300	16,748,599	16,292,783
Fire Department				
Administration	606,410	606,410	750,195	605,030
Public Education	33,750	33,750	38,653	32,897
Suppression	5,968,970	6,313,970	6,139,936	5,572,992
Emergency Medical Services	5,159,510	5,159,510	5,198,714	4,906,352
Fire Prevention	549,800	549,800	488,240	494,912
Fire Stations	26,120	26,120	27,392	21,939
Total Fire Department	12,344,560	12,689,560	12,643,130	11,634,122
TOTAL PUBLIC SAFETY	29,241,860	29,586,860	29,391,729	27,926,905
HIGHWAYS AND STREETS				
Administration - Public Works	258,890	258,890	260,096	235,057
Snow and Ice Control	1,658,330	1,658,330	1,637,589	1,347,267
Pavement Maintenance	359,470	359,470	363,687	347,312
Forestry	985,490	985,490	871,198	864,567

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL ACCOUNT
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
Maintenance	\$ 242,910	\$ 242,910	\$ 262,154	\$ 243,876
Storm Sewers	220,070	220,070	211,673	189,913
Utilities	618,440	618,440	569,080	578,801
Engineering	1,147,890	1,147,890	1,174,376	1,096,587
TOTAL HIGHWAYS AND STREETS	<u>5,491,490</u>	<u>5,491,490</u>	<u>5,349,853</u>	<u>4,903,380</u>
 HEALTH AND WELFARE				
Health and Human Services	677,170	677,170	658,758	632,370
Code Enforcement	1,103,700	1,103,700	1,012,224	1,054,647
TOTAL HEALTH AND WELFARE	<u>1,780,870</u>	<u>1,780,870</u>	<u>1,670,982</u>	<u>1,687,017</u>
 CULTURE AND RECREATION				
Cable T.V.	134,540	134,540	133,519	129,117
4th of July	210,080	210,080	203,136	190,392
TOTAL CULTURE AND RECREATION	<u>344,620</u>	<u>344,620</u>	<u>336,655</u>	<u>319,509</u>
 ECONOMIC DEVELOPMENT				
Administration - Community Development	218,240	218,240	241,010	210,503
Planning	482,860	482,860	510,616	451,413
Economic Development	1,530,540	1,530,540	1,415,846	1,188,800
TOTAL ECONOMIC DEVELOPMENT	<u>2,231,640</u>	<u>2,231,640</u>	<u>2,167,472</u>	<u>1,850,716</u>
 TOTAL EXPENDITURES	 <u>\$ 44,896,360</u>	 <u>\$ 45,338,360</u>	 <u>\$ 44,443,289</u>	 <u>\$ 42,120,335</u>

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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 900,000	\$ 900,000	\$ 934,757	\$ 923,525
Investment Income	120	120	34	92
Miscellaneous	<u>381,510</u>	<u>381,510</u>	<u>266,501</u>	<u>263,953</u>
TOTAL REVENUES	<u>1,281,630</u>	<u>1,281,630</u>	<u>1,201,292</u>	<u>1,187,570</u>
EXPENDITURES				
Current				
Sanitation	<u>1,356,610</u>	<u>1,356,610</u>	<u>1,211,351</u>	<u>1,213,277</u>
TOTAL EXPENDITURES	<u>1,356,610</u>	<u>1,356,610</u>	<u>1,211,351</u>	<u>1,213,277</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(74,980)</u>	<u>(74,980)</u>	<u>(10,059)</u>	<u>(25,707)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Net Changes in Fund Balance	<u>\$ (104,980)</u>	<u>\$ (104,980)</u>	(10,059)	(55,707)
Fund Balance at Beginning of Year			<u>152,387</u>	<u>208,094</u>
Fund Balance at End of Year			<u>\$ 142,328</u>	<u>\$ 152,387</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, 2013
 (with comparative actual for 2012)

	2013		2012
	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ -	\$ 14,174,300	\$ 14,174,258
TOTAL REVENUES	<u>-</u>	<u>14,174,300</u>	<u>14,174,258</u>
EXPENDITURES			
Debt Service			
Principal Retirement	-	14,174,300	14,174,258
TOTAL EXPENDITURES	<u>-</u>	<u>14,174,300</u>	<u>14,174,258</u>
Net Changes in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance at Beginning of Year			-
Fund Balance at End of Year			<u>\$ -</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 4,503,811	\$ 585,436	\$ 13,585,449	\$ 18,674,696
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	194,652	1,553,174	-	1,747,826
Accrued Interest	1,025	-	1,281	2,306
Other	3,712	45,096	451,064	499,872
Prepaid Items	-	-	184,664	184,664
Other Assets	-	-	477,120	477,120
Due from Other Governments	129,859	-	-	129,859
Due from Other Funds	-	-	463,247	463,247
	-	-	463,247	463,247
TOTAL ASSETS	\$ 4,833,059	\$ 2,183,706	\$ 15,162,825	\$ 22,179,590
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 50,296	\$ -	\$ 2,078,077	\$ 2,128,373
Accrued Payroll	15,801	-	-	15,801
Unearned Revenues	20,998	-	277,953	298,951
Due to Other Funds	180,063	-	445,747	625,810
Deposits Payable	6,930	-	3,385,892	3,392,822
TOTAL LIABILITIES	274,088	-	6,187,669	6,461,757
DEFERRED INFLOWS				
Property Taxes	194,652	1,550,000	-	1,744,652
	194,652	1,550,000	-	1,744,652
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	184,664	184,664
Restricted:				
Highways and Streets	1,984,638	-	-	1,984,638
Emergency Equipment	78,141	-	-	78,141
Public Safety	128,855	-	-	128,855
Debt Service	-	633,706	-	633,706
Economic Development - State Statute	2,182,608	-	3,479,458	5,662,066
Bond Projects	-	-	34,018	34,018
Assigned:				
Capital Improvements	-	-	5,365,498	5,365,498
Unassigned	(9,923)	-	(88,482)	(98,405)
TOTAL FUND BALANCES	4,364,319	633,706	8,975,156	13,973,181
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 4,833,059	\$ 2,183,706	\$ 15,162,825	\$ 22,179,590

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,612,552	\$ 2,107,777	\$ 471,313	\$ 7,191,642
Intergovernmental	1,669,189	-	61,090	1,730,279
Charges for Services	-	389,560	1,630,573	2,020,133
Fines and Forfeits	233,007	-	-	233,007
Investment Income	3,463	255	10,622	14,340
Miscellaneous	20,056	-	2,144,046	2,164,102
TOTAL REVENUES	<u>6,538,267</u>	<u>2,497,592</u>	<u>4,317,644</u>	<u>13,353,503</u>
EXPENDITURES				
Current:				
General Government	320,292	-	-	320,292
Public Safety	4,095,614	-	-	4,095,614
Highways and Streets	222,746	-	-	222,746
Economic Development	251,163	-	-	251,163
Capital Outlay	-	-	6,928,824	6,928,824
Debt Service				
Principal Retirement	-	1,200,000	-	1,200,000
Interest and Fiscal Charges	-	2,852,106	-	2,852,106
TOTAL EXPENDITURES	<u>4,889,815</u>	<u>4,052,106</u>	<u>6,928,824</u>	<u>15,870,745</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,648,452</u>	<u>(1,554,514)</u>	<u>(2,611,180)</u>	<u>(2,517,242)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,466,250	3,102,655	4,568,905
Transfers (Out)	(994,512)	(131,178)	(2,696,811)	(3,822,501)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(994,512)</u>	<u>1,335,072</u>	<u>405,844</u>	<u>746,404</u>
Net Changes in Fund Balance	<u>653,940</u>	<u>(219,442)</u>	<u>(2,205,336)</u>	<u>(1,770,838)</u>
Fund Balance at Beginning of Year	<u>3,710,379</u>	<u>853,148</u>	<u>11,180,492</u>	<u>15,744,019</u>
Fund Balance at End of Year	<u>\$ 4,364,319</u>	<u>\$ 633,706</u>	<u>\$ 8,975,156</u>	<u>\$ 13,973,181</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2013

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
ASSETS				
Cash and Investments	\$ 1,874,532	\$ 1	\$ 254,171	\$ 1,311,808
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):				
Property Taxes	-	-	-	-
Accrued Interest	1,025	-	-	-
Other	-	-	-	-
Due from Other Governments	129,859	-	-	-
TOTAL ASSETS	\$ 2,005,416	\$ 1	\$ 254,171	\$ 1,311,808
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 20,778	\$ -	\$ 261	\$ 21,505
Accrued Payroll	-	-	4,093	11,708
Unearned Revenues	-	-	20,998	-
Due to Other Funds	-	-	99,964	71,252
Deposits Payable	-	-	-	6,930
TOTAL LIABILITIES	20,778	-	125,316	111,395
DEFERRED INFLOWS				
Unearned Property Taxes	-	-	-	-
FUND BALANCES				
Restricted:				
Highways and Streets	1,984,638	-	-	-
Emergency Equipment	-	-	-	-
Public Safety	-	-	128,855	-
Economic Development - State Statute	-	-	-	1,200,413
Unassigned	-	1	-	-
TOTAL FUND BALANCES	1,984,638	1	128,855	1,200,413
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 2,005,416	\$ 1	\$ 254,171	\$ 1,311,808

Emergency 911	Roselle Road TIF	Higgins/Hassell Road TIF	Total Special Revenue Funds
\$ 74,802	\$ 988,497	\$ -	\$ 4,503,811
-	194,652	-	194,652
-	-	-	1,025
3,712	-	-	3,712
-	-	-	129,859
<u>\$ 78,514</u>	<u>\$ 1,183,149</u>	<u>\$ -</u>	<u>\$ 4,833,059</u>
\$ -	\$ 6,302	\$ 1,450	\$ 50,296
-	-	-	15,801
-	-	-	20,998
373	-	8,474	180,063
-	-	-	6,930
<u>373</u>	<u>6,302</u>	<u>9,924</u>	<u>274,088</u>
-	194,652	-	194,652
-	-	-	1,984,638
78,141	-	-	78,141
-	-	-	128,855
-	982,195	-	2,182,608
-	-	(9,924)	(9,923)
<u>78,141</u>	<u>982,195</u>	<u>(9,924)</u>	<u>4,364,319</u>
<u>\$ 78,514</u>	<u>\$ 1,183,149</u>	<u>\$ -</u>	<u>\$ 4,833,059</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended December 31, 2013

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	EDA Administration
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,454,846
Intergovernmental	1,527,135	119,358	-	-
Fines and Forfeits	-	-	233,007	-
Investment Income	1,368	-	37	374
Miscellaneous	-	-	17,206	2,850
TOTAL REVENUES	<u>1,528,503</u>	<u>119,358</u>	<u>250,250</u>	<u>4,458,070</u>
EXPENDITURES				
Current:				
General Government	-	-	-	320,292
Public Safety	-	-	232,252	3,837,003
Highways and Streets	70,821	-	-	151,925
Economic Development	-	119,358	-	-
TOTAL EXPENDITURES	<u>70,821</u>	<u>119,358</u>	<u>232,252</u>	<u>4,309,220</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,457,682</u>	<u>-</u>	<u>17,998</u>	<u>148,850</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(860,000)</u>	<u>-</u>	<u>-</u>	<u>(84,512)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(860,000)</u>	<u>-</u>	<u>-</u>	<u>(84,512)</u>
Net Changes in Fund Balance	<u>597,682</u>	<u>-</u>	<u>17,998</u>	<u>64,338</u>
Fund Balance at Beginning of Year	<u>1,386,956</u>	<u>1</u>	<u>110,857</u>	<u>1,136,075</u>
Fund Balance at End of Year	<u>\$ 1,984,638</u>	<u>\$ 1</u>	<u>\$ 128,855</u>	<u>\$ 1,200,413</u>

Emergency 911	Roselle Road TIF	Higgins/Hassell Road TIF	Total Special Revenue Funds
\$ -	\$ 157,706	\$ -	\$ 4,612,552
22,696	-	-	1,669,189
-	-	-	233,007
24	1,660	-	3,463
-	-	-	20,056
<u>22,720</u>	<u>159,366</u>	<u>-</u>	<u>6,538,267</u>
-	-	-	320,292
26,359	-	-	4,095,614
-	-	-	222,746
-	121,881	9,924	251,163
<u>26,359</u>	<u>121,881</u>	<u>9,924</u>	<u>4,889,815</u>
<u>(3,639)</u>	<u>37,485</u>	<u>(9,924)</u>	<u>1,648,452</u>
-	(50,000)	-	(994,512)
-	(50,000)	-	(994,512)
<u>(3,639)</u>	<u>(12,515)</u>	<u>(9,924)</u>	<u>653,940</u>
<u>81,780</u>	<u>994,710</u>	<u>-</u>	<u>3,710,379</u>
<u>\$ 78,141</u>	<u>\$ 982,195</u>	<u>\$ (9,924)</u>	<u>\$ 4,364,319</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 1,275,670	\$ 1,275,670	\$ 1,527,135	\$ 1,511,708
Investment Income	500	500	1,368	616
TOTAL REVENUES	<u>1,276,170</u>	<u>1,276,170</u>	<u>1,528,503</u>	<u>1,512,324</u>
EXPENDITURES				
Current				
Highways and Streets	94,500	94,500	70,821	63,911
TOTAL EXPENDITURES	<u>94,500</u>	<u>94,500</u>	<u>70,821</u>	<u>63,911</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,181,670</u>	<u>1,181,670</u>	<u>1,457,682</u>	<u>1,448,413</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(860,000)	(860,000)	(860,000)	(1,485,309)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(860,000)</u>	<u>(860,000)</u>	<u>(860,000)</u>	<u>(1,485,309)</u>
Net Changes in Fund Balance	<u>\$ 321,670</u>	<u>\$ 321,670</u>	597,682	(36,896)
Fund Balance at Beginning of Year			<u>1,386,956</u>	<u>1,423,852</u>
Fund Balance at End of Year			<u>\$ 1,984,638</u>	<u>\$ 1,386,956</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 285,000	\$ 285,000	\$ 119,358	\$ 384,648
TOTAL REVENUES	<u>285,000</u>	<u>285,000</u>	<u>119,358</u>	<u>384,648</u>
EXPENDITURES				
Current				
Economic Development	285,000	285,000	119,358	226,645
TOTAL EXPENDITURES	<u>285,000</u>	<u>285,000</u>	<u>119,358</u>	<u>226,645</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,003</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(158,003)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,003)</u>
Net Changes 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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 303,910	\$ 303,910	\$ 233,007	\$ 242,932
Investment Income	-	-	37	157
Miscellaneous	200	200	17,206	102,886
TOTAL REVENUES	<u>304,110</u>	<u>304,110</u>	<u>250,250</u>	<u>345,975</u>
EXPENDITURES				
Current				
Public Safety	321,960	321,960	232,252	349,535
TOTAL EXPENDITURES	<u>321,960</u>	<u>321,960</u>	<u>232,252</u>	<u>349,535</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(17,850)</u>	<u>(17,850)</u>	17,998	<u>(3,560)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(40,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,500)</u>
Net Changes in Fund Balance	<u>\$ (17,850)</u>	<u>\$ (17,850)</u>	17,998	(44,060)
Fund Balance at Beginning of Year			<u>110,857</u>	<u>154,917</u>
Fund Balance at End of Year			<u>\$ 128,855</u>	<u>\$ 110,857</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 4,454,846	\$ 4,454,846	\$ 4,454,846	\$ 4,242,711
Investment Income	2,000	2,000	374	2,605
Miscellaneous	-	-	2,850	-
TOTAL REVENUES	<u>4,456,846</u>	<u>4,456,846</u>	<u>4,458,070</u>	<u>4,245,316</u>
EXPENDITURES				
Current				
General Government	749,030	749,030	320,292	349,155
Public Safety	3,902,480	3,902,480	3,837,003	3,822,224
Highways and Streets	166,020	166,020	151,925	197,605
TOTAL EXPENDITURES	<u>4,817,530</u>	<u>4,817,530</u>	<u>4,309,220</u>	<u>4,368,984</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(360,684)</u>	<u>(360,684)</u>	<u>148,850</u>	<u>(123,668)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(159,600)</u>	<u>(159,600)</u>	<u>(84,512)</u>	<u>(318,327)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(159,600)</u>	<u>(159,600)</u>	<u>(84,512)</u>	<u>(318,327)</u>
Net Changes in Fund Balance	<u>\$ (520,284)</u>	<u>\$ (520,284)</u>	64,338	(441,995)
Fund Balance at Beginning of Year			<u>1,136,075</u>	<u>1,578,070</u>
Fund Balance at End of Year			<u>\$ 1,200,413</u>	<u>\$ 1,136,075</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 25,500	\$ 25,500	\$ 22,696	\$ 23,191
Investment Income	100	100	24	79
TOTAL REVENUES	<u>25,600</u>	<u>25,600</u>	<u>22,720</u>	<u>23,270</u>
EXPENDITURES				
Current				
Public Safety	26,420	26,420	26,359	25,924
TOTAL EXPENDITURES	<u>26,420</u>	<u>26,420</u>	<u>26,359</u>	<u>25,924</u>
Net Changes in Fund Balance	<u>\$ (820)</u>	<u>\$ (820)</u>	(3,639)	(2,654)
Fund Balance at Beginning of Year			<u>81,780</u>	<u>84,434</u>
Fund Balance at End of Year			<u>\$ 78,141</u>	<u>\$ 81,780</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, 2013
(with comparative actual for 2012)

	2013		2012	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 605,100	\$ 605,100	\$ 157,706	\$ 180,168
Investment Income	2,500	2,500	1,660	2,275
TOTAL REVENUES	<u>607,600</u>	<u>607,600</u>	<u>159,366</u>	<u>182,443</u>
EXPENDITURES				
Current				
Economic Development	2,834,920	2,834,920	121,881	994,552
TOTAL EXPENDITURES	<u>2,834,920</u>	<u>2,834,920</u>	<u>121,881</u>	<u>994,552</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,227,320)</u>	<u>(2,227,320)</u>	37,485	<u>(812,109)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(70,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(70,000)</u>
Net Changes in Fund Balance	<u>\$ (2,277,320)</u>	<u>\$ (2,277,320)</u>	(12,515)	(882,109)
Fund Balance at Beginning of Year			<u>994,710</u>	<u>1,876,819</u>
Fund Balance at End of Year			<u>\$ 982,195</u>	<u>\$ 994,710</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 HIGGINS/HASSELL TIF FUND
 Year Ended December 31, 2013
 (with comparative actual for 2012)

	2013		2012
	Original Budget	Final Budget	Actual
EXPENDITURES			
Current			
Economic Development	-	10,000	9,924
TOTAL EXPENDITURES	-	10,000	9,924
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (10,000)</u>	(9,924)
Fund Balance at Beginning of Year			-
Fund Balance at End of Year			<u>\$ (9,924)</u>

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2013

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
ASSETS			
Cash and Investments	\$ -	\$ -	\$ -
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Property Taxes	-	-	-
Other	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS AND FUND BALANCES			
DEFERRED INFLOWS			
Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES			
Restricted:			
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
\$ -	\$ 36,876	\$ 68,716	\$ 479,844	\$ 585,436
-	-	-	1,553,174	1,553,174
-	-	-	45,096	45,096
<u>\$ -</u>	<u>\$ 36,876</u>	<u>\$ 68,716</u>	<u>\$ 2,078,114</u>	<u>\$ 2,183,706</u>
\$ -	\$ -	\$ -	\$ 1,550,000	\$ 1,550,000
-	36,876	68,716	528,114	633,706
-	36,876	68,716	528,114	633,706
<u>\$ -</u>	<u>\$ 36,876</u>	<u>\$ 68,716</u>	<u>\$ 2,078,114</u>	<u>\$ 2,183,706</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended December 31, 2013

	1997A General Obligation Debt Service	2001 General Obligation Refunding Bond	2003 General Obligation Refunding Bond
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Investment Income	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	<u>(5,829)</u>	<u>(63,262)</u>	<u>(29,945)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,829)</u>	<u>(63,262)</u>	<u>(29,945)</u>
Net Changes in Fund Balances	<u>(5,829)</u>	<u>(63,262)</u>	<u>(29,945)</u>
Fund Balances at Beginning of Year	<u>5,829</u>	<u>63,262</u>	<u>29,945</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
\$ -	\$ 5,000	\$ -	\$ 2,102,777	\$ 2,107,777
-	-	-	389,560	389,560
-	15	-	240	255
-	5,015	-	2,492,577	2,497,592
-	-	-	1,200,000	1,200,000
-	5,000	1,332,750	1,514,356	2,852,106
-	5,000	1,332,750	2,714,356	4,052,106
-	15	(1,332,750)	(221,779)	(1,554,514)
-	-	1,332,250	134,000	1,466,250
(32,142)	-	-	-	(131,178)
(32,142)	-	1,332,250	134,000	1,335,072
(32,142)	15	(500)	(87,779)	(219,442)
32,142	36,861	69,216	615,893	853,148
\$ -	\$ 36,876	\$ 68,716	\$ 528,114	\$ 633,706

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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 407,503
Investment Income	-	-	-	245
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,748</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	-	-	530,000
Interest and Fiscal Charges	-	-	-	24,910
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>554,910</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,162)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	147,450
Transfers (Out)	<u>(5,670)</u>	<u>(5,830)</u>	<u>(5,829)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,670)</u>	<u>(5,830)</u>	<u>(5,829)</u>	<u>147,450</u>
Net Changes in Fund Balance	<u>\$ (5,670)</u>	<u>\$ (5,830)</u>	(5,829)	288
Fund Balance at Beginning of Year			<u>5,829</u>	<u>5,541</u>
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ 5,829</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 270
Investment Income	-	-	-	51
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(63,240)</u>	<u>(63,270)</u>	<u>(63,262)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(63,240)</u>	<u>(63,270)</u>	<u>(63,262)</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ (63,240)</u>	<u>\$ (63,270)</u>	(63,262)	321
Fund Balance at Beginning of Year			<u>63,262</u>	<u>62,941</u>
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ 63,262</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,660
Investment Income	-	-	-	29
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,689</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(29,880)</u>	<u>(29,950)</u>	<u>(29,945)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,880)</u>	<u>(29,950)</u>	<u>(29,945)</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ (29,880)</u>	<u>\$ (29,950)</u>	(29,945)	2,689
Fund Balance at Beginning of Year			<u>29,945</u>	<u>27,256</u>
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ 29,945</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 618,040
Investment Income	-	-	-	406
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,446</u>
EXPENDITURES				
Debt Service				
Principal Retirement	-	-	-	935,000
Interest and Fiscal Charges	-	-	-	35,563
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>970,563</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(352,117)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	355,000
Transfers (Out)	<u>(31,870)</u>	<u>(32,150)</u>	<u>(32,142)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(31,870)</u>	<u>(32,150)</u>	<u>(32,142)</u>	<u>355,000</u>
Net Changes in Fund Balance	<u>\$ (31,870)</u>	<u>\$ (32,150)</u>	(32,142)	2,883
Fund Balance at Beginning of Year			<u>32,142</u>	<u>29,259</u>
Fund Balance at End of Year			<u>\$ -</u>	<u>\$ 32,142</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, 2013
 (with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 5,000	\$ 3,500
Investment Income	-	-	15	44
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>5,015</u>	<u>3,544</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	<u>20,000</u>	<u>20,000</u>	<u>5,000</u>	<u>3,500</u>
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>5,000</u>	<u>3,500</u>
Net Changes in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	15	44
Fund Balance at Beginning of Year			<u>36,861</u>	<u>36,817</u>
Fund Balance at End of Year			<u>\$ 36,876</u>	<u>\$ 36,861</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ 3
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	1,332,750	1,332,750	1,332,750	1,332,750
TOTAL EXPENDITURES	<u>1,332,750</u>	<u>1,332,750</u>	<u>1,332,750</u>	<u>1,332,750</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,332,750)</u>	<u>(1,332,750)</u>	<u>(1,332,750)</u>	<u>(1,332,747)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,332,260	1,332,260	1,332,250	1,319,001
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,332,260</u>	<u>1,332,260</u>	<u>1,332,250</u>	<u>1,319,001</u>
Net Changes in Fund Balance	<u>\$ (490)</u>	<u>\$ (490)</u>	(500)	(13,746)
Fund Balance at Beginning of Year			<u>69,216</u>	<u>82,962</u>
Fund Balance at End of Year			<u>\$ 68,716</u>	<u>\$ 69,216</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 2,079,860	\$ 2,079,860	\$ 2,102,777	\$ 635,444
Charges for Services	250,000	250,000	389,560	192,070
Investment Income	10,000	10,000	240	5,203
TOTAL REVENUES	<u>2,339,860</u>	<u>2,339,860</u>	<u>2,492,577</u>	<u>832,717</u>
EXPENDITURES				
Debt Service				
Principal Retirement	1,200,000	1,200,000	1,200,000	-
Interest and Fiscal Charges	1,514,360	1,514,360	1,514,356	1,514,356
TOTAL EXPENDITURES	<u>2,714,360</u>	<u>2,714,360</u>	<u>2,714,356</u>	<u>1,514,356</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(374,500)</u>	<u>(374,500)</u>	<u>(221,779)</u>	<u>(681,639)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	134,000	134,000	134,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>134,000</u>	<u>134,000</u>	<u>134,000</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ (240,500)</u>	<u>\$ (240,500)</u>	(87,779)	(681,639)
Fund Balance at Beginning of Year			<u>615,893</u>	<u>1,297,532</u>
Fund Balance at End of Year			<u>\$ 528,114</u>	<u>\$ 615,893</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.

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 2009A General Obligation bonds.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2013

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
ASSETS					
Cash and Investments	\$ 676,346	\$ 254,033	\$ 216,085	\$ 3,480,334	\$ 140,804
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):					
Accrued Interest	-	-	-	-	-
Other	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Other Assets	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 676,346</u>	<u>\$ 254,033</u>	<u>\$ 216,085</u>	<u>\$ 3,480,334</u>	<u>\$ 140,804</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 37,157	\$ 876	\$ -
Deposits Payable	156,982	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Funds	365,264	-	-	-	-
TOTAL LIABILITIES	<u>522,246</u>	<u>-</u>	<u>37,157</u>	<u>876</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	-	-	-	-	-
Restricted:					
Economic Development - State Statute	-	-	-	3,479,458	-
Bond Projects	-	-	-	-	-
Assigned:					
Capital Projects	154,100	254,033	178,928	-	140,804
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>154,100</u>	<u>254,033</u>	<u>178,928</u>	<u>3,479,458</u>	<u>140,804</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 676,346</u>	<u>\$ 254,033</u>	<u>\$ 216,085</u>	<u>\$ 3,480,334</u>	<u>\$ 140,804</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
\$ 2,909,419	\$ 821,812	\$ 62,733	\$ 344,435	\$ 2,056,961	\$ 2,588,469	\$ 30,098	\$ 3,920	\$ 13,585,449
-	769	-	-	512	-	-	-	1,281
447,064	4,000	-	-	-	-	-	-	451,064
-	-	184,664	-	-	-	-	-	184,664
-	-	-	-	477,120	-	-	-	477,120
365,058	80,689	17,500	-	-	-	-	-	463,247
<u>\$ 3,721,541</u>	<u>\$ 907,270</u>	<u>\$ 264,897</u>	<u>\$ 344,435</u>	<u>\$ 2,534,593</u>	<u>\$ 2,588,469</u>	<u>\$ 30,098</u>	<u>\$ 3,920</u>	<u>\$ 15,162,825</u>
\$ 1,625,920	\$ 250	\$ 168,715	\$ -	\$ 236,882	\$ 8,277	\$ -	\$ -	\$ 2,078,077
1,084,661	4,000	-	-	-	2,140,249	-	-	3,385,892
277,953	-	-	-	-	-	-	-	277,953
80,483	-	-	-	-	-	-	-	445,747
<u>3,069,017</u>	<u>4,250</u>	<u>168,715</u>	<u>-</u>	<u>236,882</u>	<u>2,148,526</u>	<u>-</u>	<u>-</u>	<u>6,187,669</u>
-	-	184,664	-	-	-	-	-	184,664
-	-	-	-	-	-	-	-	3,479,458
-	-	-	-	-	-	30,098	3,920	34,018
652,524	903,020	-	344,435	2,297,711	439,943	-	-	5,365,498
-	-	(88,482)	-	-	-	-	-	(88,482)
<u>652,524</u>	<u>903,020</u>	<u>96,182</u>	<u>344,435</u>	<u>2,297,711</u>	<u>439,943</u>	<u>30,098</u>	<u>3,920</u>	<u>8,975,156</u>
<u>\$ 3,721,541</u>	<u>\$ 907,270</u>	<u>\$ 264,897</u>	<u>\$ 344,435</u>	<u>\$ 2,534,593</u>	<u>\$ 2,588,469</u>	<u>\$ 30,098</u>	<u>\$ 3,920</u>	<u>\$ 15,162,825</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 Year Ended December 31, 2013

	Cental Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	9,222	-	-
Charges for Services	477,573	-	-	-	-
Investment Income	589	77	103	756	378
Miscellaneous	-	-	55,814	-	-
TOTAL REVENUES	<u>478,162</u>	<u>77</u>	<u>65,139</u>	<u>756</u>	<u>378</u>
EXPENDITURES					
Capital Outlay	206	-	245,342	144,423	-
TOTAL EXPENDITURES	<u>206</u>	<u>-</u>	<u>245,342</u>	<u>144,423</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>477,956</u>	<u>77</u>	<u>(180,203)</u>	<u>(143,667)</u>	<u>378</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	(365,058)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(365,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>112,898</u>	<u>77</u>	<u>(180,203)</u>	<u>(143,667)</u>	<u>378</u>
Fund Balance at Beginning of Year	<u>41,202</u>	<u>253,956</u>	<u>359,131</u>	<u>3,623,125</u>	<u>140,426</u>
Fund Balance at End of Year	<u>\$ 154,100</u>	<u>\$ 254,033</u>	<u>\$ 178,928</u>	<u>\$ 3,479,458</u>	<u>\$ 140,804</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
\$ 471,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471,313
51,868	-	-	-	-	-	-	-	61,090
-	1,153,000	-	-	-	-	-	-	1,630,573
748	3,405	33	371	3,582	546	23	11	10,622
<u>2,019,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,990</u>	<u>-</u>	<u>-</u>	<u>2,144,046</u>
<u>2,543,171</u>	<u>1,156,405</u>	<u>33</u>	<u>371</u>	<u>3,582</u>	<u>69,536</u>	<u>23</u>	<u>11</u>	<u>4,317,644</u>
<u>5,214,607</u>	<u>206</u>	<u>374,472</u>	<u>-</u>	<u>799,906</u>	<u>149,662</u>	<u>-</u>	<u>-</u>	<u>6,928,824</u>
<u>5,214,607</u>	<u>206</u>	<u>374,472</u>	<u>-</u>	<u>799,906</u>	<u>149,662</u>	<u>-</u>	<u>-</u>	<u>6,928,824</u>
<u>(2,671,436)</u>	<u>1,156,199</u>	<u>(374,439)</u>	<u>371</u>	<u>(796,324)</u>	<u>(80,126)</u>	<u>23</u>	<u>11</u>	<u>(2,611,180)</u>
2,812,753	-	235,845	-	54,057	-	-	-	3,102,655
-	(1,120,763)	(11,239)	-	(1,171,090)	-	-	(28,661)	(2,696,811)
<u>2,812,753</u>	<u>(1,120,763)</u>	<u>224,606</u>	<u>-</u>	<u>(1,117,033)</u>	<u>-</u>	<u>-</u>	<u>(28,661)</u>	<u>405,844</u>
<u>141,317</u>	<u>35,436</u>	<u>(149,833)</u>	<u>371</u>	<u>(1,913,357)</u>	<u>(80,126)</u>	<u>23</u>	<u>(28,650)</u>	<u>(2,205,336)</u>
<u>511,207</u>	<u>867,584</u>	<u>246,015</u>	<u>344,064</u>	<u>4,211,068</u>	<u>520,069</u>	<u>30,075</u>	<u>32,570</u>	<u>11,180,492</u>
<u>\$ 652,524</u>	<u>\$ 903,020</u>	<u>\$ 96,182</u>	<u>\$ 344,435</u>	<u>\$ 2,297,711</u>	<u>\$ 439,943</u>	<u>\$ 30,098</u>	<u>\$ 3,920</u>	<u>\$ 8,975,156</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, 2013
(with comparative actual for 2012)

	2013		2012	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 300,000	\$ 365,300	\$ 477,573	\$ -
Investment Income	600	600	589	611
Miscellaneous	-	-	-	13,245
TOTAL REVENUES	<u>300,600</u>	<u>365,900</u>	<u>478,162</u>	<u>13,856</u>
EXPENDITURES				
Capital Outlay	-	-	206	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>206</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>300,600</u>	<u>365,900</u>	<u>477,956</u>	<u>13,856</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(300,000)</u>	<u>(365,300)</u>	<u>(365,058)</u>	<u>(100,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>(365,300)</u>	<u>(365,058)</u>	<u>(100,000)</u>
Net Change in Fund Balance	<u>\$ 600</u>	<u>\$ 600</u>	112,898	(86,144)
Fund Balance at Beginning of Year			<u>41,202</u>	<u>127,346</u>
Fund Balance at End of Year			<u>\$ 154,100</u>	<u>\$ 41,202</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, 2013
 (with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 250	\$ 250	\$ 77	\$ 267
TOTAL REVENUES	<u>250</u>	<u>250</u>	<u>77</u>	<u>267</u>
Excess (Deficiency) of Revenues over Expenditures	<u>250</u>	<u>250</u>	<u>77</u>	<u>267</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>\$ (249,750)</u>	<u>\$ (249,750)</u>	77	267
Fund Balance at Beginning of Year			<u>253,956</u>	<u>253,689</u>
Fund Balance at End of Year			<u>\$ 254,033</u>	<u>\$ 253,956</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 9,222	\$ 31,747
Investment Income	500	500	103	567
Miscellaneous Income	-	55,820	55,814	-
TOTAL REVENUES	<u>500</u>	<u>56,320</u>	<u>65,139</u>	<u>32,314</u>
EXPENDITURES				
Capital Outlay	38,500	245,500	245,342	60,161
TOTAL EXPENDITURES	<u>38,500</u>	<u>245,500</u>	<u>245,342</u>	<u>60,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(38,000)</u>	<u>(189,180)</u>	<u>(180,203)</u>	<u>(27,847)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(150,000)</u>	<u>(150,000)</u>	-	<u>(120,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,000)</u>	<u>(150,000)</u>	-	<u>(120,000)</u>
Net Changes in Fund Balance	<u>\$ (188,000)</u>	<u>\$ (339,180)</u>	(180,203)	(147,847)
Fund Balance at Beginning of Year			<u>359,131</u>	<u>506,978</u>
Fund Balance at End of Year			<u>\$ 178,928</u>	<u>\$ 359,131</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 2,000	\$ 2,000	\$ 756	\$ 2,665
Miscellaneous	<u>5,300</u>	<u>5,300</u>	-	<u>139</u>
TOTAL REVENUES	<u>7,300</u>	<u>7,300</u>	<u>756</u>	<u>2,804</u>
EXPENDITURES				
Capital Outlay	<u>1,648,420</u>	<u>1,648,420</u>	<u>144,423</u>	<u>453,023</u>
TOTAL EXPENDITURES	<u>1,648,420</u>	<u>1,648,420</u>	<u>144,423</u>	<u>453,023</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,641,120)</u>	<u>(1,641,120)</u>	<u>(143,667)</u>	<u>(450,219)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(115,999)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,999)</u>
Net Changes in Fund Balance	<u>\$ (1,641,120)</u>	<u>\$ (1,641,120)</u>	(143,667)	(566,218)
Fund Balance at Beginning of Year			<u>3,623,125</u>	<u>4,189,343</u>
Fund Balance at End of Year			<u>\$ 3,479,458</u>	<u>\$ 3,623,125</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, 2013
 (with comparative actual for 2012)

		2013		2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 378	\$ 460
TOTAL REVENUES	500	500	378	460
EXPENDITURES				
Capital Outlay	-	-	-	20,393
TOTAL EXPENDITURES	-	-	-	20,393
Net Changes in Fund Balance	\$ 500	\$ 500	378	(19,933)
Fund Balance at Beginning of Year			140,426	160,359
Fund Balance at End of Year			\$ 140,804	\$ 140,426

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ -	\$ -	\$ 471,313	\$ 2,066
Intergovernmental	1,081,550	1,081,550	51,868	155,679
Investment Income	400	400	748	591
Miscellaneous	4,320,000	4,320,000	2,019,242	653,575
TOTAL REVENUES	<u>5,401,950</u>	<u>5,401,950</u>	<u>2,543,171</u>	<u>811,911</u>
EXPENDITURES				
Capital Outlay	<u>7,870,250</u>	<u>7,870,250</u>	<u>5,214,607</u>	<u>3,957,287</u>
TOTAL EXPENDITURES	<u>7,870,250</u>	<u>7,870,250</u>	<u>5,214,607</u>	<u>3,957,287</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,468,300)</u>	<u>(2,468,300)</u>	<u>(2,671,436)</u>	<u>(3,145,376)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>2,360,000</u>	<u>3,274,970</u>	<u>2,812,753</u>	<u>3,395,288</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,360,000</u>	<u>3,274,970</u>	<u>2,812,753</u>	<u>3,395,288</u>
Net Changes in Fund Balance	<u>\$ (108,300)</u>	<u>\$ 806,670</u>	141,317	249,912
Fund Balance at Beginning of Year			<u>511,207</u>	<u>261,295</u>
Fund Balance at End of Year			<u>\$ 652,524</u>	<u>\$ 511,207</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 300,000	\$ 1,121,000	\$ 1,153,000	\$ 16,020
Investment Income	3,000	3,000	3,405	2,874
Miscellaneous	-	-	-	(31,546)
TOTAL REVENUES	<u>303,000</u>	<u>1,124,000</u>	<u>1,156,405</u>	<u>(12,652)</u>
EXPENDITURES				
Capital Outlay	-	-	206	441
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>206</u>	<u>441</u>
Excess (Deficiency) of Revenues over Expenditures	<u>303,000</u>	<u>1,124,000</u>	<u>1,156,199</u>	<u>(13,093)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(300,000)	(1,121,000)	(1,120,763)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(300,000)</u>	<u>(1,121,000)</u>	<u>(1,120,763)</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 3,000</u>	<u>\$ 3,000</u>	35,436	(13,093)
Fund Balance at Beginning of Year			<u>867,584</u>	<u>880,677</u>
Fund Balance at End of Year			<u>\$ 903,020</u>	<u>\$ 867,584</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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 61,188
Investment Income	100	100	33	223
TOTAL REVENUES	<u>100</u>	<u>100</u>	<u>33</u>	<u>61,411</u>
EXPENDITURES				
Capital Outlay	374,890	374,890	374,472	233,356
TOTAL EXPENDITURES	<u>374,890</u>	<u>374,890</u>	<u>374,472</u>	<u>233,356</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(374,790)</u>	<u>(374,790)</u>	<u>(374,439)</u>	<u>(171,945)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	240,490	240,490	235,845	303,998
Transfers (Out)	<u>(22,400)</u>	<u>(22,400)</u>	<u>(11,239)</u>	<u>(38,300)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>218,090</u>	<u>218,090</u>	<u>224,606</u>	<u>265,698</u>
Net Changes in Fund Balance	<u>\$ (156,700)</u>	<u>\$ (156,700)</u>	(149,833)	93,753
Fund Balance at Beginning of Year			<u>246,015</u>	<u>152,262</u>
Fund Balance at End of Year			<u>\$ 96,182</u>	<u>\$ 246,015</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, 2013
 (with comparative actual for 2012)

	2013		2012	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 400	\$ 400	\$ 371	\$ 434
TOTAL REVENUES	400	400	371	434
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Net Changes in Fund Balance	\$ 400	\$ 400	371	434
Fund Balance at Beginning of Year			344,064	343,630
Fund Balance at End of Year			\$ 344,435	\$ 344,064

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL REPLACEMENT FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 98,789
Investment Income	4,000	4,000	3,582	4,575
TOTAL REVENUES	<u>4,000</u>	<u>4,000</u>	<u>3,582</u>	<u>103,364</u>
EXPENDITURES				
Capital Outlay	1,038,460	1,038,460	799,906	119,108
TOTAL EXPENDITURES	<u>1,038,460</u>	<u>1,038,460</u>	<u>799,906</u>	<u>119,108</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,034,460)</u>	<u>(1,034,460)</u>	<u>(796,324)</u>	<u>(15,744)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	110,000	110,000	54,057	-
Transfers (Out)	<u>(171,090)</u>	<u>(1,171,090)</u>	<u>(1,171,090)</u>	<u>(99,798)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(61,090)</u>	<u>(1,061,090)</u>	<u>(1,117,033)</u>	<u>(99,798)</u>
Net Changes in Fund Balance	<u>\$ (1,095,550)</u>	<u>\$ (2,095,550)</u>	(1,913,357)	(115,542)
Fund Balance at Beginning of Year			<u>4,211,068</u>	<u>4,326,610</u>
Fund Balance at End of Year			<u>\$ 2,297,711</u>	<u>\$ 4,211,068</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WESTERN CORRIDOR FUND
 Year Ended December 31, 2013
 (with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 600	\$ 600	\$ 546	\$ 592
Miscellaneous	-	69,000	68,990	-
TOTAL REVENUES	<u>600</u>	<u>69,600</u>	<u>69,536</u>	<u>592</u>
EXPENDITURES				
Capital Outlay	-	150,000	149,662	17,166
TOTAL EXPENDITURES	<u>-</u>	<u>150,000</u>	<u>149,662</u>	<u>17,166</u>
Net Changes in Fund Balance	<u>\$ 600</u>	<u>\$ (80,400)</u>	(80,126)	(16,574)
Fund Balance at Beginning of Year			<u>520,069</u>	<u>536,643</u>
Fund Balance at End of Year			<u>\$ 439,943</u>	<u>\$ 520,069</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, 2013
 (with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 23	\$ 24
TOTAL REVENUES	-	-	23	24
EXPENDITURES				
Capital Outlay	-	-	-	1,257
TOTAL EXPENDITURES	-	-	-	1,257
Net Changes in Fund Balance	\$ -	\$ -	23	(1,233)
Fund Balance at Beginning of Year			30,075	31,308
Fund Balance at End of Year			\$ 30,098	\$ 30,075

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, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 11	\$ 602
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>11</u>	<u>602</u>
EXPENDITURES				
Capital Outlay	-	-	-	3,196
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,196</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>11</u>	<u>(2,594)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(28,670)	(28,661)	(1,199,094)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(28,670)</u>	<u>(28,661)</u>	<u>(1,199,094)</u>
Net Changes in Fund Balance	<u>\$ -</u>	<u>\$ (28,670)</u>	(28,650)	(1,201,688)
Fund Balance at Beginning of Year			<u>32,570</u>	<u>1,234,258</u>
Fund Balance at End of Year			<u>\$ 3,920</u>	<u>\$ 32,570</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET POSITION
WATERWORKS AND SEWERAGE FUND
December 31, 2013
(with comparative totals for 2012)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Investments	\$ 1,268,610	\$ 1,315,923
Receivables		
Accounts - Billed	1,286,198	1,081,584
Accounts - Unbilled	1,319,473	1,068,955
Accounts - Other Invoices	11,180	12,840
Inventory	184,135	184,135
Due from Other Funds	-	444,434
TOTAL CURRENT ASSETS	4,069,596	4,107,871
CAPITAL ASSETS		
Not Depreciated	518,575	499,000
Depreciated	58,637,169	58,533,198
Accumulated Depreciation	(26,726,917)	(25,392,339)
NET CAPITAL ASSETS	32,428,827	33,639,859
TOTAL ASSETS	36,498,423	37,747,730
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	968,938	656,523
Accrued Payroll	67,880	49,385
Accrued Interest Payable	27,755	27,755
Due to Other Funds	-	22,012
Deposits Payable	52,564	35,507
Compensated Absences Payable	152,169	133,162
TOTAL CURRENT LIABILITIES	1,269,306	924,344
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	6,597,342	6,594,785
Compensated Absences Payable	225,174	212,508
Other Post-Employment Benefit Obligations	197,033	187,453
TOTAL LONG-TERM LIABILITIES	7,019,549	6,994,746
TOTAL LIABILITIES	8,288,855	7,919,090
NET POSITION		
Net Investment in Capital Assets	26,020,782	27,234,222
Unrestricted	2,188,786	2,594,418
TOTAL NET POSITION	\$ 28,209,568	\$ 29,828,640

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
WATERWORKS AND SEWERAGE FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 12,979,650	\$ 13,431,650	\$ 13,792,658	\$ 13,480,853
TOTAL OPERATING REVENUES	<u>12,979,650</u>	<u>13,431,650</u>	<u>13,792,658</u>	<u>13,480,853</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	11,093,000	11,545,000	11,657,115	10,895,872
Sewer Division	<u>2,205,670</u>	<u>2,205,670</u>	<u>2,101,768</u>	<u>2,212,666</u>
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	<u>13,298,670</u>	<u>13,750,670</u>	<u>13,758,883</u>	<u>13,108,538</u>
Operating Income (Loss) Before Depreciation	<u>(319,020)</u>	<u>(319,020)</u>	<u>33,775</u>	<u>372,315</u>
Depreciation	<u>-</u>	<u>1,335,000</u>	<u>1,334,578</u>	<u>1,308,478</u>
Operating Income (Loss)	<u>(319,020)</u>	<u>(1,654,020)</u>	<u>(1,300,803)</u>	<u>(936,163)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	1,000	1,000	436	1,236
Amortization Expense	(4,630)	(4,630)	(2,556)	(2,556)
Miscellaneous Revenue	<u>20,000</u>	<u>20,000</u>	<u>13,583</u>	<u>14,526</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>16,370</u>	<u>16,370</u>	<u>11,463</u>	<u>13,206</u>
Net Income (Loss) Before Transfers and Contributions	<u>(302,650)</u>	<u>(1,637,650)</u>	<u>(1,289,340)</u>	<u>(922,957)</u>
TRANSFERS				
Transfers In	-	-	-	41,160
Transfers (Out)	<u>(424,870)</u>	<u>(424,870)</u>	<u>(414,138)</u>	<u>(353,999)</u>
TOTAL TRANSFERS	<u>(424,870)</u>	<u>(424,870)</u>	<u>(414,138)</u>	<u>(312,839)</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>84,406</u>	<u>1,350,599</u>
Changes in Net Position	<u>\$ (727,520)</u>	<u>\$ (2,062,520)</u>	<u>(1,619,072)</u>	<u>114,803</u>
Net Position at Beginning of Year			<u>29,828,640</u>	<u>29,713,837</u>
Net Position at End of Year			<u>\$ 28,209,568</u>	<u>\$ 29,828,640</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
STATEMENT OF NET POSITION
SEARS CENTRE OPERATING FUND
December 31, 2013
(with comparative totals for 2012)

	2013	2012
CURRENT ASSETS		
Cash and Investments	\$ 2,735,416	\$ 2,281,964
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):		
Accounts	325,752	226,226
Other	277,640	232,167
Prepaid Items	7,417	(19,735)
Total Current Assets	3,346,225	2,720,622
CAPITAL ASSETS		
Not Depreciated	6,000,000	6,000,000
Depreciated	78,131,763	78,047,516
Accumulated Depreciation	(9,510,523)	(7,154,115)
Net Capital Assets	74,621,240	76,893,401
NONCURRENT ASSETS		
Accounts Receivable	135,833	-
Total Assets	78,103,298	79,614,023
CURRENT LIABILITIES		
Accounts Payable	515,888	526,423
Events Payable	18,455	30,183
Accrued Interest Payable	207,025	212,518
Due to Other Funds	162	-
Advances	-	1,000,000
Unearned Revenue	635,782	309,970
Long-term Obligations, Due within One Year:		
General Obligation Bonds Payable	1,415,000	1,345,000
Capital Lease Payable	4,600	4,600
Total Current Liabilities	2,796,912	3,428,694
NONCURRENT LIABILITIES		
General Obligation Bonds Payable	45,109,677	46,494,613
Capital Leases Payable	2,683	7,283
Total Noncurrent Liabilities	45,112,360	46,501,896
Total Liabilities	47,909,272	49,930,590
NET POSITION		
Net Investment in Capital Assets	28,096,563	29,053,788
Unrestricted	2,097,463	629,645
Total Net Position	\$ 30,194,026	\$ 29,683,433

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
SEARS CENTRE OPERATING FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,897,690	\$ 1,897,690	\$ 1,970,482	\$ 1,910,808
TOTAL OPERATING REVENUES	<u>1,897,690</u>	<u>1,897,690</u>	<u>1,970,482</u>	<u>1,910,808</u>
OPERATING EXPENSES				
Sears Centre	2,438,590	2,438,590	2,257,779	2,271,636
Depreciation	-	2,356,500	2,356,408	2,354,388
TOTAL OPERATING EXPENSES	<u>2,438,590</u>	<u>4,795,090</u>	<u>4,614,187</u>	<u>4,626,024</u>
Operating Income (Loss)	<u>(540,900)</u>	<u>(2,897,400)</u>	<u>(2,643,705)</u>	<u>(2,715,216)</u>
NONOPERATING REVENUES (EXPENSES)				
Entertainment and Food & Beverage Tax	1,888,140	1,888,140	1,826,801	2,121,999
Charges for Services	33,920	33,920	33,090	33,026
Investment Income	2,600	2,600	476	2,630
Principal Retirement	(1,345,000)	(1,345,000)	(1,345,000)	(1,285,000)
Amount to Reduce Principal on Bonds	-	-	1,345,000	1,285,000
Interest Expense	(2,555,210)	(2,555,210)	(2,544,718)	(2,606,750)
Amortization Expense	-	-	(30,065)	(30,065)
Miscellaneous Revenue	1,160,000	1,160,000	1,044,097	1,292,274
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(815,550)</u>	<u>(815,550)</u>	<u>329,681</u>	<u>813,114</u>
Net Income (Loss) Before Transfers and Contributions	<u>(1,356,450)</u>	<u>(3,712,950)</u>	<u>(2,314,024)</u>	<u>(1,902,102)</u>
TRANSFERS				
Transfers In	2,895,210	3,895,210	2,804,127	150,000
Transfers (Out)	(2,895,210)	(2,895,210)	-	-
TOTAL TRANSFERS	<u>-</u>	<u>1,000,000</u>	<u>2,804,127</u>	<u>150,000</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>20,490</u>	<u>-</u>
Changes in Net Position	<u>\$ (1,356,450)</u>	<u>\$ (2,712,950)</u>	510,593	(1,752,102)
Net Position at Beginning of Year			<u>29,683,433</u>	<u>31,435,535</u>
Net Position at End of Year			<u>\$ 30,194,026</u>	<u>\$ 29,683,433</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 the Village's Workers' Compensation and General Liability insurance programs. Financing is provided through billings to the various Village departments.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 December 31, 2013

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 664,825	\$ 2,496,362	\$ 3,161,187
Deposits	-	50,000	50,000
Prepaid Items	2,694	-	2,694
Due from Other Funds	-	-	-
Accrued Interest	-	1,025	1,025
TOTAL CURRENT ASSETS	<u>667,519</u>	<u>2,547,387</u>	<u>3,214,906</u>
CAPITAL ASSETS			
Depreciated	408,220	-	408,220
Accumulated Depreciation	(243,003)	-	(243,003)
NET CAPITAL ASSETS	<u>165,217</u>	<u>-</u>	<u>165,217</u>
TOTAL ASSETS	<u>832,736</u>	<u>2,547,387</u>	<u>3,380,123</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	113,530	3,499	117,029
Accrued Payroll	13,498	-	13,498
Claims Payable	-	625,947	625,947
Benefits Payable	-	221,553	221,553
Due to Other Funds	4,603	1,718	6,321
Compensated Absences Payable	31,626	-	31,626
Total Current Liabilities	<u>163,257</u>	<u>852,717</u>	<u>1,015,974</u>
Long-Term Liabilities			
Other Post-Employment Benefit Obligation	29,601	-	29,601
TOTAL LIABILITIES	<u>192,858</u>	<u>852,717</u>	<u>1,045,575</u>
NET POSITION			
Net Investment in Capital Assets	165,217	-	165,217
Unrestricted	486,331	1,694,670	2,181,001
TOTAL NET POSITION	<u>\$ 651,548</u>	<u>\$ 1,694,670</u>	<u>\$ 2,346,218</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2013

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,080,110	\$ 1,420,860	\$ 2,500,970
Miscellaneous	11,670	-	11,670
TOTAL OPERATING REVENUES	<u>1,091,780</u>	<u>1,420,860</u>	<u>2,512,640</u>
OPERATING EXPENSES			
Operations	1,201,674	-	1,201,674
Claims and Insurance	-	1,032,569	1,032,569
Depreciation	21,628	-	21,628
TOTAL OPERATING EXPENSES	<u>1,223,302</u>	<u>1,032,569</u>	<u>2,255,871</u>
Operating Income (Loss)	<u>(131,522)</u>	<u>388,291</u>	<u>256,769</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	174	2,503	2,677
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>174</u>	<u>2,503</u>	<u>2,677</u>
Income (Loss) Before Transfers	<u>(131,348)</u>	<u>390,794</u>	<u>259,446</u>
TRANSFERS			
Transfers In	73,189	-	73,189
Transfers (Out)	-	-	-
TOTAL TRANSFERS	<u>73,189</u>	<u>-</u>	<u>73,189</u>
Changes in Net Position	<u>(58,159)</u>	<u>390,794</u>	<u>332,635</u>
Net Position at Beginning of Year	<u>698,037</u>	<u>1,303,876</u>	<u>2,001,913</u>
Net Position at End of Year	<u>\$ 639,878</u>	<u>\$ 1,694,670</u>	<u>\$ 2,334,548</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 Year Ended December 31, 2013

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Interfund Services Transactions	\$ 1,091,780	\$ 1,420,860	\$ 2,512,640
Cash Payments to Suppliers	(619,558)	(1,059,139)	(1,678,697)
Cash Payments to Employees	(494,224)	-	(494,224)
Net Cash Provided By (Used In) Operating Activities	<u>(22,002)</u>	<u>361,721</u>	<u>339,719</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund Borrowing (Lending)	24,101	1,718	25,819
Transfers In (Out)	73,189	-	73,189
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>97,290</u>	<u>1,718</u>	<u>99,008</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Earned	174	1,478	1,652
Net Cash Provided By (Used In) Investing Activities	<u>174</u>	<u>1,478</u>	<u>1,652</u>
Net Increase (Decrease) in Cash	75,462	364,917	440,379
Cash and Cash Equivalents, Beginning of Year	589,363	2,131,445	2,720,808
Cash and Cash Equivalents, End of Year	<u>\$ 664,825</u>	<u>\$ 2,496,362</u>	<u>\$ 3,161,187</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Used in Operating Activities:			
Operating Income (Loss)	\$ (131,522)	\$ 388,291	\$ 256,769
Adjustment to Reconcile Operating Income			
to Net Cash Used in Operating Activities:			
Depreciation	21,628	-	21,628
Increase (Decrease) in Accounts Payable	81,760	(31,231)	50,529
Increase (Decrease) in Salaries Payable	3,938	-	3,938
Increase (Decrease) in Benefits Payable	-	40,638	40,638
Increase (Decrease) in Deposits/Prepays	(2,694)	40,164	37,470
Increase (Decrease) in Claims Payable	-	(76,141)	(76,141)
Increase (Decrease) in Compensated Absences Payable	(878)	-	(878)
Increase (Decrease) in Other Post-Employment Benefits Payable	5,766	-	5,766
Total Adjustments	<u>109,520</u>	<u>(26,570)</u>	<u>82,950</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (22,002)</u>	<u>\$ 361,721</u>	<u>\$ 339,719</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
INFORMATION SYSTEMS FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,080,110	\$ 1,080,110	\$ 1,080,110	\$ 1,021,800
Miscellaneous	\$ -	\$ 11,670	\$ 11,670	\$ 1,842
TOTAL OPERATING REVENUES	<u>1,080,110</u>	<u>1,091,780</u>	<u>1,091,780</u>	<u>1,023,642</u>
OPERATING EXPENSES				
Operations	1,228,360	1,240,030	1,190,004	1,053,563
Depreciation	-	-	21,628	29,145
TOTAL OPERATING EXPENSES	<u>1,228,360</u>	<u>1,240,030</u>	<u>1,211,632</u>	<u>1,082,708</u>
Operating Income (Loss)	<u>(148,250)</u>	<u>(148,250)</u>	<u>(119,852)</u>	<u>(59,066)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	220	220	174	519
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>220</u>	<u>220</u>	<u>174</u>	<u>519</u>
Income (Loss) Before Transfers	<u>(148,030)</u>	<u>(148,030)</u>	<u>(119,678)</u>	<u>(58,547)</u>
TRANSFERS				
Transfers In	73,000	73,000	73,189	116,299
TOTAL TRANSFERS	<u>73,000</u>	<u>73,000</u>	<u>73,189</u>	<u>116,299</u>
Changes in Net Position	<u>\$ (75,030)</u>	<u>\$ (75,030)</u>	(46,489)	57,752
Net Position at Beginning of Year			<u>698,037</u>	<u>642,127</u>
Net Position at End of Year			<u>\$ 651,548</u>	<u>\$ 699,879</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF NET POSITION - BY PROGRAM
INSURANCE FUND
December 31, 2013
(with comparative actual for 2012)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2013	2012
ASSETS						
Cash and Investments	\$ 1,442	\$ 221,465	\$ 971,202	\$ 1,302,253	\$ 2,496,362	\$ 2,131,445
Accrued Interest	-	88	390	547	1,025	-
Prepaid Expenses	-	-	-	-	-	964
Deposits	-	-	45,000	5,000	50,000	89,200
TOTAL ASSETS	1,442	221,553	1,016,592	1,307,800	2,547,387	2,221,609
LIABILITIES						
Accounts Payable	-	-	-	3,499	3,499	34,730
Claims Payable	-	-	556,470	69,477	625,947	702,088
Benefits Payable	-	221,553	-	-	221,553	180,915
Due to General Fund	701	-	-	1,017	1,718	-
TOTAL LIABILITIES	701	221,553	556,470	73,993	852,717	917,733
NET POSITION						
Unrestricted	741	-	460,122	1,233,807	1,694,670	1,303,876
TOTAL NET POSITION	\$ 741	\$ -	\$ 460,122	\$ 1,233,807	\$ 1,694,670	\$ 1,303,876

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
INSURANCE FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,420,870	\$ 1,420,870	\$ 1,420,860	\$ 1,544,310
TOTAL OPERATING REVENUES	<u>1,420,870</u>	<u>1,420,870</u>	<u>1,420,860</u>	<u>1,544,310</u>
OPERATING EXPENSES				
Claims and Insurance	1,420,870	1,420,870	1,032,569	1,270,740
TOTAL OPERATING EXPENSES	<u>1,420,870</u>	<u>1,420,870</u>	<u>1,032,569</u>	<u>1,270,740</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>388,291</u>	<u>273,570</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	1,400	1,400	2,503	1,865
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,400</u>	<u>1,400</u>	<u>2,503</u>	<u>1,865</u>
Changes in Net Position	<u>\$ 1,400</u>	<u>\$ 1,400</u>	<u>390,794</u>	<u>275,435</u>
Net Position at Beginning of Year			<u>1,303,876</u>	<u>1,028,441</u>
Net Position at End of Year			<u>\$ 1,694,670</u>	<u>\$ 1,303,876</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BY PROGRAM
INSURANCE FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2013	2012
OPERATING REVENUES						
Charges for Services	\$ 9,046	\$ -	\$ 744,381	\$ 667,433	\$ 1,420,860	\$ 1,544,310
TOTAL OPERATING REVENUES	<u>9,046</u>	<u>-</u>	<u>744,381</u>	<u>667,433</u>	<u>1,420,860</u>	<u>1,544,310</u>
OPERATING EXPENSES						
Claims and Insurance	9,049	(1,472)	499,639	525,353	1,032,569	1,270,740
TOTAL OPERATING EXPENSES	<u>9,049</u>	<u>(1,472)</u>	<u>499,639</u>	<u>525,353</u>	<u>1,032,569</u>	<u>1,270,740</u>
Operating Income (Loss)	<u>(3)</u>	<u>1,472</u>	<u>244,742</u>	<u>142,080</u>	<u>388,291</u>	<u>273,570</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	3	215	951	1,334	2,503	1,865
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3</u>	<u>215</u>	<u>951</u>	<u>1,334</u>	<u>2,503</u>	<u>1,865</u>
Income (Loss) Before Transfers	<u>-</u>	<u>1,687</u>	<u>245,693</u>	<u>143,414</u>	<u>390,794</u>	<u>275,435</u>
TRANSFERS						
Transfers In	-	-	1,687	-	1,687	383
Transfers (Out)	-	(1,687)	-	-	(1,687)	(383)
TOTAL TRANSFERS	<u>-</u>	<u>(1,687)</u>	<u>1,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>-</u>	<u>-</u>	<u>247,380</u>	<u>143,414</u>	<u>390,794</u>	<u>275,435</u>
Net Position at Beginning of Year	<u>741</u>	<u>-</u>	<u>212,742</u>	<u>1,090,393</u>	<u>1,303,876</u>	<u>1,028,441</u>
Net Position at End of Year	<u>\$ 741</u>	<u>\$ -</u>	<u>\$ 460,122</u>	<u>\$ 1,233,807</u>	<u>\$ 1,694,670</u>	<u>\$ 1,303,876</u>

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 POSITION
 PENSION TRUST FUNDS
 December 31, 2013

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,181,883	\$ 509,263	\$ 1,691,146
Investments, at Fair Value			
U.S. Treasury Securities	12,227,944	5,659,453	17,887,397
U.S. Agency Securities	12,248,641	10,211,399	22,460,040
Corporate Bonds	-	6,417,156	6,417,156
IMET	402,504	-	402,504
Mutual Funds	40,182,605	37,323,533	77,506,138
Money Market Mutual Funds	174,781	875,529	1,050,310
Equity Securities	-	6,810,292	6,810,292
Receivables (Net, Where Applicable, of Allowances for Uncollectibles):			
Interest Receivable	160,141	139,802	299,943
Other	-	7,397	7,397
TOTAL ASSETS	<u>66,578,499</u>	<u>67,953,824</u>	<u>134,532,323</u>
LIABILITIES			
Accounts Payable	680	3,913	4,593
TOTAL LIABILITIES	<u>680</u>	<u>3,913</u>	<u>4,593</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 66,577,819</u>	<u>\$ 67,949,911</u>	<u>\$ 134,527,730</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
 PENSION TRUST FUNDS
 Year ended December 31, 2013

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,525,766	\$ 2,062,868	\$ 4,588,634
Employee	855,767	833,245	1,689,012
Other	154,357	766	155,123
Total Contributions	<u>3,535,890</u>	<u>2,896,879</u>	<u>6,432,769</u>
Investment Income (Loss)			
Net Appreciation in Fair Value of Investments	7,025,311	7,271,115	14,296,426
Interest Revenue	1,336,761	1,601,142	2,937,903
Investment Expense	<u>(101,434)</u>	<u>(151,879)</u>	<u>(253,313)</u>
Net Investment Income	<u>8,260,638</u>	<u>8,720,378</u>	<u>16,981,016</u>
TOTAL ADDITIONS	<u>11,796,528</u>	<u>11,617,257</u>	<u>23,413,785</u>
DEDUCTIONS			
Benefits and Refunds	3,355,817	3,273,423	6,629,240
Miscellaneous	<u>30,600</u>	<u>43,574</u>	<u>74,174</u>
TOTAL DEDUCTIONS	<u>3,386,417</u>	<u>3,316,997</u>	<u>6,703,414</u>
Net Change in Plan Net Position	<u>8,410,111</u>	<u>8,300,260</u>	<u>16,710,371</u>
Plan Net Position at Beginning of Year	<u>58,167,708</u>	<u>59,649,651</u>	<u>117,817,359</u>
Plan Net Position at End of Year	<u>\$ 66,577,819</u>	<u>\$ 67,949,911</u>	<u>\$ 134,527,730</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 2,397,870	\$ 2,397,870	\$ 2,376,050	\$ 2,301,331
Intergovernmental	151,290	151,290	149,716	149,225
Employee Contributions	885,200	885,200	855,767	863,800
Other Contributions	-	-	154,357	331,062
Total Contributions	<u>3,434,360</u>	<u>3,434,360</u>	<u>3,535,890</u>	<u>3,645,418</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	7,025,311	3,693,787
Interest Revenue	1,030,000	1,322,200	1,336,761	1,862,011
Investment Expense	(100,000)	(100,000)	(101,434)	(103,037)
Net Investment Income	<u>930,000</u>	<u>1,222,200</u>	<u>8,260,638</u>	<u>5,452,761</u>
TOTAL ADDITIONS	<u>4,364,360</u>	<u>4,656,560</u>	<u>11,796,528</u>	<u>9,098,179</u>
DEDUCTIONS				
Benefits and Refunds	3,063,830	3,356,030	3,355,817	2,993,874
Miscellaneous	32,260	32,260	30,600	22,219
TOTAL DEDUCTIONS	<u>3,096,090</u>	<u>3,388,290</u>	<u>3,386,417</u>	<u>3,016,093</u>
Net Change in Plan Net Position	<u>\$ 1,268,270</u>	<u>\$ 1,268,270</u>	8,410,111	6,082,086
Plan Net Position at Beginning of Year			<u>58,167,708</u>	<u>52,085,622</u>
Plan Net Position at End of Year			<u>\$ 66,577,819</u>	<u>\$ 58,167,708</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND
Year Ended December 31, 2013
(with comparative actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 1,672,950	\$ 1,672,950	\$ 1,648,722	\$ 1,689,069
Intergovernmental	415,720	415,720	414,146	391,445
Employee Contributions	849,970	849,970	833,245	777,945
Other Contributions	-	-	766	724
Total Contributions	<u>2,938,640</u>	<u>2,938,640</u>	<u>2,896,879</u>	<u>2,859,183</u>
Investment Income (Loss)				
Net Appreciation in Fair Value of Investments	-	-	7,271,115	3,654,094
Interest Revenue	930,000	1,031,000	1,601,142	1,543,867
Investment Expense	<u>(225,000)</u>	<u>(225,000)</u>	<u>(151,879)</u>	<u>(197,595)</u>
Net Investment Income	<u>705,000</u>	<u>806,000</u>	<u>8,720,378</u>	<u>5,000,366</u>
TOTAL ADDITIONS	<u>3,643,640</u>	<u>3,744,640</u>	<u>11,617,257</u>	<u>7,859,549</u>
DEDUCTIONS				
Benefits and Refunds	3,172,580	3,273,580	3,273,423	3,081,752
Miscellaneous	<u>44,210</u>	<u>44,210</u>	<u>43,574</u>	<u>46,804</u>
TOTAL DEDUCTIONS	<u>3,216,790</u>	<u>3,317,790</u>	<u>3,316,997</u>	<u>3,128,556</u>
Net Change in Plan Net Position	<u>\$ 426,850</u>	<u>\$ 426,850</u>	8,300,260	4,730,993
Plan Net Position at Beginning of Year			<u>59,649,651</u>	<u>54,918,658</u>
Plan Net Position at End of Year			<u>\$ 67,949,911</u>	<u>\$ 59,649,651</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2013

	Balances January 1	Additions	Deletions	Balances December 31
ALL FUNDS				
ASSETS				
Cash and Investments	\$ 15,213,746	\$ 21,829,438	\$ 24,736,716	\$ 12,306,468
Assets Held by Agents	58,754	-	-	58,754
Due from Primary Government	-	3,069,764	-	3,069,764
TOTAL ASSETS	\$ 15,272,500	\$ 24,899,202	\$ 24,736,716	\$ 15,434,986
LIABILITIES				
Due to Participants	\$ 27,654	\$ -	\$ -	\$ 27,654
Due to Primary Government	630,223	-	630,223	-
Advances from Other Funds	31,100	-	-	31,100
Due to Other Governments	-	356,104	-	356,104
Due to Other Entities	14,583,523	24,638,491	24,201,886	15,020,128
TOTAL LIABILITIES	\$ 15,272,500	\$ 24,994,595	\$ 24,832,109	\$ 15,434,986
BARRINGTON/HIGGINS TIF FUND				
ASSETS				
Cash and Investments	\$ 404,120	\$ 645,949	\$ 627,629	\$ 422,440
TOTAL ASSETS	\$ 404,120	\$ 645,949	\$ 627,629	\$ 422,440
LIABILITIES				
Due to Primary Government	\$ 81	\$ -	\$ 81	\$ -
Due to Other Entities	404,039	645,949	627,548	422,440
TOTAL LIABILITIES	\$ 404,120	\$ 645,949	\$ 627,629	\$ 422,440

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended December 31, 2013

	Balances January 1	Additions	Deletions	Balances December 31
EDA SPECIAL TAX ALLOCATION FUND				
ASSETS				
Cash and Investments	\$ 14,809,626	\$ 21,183,489	\$ 24,109,087	\$ 11,884,028
Due from Primary Government	-	3,069,764	-	3,069,764
TOTAL ASSETS	\$ 14,809,626	\$ 24,253,253	\$ 24,109,087	\$ 14,953,792
LIABILITIES				
Due to Other Entities	\$ 14,179,484	\$ 23,992,542	\$ 23,574,338	\$ 14,597,688
Due to Other Governments	-	356,104	-	356,104
Due to Primary Government	630,142	-	630,142	-
TOTAL LIABILITIES	\$ 14,809,626	\$ 24,348,646	\$ 24,204,480	\$ 14,953,792
FLEXIBLE SPENDING ACCOUNT FUND				
ASSETS				
Assets Held by Agents	\$ 58,754	-	-	\$ 58,754
TOTAL ASSETS	\$ 58,754	\$ -	\$ -	\$ 58,754
LIABILITIES				
Due to Participants	\$ 27,654	-	-	\$ 27,654
Advances from Other Funds	31,100	-	-	31,100
TOTAL LIABILITIES	\$ 58,754	\$ -	\$ -	\$ 58,754

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF INSURANCE IN FORCE
December 31, 2013

<u>Type of Coverage</u>	<u>SIR or Deductibles</u>	<u>Specific Excess Limit</u>	<u>Aggregate Excess Limit</u>	<u>Insurance Carrier</u>	<u>Expiration Date of Policy</u>
All Village property including Sears Centre					
Building & Personal Property	\$ 100,000	\$ 161,143,820	N/A	Affiliated FM	1/1/2014
Mobile Equipment	100,000	845,047	N/A	Insurance Co.	"
Earthquake	100,000	25,000,000	N/A	"	"
Flood	100,000	25,000,000	N/A	"	"
Business Income	100,000	7,500,000	N/A	"	"
General Liability:					
Premises Liability	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2014
Employee Liability, Nurse Professional	100,000	2,000,000	4,000,000	"	"
Damages to Premises Rented	-	* 100,000	100,000	"	"
Failure to Supply	100,000	* 1,000,000	1,000,000	"	"
Sexual Abuse	100,000	* 1,000,000	1,000,000	"	"
Law Enforcement	100,000	* 2,000,000	3,000,000	Alteris Public Risk	1/1/2014
Auto Liability	100,000	* 2,000,000	N/A	Alteris Public Risk	1/1/2014
Auto Physical Damage	100,000	ACV + RCV	N/A	"	"
Auto - Hired & Non-owned Liability	100,000	* 2,000,000	N/A	"	"
Employee Dishonesty, Crime	5,000	* 500,000	N/A	Hanover Insurance Co.	1/1/2014
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)	7/1/2014
Boiler and Machinery	100,000	161,143,820	N/A	Affiliated FM Insurance Co.	1/1/2014
Employment Related Practices	50,000	2,000,000	3,000,000	Alteris Public Risk	1/1/2014
Public Officials' Liability	50,000	2,000,000	3,000,000	Alteris Public Risk	1/1/2014
Healthcare/EMT	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2014
Liquor Liability (primary)	N/A	N/A	300,000	Lloyds	1/1/2014
Liquor Liability (excess)					
Pollution Legal Liability Underground Storage Tanks	5,000	1,000,000	1,000,000	Ace Insurance Company	1/1/2014
Terrorism Property + Liability					
Property - TIV	100,000	153,317,641	N/A	Hiscox Ins Co.	1/1/2014
General Liability	100,000	1,000,000	5,000,000	"	1/1/2014
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2014
Karen Mills, Deputy President	N/A	3,000	3,000	"	"
Bev Romanoff, Village Clerk	N/A	3,000	3,000	"	"
James Norris, Village Manager	N/A	5,000	5,000	"	"
Stan Helgerson, Treasurer	N/A	150,000	150,000	"	"
Police and Fire Commission Members	N/A	6,000	6,000	"	"
Excess Workers' Compensation	600,000/ 600,000 Police & Fire	Statutory	2,000,000	Safety National	12/31/2014

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

N/A - Not Applicable

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION TAXABLE BOND SERIES OF 2005A
December 31, 2013

Date of Issue	August 1, 2005
Date of Maturity	December 1, 2033
Authorized Issue	\$ 54,935,000
Denomination of Bonds	\$ 5,000
Interest Rates	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
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>\$ 46,675,000</u>	<u>\$ 30,074,663</u>	<u>\$ 76,749,663</u>		<u>\$ 15,037,334</u>		<u>\$ 15,037,329</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2008A
December 31, 2013

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
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>\$ 28,409,250</u>	<u>\$ 55,054,250</u>		<u>\$ 14,204,625</u>		<u>\$ 14,204,625</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BOND SERIES OF 2009A
December 31, 2013

Date of Issue March 17, 2009
Date of Maturity December 1, 2029
Authorized Issue \$ 30,355,000
Denomination of Bonds \$ 5,000
Interest Rates
2013 3.00%
2014 4.75%
2016 4.00%
2017 5.00%
2019 5.25%
2026 4.95%
2027 5.125%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec.1	Amount
2013	\$ 1,235,000	\$ 1,477,856	\$ 2,712,856	2014	\$ 738,928	2014	\$ 738,928
2014	1,295,000	1,419,194	2,714,194	2015	709,597	2015	709,597
2015	1,360,000	1,357,681	2,717,681	2016	678,841	2016	678,841
2016	1,410,000	1,303,281	2,713,281	2017	651,641	2017	651,641
2017	1,485,000	1,232,781	2,717,781	2018	616,391	2018	616,391
2018	1,555,000	1,158,531	2,713,531	2019	579,266	2019	579,266
2019	1,640,000	1,076,894	2,716,894	2020	538,447	2020	538,447
2020	1,725,000	990,794	2,715,794	2021	495,397	2021	495,397
2021	1,815,000	900,231	2,715,231	2022	450,116	2022	450,116
2022	1,910,000	804,944	2,714,944	2023	402,472	2023	402,472
2023	2,010,000	704,669	2,714,669	2024	352,335	2024	352,335
2024	2,115,000	599,144	2,714,144	2025	299,572	2025	299,572
2025	2,225,000	488,106	2,713,106	2026	244,053	2026	244,053
2026	2,335,000	377,969	2,712,969	2027	188,985	2027	188,985
2027	2,455,000	258,300	2,713,300	2028	129,150	2028	129,150
2028	2,585,000	132,481	2,717,481	2029	66,241	2029	66,241
	<u>\$ 29,155,000</u>	<u>\$ 14,282,856</u>	<u>\$ 43,437,856</u>		<u>\$ 7,141,428</u>		<u>\$ 7,141,428</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2013

	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	4%	4%	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	<u>868,203</u>	<u>205,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	1,601,783	401,757	1,693,397	5,009,329	5,228,265
Previous Payments	<u>1,601,783</u>	<u>401,757</u>	<u>1,693,397</u>	<u>2,426,245</u>	<u>-</u>
Adjusted Principal Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,583,084</u>	<u>\$ 5,228,265</u>

(Continued)

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	4%	4%	4%	4%	4%
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
-	-	-	10,454,022	5,052,371	4,436,458	374,989	305,809
4,800,779	4,293,238	13,147,485	22,623,266	10,300,780	8,784,366	729,024	594,529
-	-	-	22,623,266	10,300,780	8,784,366	729,024	594,529
\$ 4,800,779	\$ 4,293,238	\$ 13,147,485	\$ -	\$ -	\$ -	\$ -	\$ -

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
 TAX INCREMENT REVENUE NOTES
 December 31, 2013

	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	4%	4%	4%	4%	4%
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>2,052,166</u>	<u>307,479</u>	<u>718,767</u>	<u>1,125,771</u>	<u>524,128</u>
Sub-total	4,296,964	643,820	1,532,873	2,561,457	1,232,789
Previous Payments	<u>4,296,964</u>	<u>643,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted Principal Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,532,873</u>	<u>\$ 2,561,457</u>	<u>\$ 1,232,789</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	
4%	4%	4%	4%	4%	4%	
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	\$ 75,893,959
7,530,161	146,387	187,470	512,496	42,270	22,389	34,866,408
18,306,184	369,154	490,541	1,863,903	162,929	91,755	110,760,367
-	-	-	-	-	-	54,095,931
<u>\$ 18,306,184</u>	<u>\$ 369,154</u>	<u>\$ 490,541</u>	<u>\$ 1,863,903</u>	<u>\$ 162,929</u>	<u>\$ 91,755</u>	<u>\$ 56,664,436</u>

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.	137-146
Revenue Capacity These schedules contain more information to help the reader assess the Village's most significant local revenue source, the property tax.	147-153
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.	154-158
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.	159-161
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.	162-163

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year 2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 76,288,971	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958	\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159
Restricted	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777	11,808,484	12,287,308	8,430,181	8,705,357
Unrestricted	(191,260,938)	(179,534,956)	(202,902,550)	(187,818,909)	(182,324,268)	(118,128,995)	(84,178,176)	(68,641,607)	(52,629,530)	(40,661,610)
Total Governmental Activities	\$ (84,361,532)	\$ (72,049,633)	\$ (82,380,022)	\$ (60,366,222)	\$ (44,758,600)	\$ 11,949,740	\$ 25,065,045	\$ 40,636,947	\$ 53,101,252	\$ 67,464,906
Business-type Activities										
Net Investment in Capital Assets	\$ 22,574,239	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680	\$ 57,818,793	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663	4,738,255	4,448,586	3,224,063	4,286,249
Total Business-type Activities	\$ 31,168,945	\$ 33,181,114	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343	\$ 62,557,048	\$ 61,737,184	\$ 59,512,073	\$ 58,403,594
Primary Government										
Net Investment in Capital Assets	\$ 98,863,210	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638	\$ 155,253,530	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504
Restricted	30,610,435	25,510,851	34,581,385	34,874,359	37,276,155	25,487,777	11,808,484	12,287,308	8,430,181	8,705,357
Unrestricted	(182,666,232)	(169,922,806)	(193,674,081)	(178,361,704)	(173,919,447)	(110,353,332)	(79,439,921)	(64,193,021)	(49,405,467)	(36,375,361)
Total Primary Government	\$ (53,192,587)	\$ (38,868,519)	\$ (48,779,797)	\$ (25,888,428)	\$ (10,085,824)	\$ 76,965,083	\$ 87,622,093	\$ 102,374,131	\$ 112,613,325	\$ 125,868,500

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NET POSITION BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year 2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 76,288,971	\$ 81,974,472	\$ 85,941,143	\$ 92,578,328	\$ 100,289,513	\$ 104,590,958	\$ 97,434,737	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159
Restricted	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090	5,201,282	5,412,848	3,634,187	8,705,357
Unrestricted	20,136,069	17,632,151	(34,503,578)	(33,037,782)	(38,677,026)	7,684,075	11,536,691	14,898,200	17,139,574	16,002,826
Total Governmental Activities	\$ 98,504,786	\$ 106,913,002	\$ 58,276,990	\$ 65,554,401	\$ 69,641,018	\$ 119,009,123	\$ 114,172,710	\$ 117,302,294	\$ 118,074,362	\$ 124,129,342
Business-type Activities										
Net Investment in Capital Assets	\$ 22,574,239	\$ 23,568,964	\$ 24,371,756	\$ 25,020,589	\$ 26,267,955	\$ 57,239,680	\$ 57,838,788	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,594,706	9,612,150	9,228,469	9,457,205	8,404,821	7,775,663	4,718,260	4,448,586	3,224,063	4,286,249
Total Business-type Activities	\$ 31,168,945	\$ 33,181,114	\$ 33,600,225	\$ 34,477,794	\$ 34,672,776	\$ 65,015,343	\$ 62,557,048	\$ 61,737,184	\$ 59,512,073	\$ 58,403,594
Primary Government										
Net Investment in Capital Assets	\$ 98,863,210	\$ 105,543,436	\$ 110,312,899	\$ 117,598,917	\$ 126,557,468	\$ 161,830,638	\$ 155,273,525	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504
Restricted	2,079,746	7,306,379	6,839,425	6,013,855	8,028,531	6,734,090	5,201,282	5,412,848	3,634,187	8,705,357
Unrestricted	28,730,775	27,244,301	(25,275,109)	(23,580,577)	(30,272,205)	15,459,738	16,254,951	19,346,786	20,363,637	20,289,075
Total Primary Government	\$ 129,673,731	\$ 140,094,116	\$ 91,877,215	\$ 100,032,195	\$ 104,313,794	\$ 184,024,466	\$ 176,729,758	\$ 179,039,478	\$ 177,586,435	\$ 182,532,936

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	\$ 4,713,709	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,649,033	\$ 2,140,888	\$ 6,793,067	\$ 7,040,328	\$ 6,784,096	\$ 10,593,969
Public Safety	23,861,883	25,173,738	27,142,353	29,298,255	32,630,767	36,731,733	36,228,810	33,040,212	33,240,928	34,713,320
Higways and Streets	9,286,945	11,532,401	6,140,084	10,578,402	12,635,002	11,426,047	9,238,037	9,460,214	9,997,154	9,043,957
Sanitation	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901	1,213,277	1,211,351
Health and Welfare	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973	1,712,597	1,655,456	1,744,262	1,643,956
Culture and Recreation	229,402	226,608	239,480	251,527	277,806	234,883	237,733	241,334	339,529	360,479
Economic Development	1,406,319	1,303,688	52,011,995	16,627,938	2,156,338	4,948,669	1,989,694	2,009,349	3,086,713	2,435,172
Interest	11,971,027	11,447,448	11,696,149	9,576,815	9,560,104	6,776,076	6,721,799	5,503,426	4,974,048	3,866,269
Total Governmental Activities Expenses	53,744,895	57,253,618	110,352,064	76,101,328	68,058,418	65,270,009	64,036,567	60,066,220	61,380,007	63,868,473
Business-type Activities										
Water/Sewer	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	12,965,546	11,981,864	13,204,142	14,419,572	15,096,017
Sears Centre	-	-	-	-	-	4,800,908	8,623,330	7,666,340	7,262,839	7,188,970
Total Business-type Activities Expenses	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	17,766,454	20,605,194	20,870,482	21,682,411	22,284,987
Total Primary Government Expenses	\$ 64,004,494	\$ 67,837,677	\$ 121,406,532	\$ 87,554,650	\$ 80,423,048	\$ 83,036,463	\$ 84,641,761	\$ 80,936,702	\$ 83,062,418	\$ 86,153,460
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,093,124	1,075,793	1,133,556	1,333,707	1,361,435	2,867,632	2,960,974	3,172,718	3,162,569	3,450,495
Public Safety	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303	2,869,878	2,946,067	3,041,099	3,494,101
Higways and Streets	1,023,264	1,415,253	882,063	1,212,692	586,879	152,321	153,363	220,572	113,699	1,801,285
Sanitation	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654	1,124,851	1,129,240	1,167,784
Health and Welfare	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515	1,343,752	953,523	738,546
Culture and Recreation	493,933	513,635	571,287	593,476	579,111	530,737	521,449	548,461	623,134	709,863
Economic Development	11,093,955	12,585,713	20,107,123	19,807,712	4,036,017	165,424	173,414	231,994	147,275	149,861
Operating Grants and Contributions	1,907,357	1,918,772	1,822,158	2,129,235	1,959,997	2,436,373	2,566,593	3,581,885	2,696,996	2,562,477
Capital Grants and Contributions	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366	4,322,051	3,219,627	3,525,568
Total Governmental Activities Program Revenues	20,008,976	22,586,737	29,212,744	35,094,459	20,645,131	14,638,525	11,808,206	17,492,351	15,087,162	17,599,980

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year		2010	2011	2012	2013
					2008	2009				
Business-type Activities										
Charges for Services										
Water/Sewer	8,919,572	10,240,821	9,386,132	10,378,340	9,989,993	9,843,473	10,367,612	10,604,162	13,480,853	13,792,658
Sears Centre	-	-	-	-	-	-	2,090,426	2,450,294	1,943,834	2,003,572
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Water/Sewer	-	-	-	1,448,966	2,146,311	1,397,019	145,117	1,529,016	1,350,599	84,406
Sears Centre	-	-	-	-	-	83,960,100	-	4,950	-	20,490
Total Business-type Activities Program Revenues	8,919,572	10,240,821	9,386,132	11,827,306	12,136,304	95,200,592	12,603,155	14,588,422	16,775,286	15,901,126
Total Primary Government Program Revenues	\$ 28,928,548	\$ 32,827,558	\$ 38,598,876	\$ 46,921,765	\$ 32,781,435	\$ 109,839,117	\$ 24,411,361	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106
Net (Expense) Revenue										
Governmental Activities	\$ (33,735,919)	\$ (34,666,881)	\$ (81,139,320)	\$ (41,006,869)	\$ (47,413,287)	\$ (50,631,484)	\$ (52,228,361)	\$ (42,573,869)	\$ (46,292,845)	\$ (46,268,493)
Business-type Activities	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)
Total Primary Government Net (Expense) Revenue	\$ (35,075,946)	\$ (35,010,119)	\$ (82,807,656)	\$ (40,632,885)	\$ (47,641,613)	\$ 26,802,654	\$ (60,230,400)	\$ (48,855,929)	\$ (51,199,970)	\$ (52,652,354)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 31,996,121	\$ 17,575,496	\$ 42,130,319	\$ 35,690,272	\$ 36,232,247	\$ 33,379,672	\$ 44,460,848	\$ 38,455,279	\$ 37,109,465	\$ 36,803,822
Sales	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252	6,023,007	5,951,289	6,432,977	7,306,806
Income and Local Use	3,744,788	4,356,243	4,809,651	5,147,174	5,529,993	5,314,607	4,305,515	4,913,556	5,416,250	5,931,409
Telecommunications	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522	2,928,445	2,741,011	2,896,031	2,441,097
Real Estate Transfer	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333	366,253	419,814	917,245
Home Rule Sales	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774	3,397,574	3,312,721	3,547,063	3,777,094
Other	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216	2,197,886	1,375,898	1,615,860	2,544,559
Investment Earnings	1,547,181	2,526,601	4,312,040	2,450,774	1,768,185	1,147,987	211,216	72,689	44,671	32,737
Miscellaneous	297,218	236,165	788,180	723,047	576,648	648,653	1,119,747	3,250,112	1,520,890	3,267,367
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	167,872	-	-	-	-
Contributions	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)	162,839	(2,389,989)
Total Governmental Activities	52,295,914	46,978,780	70,808,931	62,721,402	63,020,909	107,339,823	65,343,666	58,145,571	59,165,860	60,632,147

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year		2010	2011	2012	2013
					2008	2009				
Business-type Activities										
Taxes										
Other	-	-	-	-	-	42,580	1,154,561	2,100,316	2,121,999	1,826,801
Investment Earnings	105,028	251,322	395,450	419,999	325,328	164,920	18,470	5,426	3,866	912
Miscellaneous	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808	1,063,217	1,306,800	1,057,680
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	(162,839)	2,389,989
Total Business-type Activities	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744	5,462,196	3,269,826	5,275,382
Total Primary Government	\$ 52,828,502	\$ 49,334,187	\$ 72,896,378	\$ 63,224,987	\$ 63,444,217	\$ 60,248,252	\$ 70,887,410	\$ 63,607,767	\$ 62,435,686	\$ 65,907,529
Change in Net Position										
Governmental Activities	\$ 18,559,995	\$ 12,311,899	\$ (10,330,389)	\$ 21,714,533	\$ 15,607,622	\$ 56,708,339	\$ 13,115,305	\$ 15,571,702	\$ 12,873,015	\$ 14,363,654
Business-type Activities	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)
Total Primary Government Change in Net Position	\$ 17,752,556	\$ 14,324,068	\$ (9,911,278)	\$ 22,592,102	\$ 15,802,604	\$ 87,050,906	\$ 10,657,010	\$ 14,751,838	\$ 11,235,716	\$ 13,255,175

Data Source

Audited Financial Statements

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

Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	\$ 4,713,709	\$ 4,977,318	\$ 10,482,846	\$ 6,900,227	\$ 7,429,416	\$ 1,599,021	\$ 6,448,895	\$ 6,697,689	\$ 6,434,941	\$ 10,273,677
Public Safety	23,861,883	25,173,738	27,142,353	29,298,255	29,333,107	33,108,122	32,607,837	29,181,960	29,418,704	30,876,317
Higways and Streets	9,286,945	9,994,204	4,555,019	10,113,187	12,059,057	11,187,206	9,026,571	9,303,991	9,799,549	8,892,032
Sanitation	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901	1,213,277	1,211,351
Health and Welfare	1,674,649	1,662,082	1,774,857	1,741,403	1,959,118	1,820,973	1,712,597	1,655,456	1,744,262	1,643,956
Culture and Recreation	229,402	226,608	239,480	251,527	277,806	234,883	237,733	241,334	339,529	360,479
Economic Development	1,406,319	1,303,688	52,011,995	2,008,387	1,991,344	4,334,569	1,989,694	1,918,198	2,633,690	2,290,749
Interest	978,608	2,073,221	3,895,783	3,695,876	4,322,420	2,318,891	2,807,720	2,994,525	2,847,779	2,800,180
Total Governmental Activities Expenses	42,752,476	46,341,194	100,966,633	55,135,623	58,562,518	55,794,405	55,945,877	53,109,054	54,431,731	58,348,741
Business-type Activities										
Water/Sewer	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	12,965,546	11,981,864	13,204,142	14,419,572	15,096,017
Sears Centre	-	-	-	-	-	4,800,908	8,623,330	7,666,340	7,262,839	7,188,970
Total Business-type Activities Expenses	10,259,599	10,584,059	11,054,468	11,453,322	12,364,630	17,766,454	20,605,194	20,870,482	21,682,411	22,284,987
Total Primary Government Expenses	\$ 53,012,075	\$ 56,925,253	\$ 112,021,101	\$ 66,588,945	\$ 70,927,148	\$ 73,560,859	\$ 76,551,071	\$ 73,979,536	\$ 76,114,142	\$ 80,633,728
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,093,124	1,075,793	1,133,556	1,333,707	1,361,435	2,867,632	2,960,974	3,172,718	3,162,569	3,450,495
Public Safety	1,595,498	1,811,621	2,183,630	2,959,938	3,154,367	2,811,303	2,869,878	2,946,067	3,041,099	3,494,101
Higways and Streets	601,295	838,681	728,344	1,035,978	537,754	152,321	153,363	220,572	113,699	1,801,285
Sanitation	816,056	880,637	896,554	878,948	1,009,579	1,096,277	1,072,654	1,124,851	1,129,240	1,167,784
Health and Welfare	1,285,231	1,698,013	1,616,373	2,250,535	860,461	537,732	590,515	1,343,752	953,523	738,546
Culture and Recreation	493,933	513,635	571,287	593,476	579,111	530,737	521,449	548,461	623,134	709,863
Economic Development	248,944	123,997	1,514,531	3,108,021	4,036,017	156,391	167,380	231,994	147,275	149,861
Operating Grants and Contributions	1,907,357	1,918,772	1,822,158	2,129,235	1,959,997	2,436,373	2,566,593	3,581,885	2,696,996	2,562,477
Capital Grants and Contributions	700,558	687,300	-	3,928,216	7,097,285	4,040,726	899,366	4,322,051	3,219,627	3,525,568
Total Governmental Activities Program Revenues	8,741,996	9,548,449	10,466,433	18,218,054	20,596,006	14,629,492	11,802,172	17,492,351	15,087,162	17,599,980

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year		2010	2011	2012	2013
					2008	2009				
Business-type Activities										
Charges for Services										
Water/Sewer	8,919,572	10,240,821	9,386,132	10,378,340	9,989,993	9,843,473	10,367,612	10,604,162	13,480,853	13,792,658
Sears Centre	-	-	-	-	-	-	2,090,426	2,450,294	1,943,834	2,003,572
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Water/Sewer	-	-	-	1,448,966	2,146,311	1,397,019	145,117	1,529,016	1,350,599	84,406
Sears Centre	-	-	-	-	-	83,960,100	-	4,950	-	20,490
Total Business-type Activities Program Revenues	8,919,572	10,240,821	9,386,132	11,827,306	12,136,304	95,200,592	12,603,155	14,588,422	16,775,286	15,901,126
Total Primary Government Program Revenues	\$ 17,661,568	\$ 19,789,270	\$ 19,852,565	\$ 30,045,360	\$ 32,732,310	\$ 109,830,084	\$ 24,405,327	\$ 32,080,773	\$ 31,862,448	\$ 33,501,106
Net (Expense) Revenue										
Governmental Activities	\$ (34,010,480)	\$ (36,792,745)	\$ (90,500,200)	\$ (36,917,569)	\$ (37,966,512)	\$ (41,164,913)	\$ (44,143,705)	\$ (35,616,703)	\$ (39,344,569)	\$ (40,748,761)
Business-type Activities	(1,340,027)	(343,238)	(1,668,336)	373,984	(228,326)	77,434,138	(8,002,039)	(6,282,060)	(4,907,125)	(6,383,861)
Total Primary Government Net (Expense) Revenue	\$ (35,350,507)	\$ (37,135,983)	\$ (92,168,536)	\$ (36,543,585)	\$ (38,194,838)	\$ 36,269,225	\$ (52,145,744)	\$ (41,898,763)	\$ (44,251,694)	\$ (47,132,622)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 15,754,259	\$ 16,449,238	\$ 17,842,815	\$ 17,979,463	\$ 15,911,586	\$ 17,192,444	\$ 18,489,403	\$ 18,423,634	\$ 18,274,812	\$ 18,171,218
Sales	4,960,882	5,059,287	6,332,164	6,619,848	6,990,526	5,993,252	6,023,007	5,951,289	6,432,977	7,306,806
Income and Local Use	3,744,788	4,356,243	4,809,651	5,147,174	5,529,993	5,314,607	4,305,515	4,913,556	5,416,250	5,931,409
Telecommunications	3,976,737	4,097,034	3,753,103	3,378,962	3,404,303	3,360,522	2,928,445	2,741,011	2,896,031	2,441,097
Real Estate Transfer	1,272,280	3,040,388	1,111,758	1,323,132	755,637	510,990	406,333	366,253	419,814	917,245
Home Rule Sales	1,807,230	2,659,124	3,268,927	3,476,984	3,938,726	3,472,774	3,397,574	3,312,721	3,547,063	3,777,094
Other	1,679,970	1,807,840	3,141,679	3,901,359	3,840,774	3,407,216	2,197,886	1,375,898	1,615,860	2,544,559
Investment Earnings	359,295	1,690,290	3,271,265	1,663,534	1,141,282	539,884	154,620	67,938	39,357	32,737
Miscellaneous	297,218	236,165	788,180	723,047	556,431	637,178	1,079,364	3,229,174	1,520,751	3,264,343
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	167,872	-	-	-	-
Contributions	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)	597,165	(2,305,477)
Total Governmental Activities	34,866,166	45,016,211	45,480,652	44,223,353	42,053,128	90,533,017	39,307,292	38,511,287	40,760,080	42,081,031

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal Year		2010	2011	2012	2013
					2008	2009				
Business-type Activities										
Taxes										
Other	-	-	-	-	-	42,580	1,154,561	2,100,316	2,121,999	1,826,801
Investment Earnings	105,028	251,322	395,450	419,999	325,328	164,920	18,470	5,426	3,866	912
Miscellaneous	310,810	27,455	39,832	75,251	74,250	2,619,463	4,663,808	1,063,217	1,306,800	1,057,680
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	(162,839)	2,389,989
Total Business-type Activities	532,588	2,355,407	2,087,447	503,585	423,308	(47,091,571)	5,543,744	5,462,196	3,269,826	5,275,382
Total Primary Government	\$ 35,398,754	\$ 47,371,618	\$ 47,568,099	\$ 44,726,938	\$ 42,476,436	\$ 43,441,446	\$ 44,851,036	\$ 43,973,483	\$ 44,029,906	\$ 47,356,413
Change in Net Position										
Governmental Activities	\$ 855,686	\$ 8,223,466	\$ (45,019,548)	\$ 7,305,784	\$ 4,086,616	\$ 49,368,104	\$ (4,836,413)	\$ 2,894,584	\$ 1,415,511	\$ 1,332,270
Business-type Activities	(807,439)	2,012,169	419,111	877,569	194,982	30,342,567	(2,458,295)	(819,864)	(1,637,299)	(1,108,479)
Total Primary Government Change in Net Position	\$ 48,247	\$ 10,235,635	\$ (44,600,437)	\$ 8,183,353	\$ 4,281,598	\$ 79,710,671	\$ (7,294,708)	\$ 2,074,720	\$ (221,788)	\$ 223,791

Data Source

Audited Financial Statements

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,148,877	\$ 1,360,549	\$ 1,845,666
Restricted	1,578,110	1,663,522	709,834 ^b	405,464	469,637	1,182,766 ^d	934,184	177,139	186,289	183,933
Unassigned	-	-	-	-	-	-	-	11,616,671	13,144,269	13,177,033
Unrestricted	12,079,973	14,363,833	14,302,062	13,608,472	12,370,115	9,886,577	10,455,842	-	-	-
Total General Fund	\$ 13,658,083	\$ 16,027,355	\$ 15,011,896	\$ 14,013,936	\$ 12,839,752	\$ 11,069,343	\$ 11,390,026	\$ 12,942,687	\$ 14,691,107	\$ 15,206,612
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,688	\$ 57,648	\$ 184,664
Restricted	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	8,243,892	8,521,424
Assigned	-	-	-	-	-	-	-	7,487,942	7,446,603	5,365,498
Unassigned	-	-	-	-	-	-	-	-	(4,124)	(98,405)
Unrestricted, reported in										
Special Revenue Funds	(13,215)	198,221	558,736	325,332	74,992	23,761	(2,976)	-	-	-
Debt Service Funds	-	-	-	-	-	(195,401)	(33,545)	-	-	-
Capital Project Funds	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	\$ 37,602,566	\$ 81,454,776	\$ 43,065,766	\$ 44,024,565	\$ 48,107,822	\$ 45,493,162	\$ 22,881,381	\$ 19,664,799	\$ 15,744,019	\$ 13,973,181

Notes:

^a The substantial increase in restricted 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 restricted fund balance in the General Fund for 2006 is due to the repayment of a significant portion of the interfund loan to the EDA Administration Fund.

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

^d The substantial increase in restricted fund balance in the General Fund for 2009 is due to the creation of an interfund loan from the General Fund to the Sears Centre Operating Fund.

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 40,333,960	\$ 28,591,932	\$ 52,805,630	\$ 47,135,668	\$ 47,532,198	\$ 43,308,604	\$ 52,737,336	\$ 45,643,831	\$ 44,912,765	\$ 45,783,285
Licenses and Permits	1,613,441	2,032,103	1,974,164	2,637,624	1,313,427	1,103,880	1,276,000	2,049,297	1,682,898	1,493,182
Intergovernmental	11,091,829	11,912,242	13,484,480	14,496,249	15,090,587	13,697,905	15,057,588	14,606,305	15,123,272	16,116,827
Charges for Services	15,405,160	18,388,493	23,798,042	23,441,228	5,641,614	5,906,749	6,125,486	6,703,490	6,538,068	8,481,038
Fines and Forfeitures	808,496	763,189	973,637	1,347,750	1,682,621	1,140,814	1,029,384	1,965,165	1,148,229	1,556,969
Investment Income	1,547,181	2,526,601	4,312,040	2,450,774	1,768,185	1,124,845	208,281	71,019	42,287	30,060
Miscellaneous	677,244	444,639	1,812,212	3,630,999	4,647,638	539,553	1,263,575	3,494,374	1,526,653	3,446,127
Total Revenues	71,477,311	64,659,199	99,160,205	95,140,292	77,676,270	66,822,350	77,697,650	74,533,481	70,974,172	76,907,488
Expenditures										
General Government	4,395,369	4,756,695	5,323,531	6,069,730	6,037,060	6,165,984	5,603,242	5,638,169	5,615,811	5,846,890
Public Safety	23,254,403	24,928,583	26,703,338	29,753,748	30,904,952	30,847,281	32,010,274	32,067,394	32,290,740	33,487,343
Highways and Streets	5,480,075	5,681,472	5,869,622	6,731,571	7,657,433	6,806,901	5,125,998	5,200,961	5,164,896	5,572,599
Sanitation	600,961	930,335	864,300	1,126,761	1,190,250	1,190,740	1,114,830	1,115,901	1,213,277	1,211,351
Health and Welfare	1,637,951	1,671,142	1,800,992	1,898,681	1,945,636	1,783,070	1,680,372	1,661,144	1,687,017	1,670,982
Culture and Recreation	222,720	223,112	241,172	289,403	276,335	367,578	248,571	216,819	319,509	336,655
Economic Development	1,367,588	1,295,346	1,611,713	1,596,225	2,116,346	5,037,128	1,979,069	1,999,468	3,071,913	2,418,635
Capital Outlay	2,992,795	3,827,231	56,236,459	20,642,131	19,130,399	20,339,153	12,266,812	4,313,811	4,865,388	6,928,824
Debt Service										
Principal	29,114,750	21,249,471	33,760,000	36,565,000	19,445,496	25,081,363	37,301,764	18,598,968	16,053,442	15,374,258
Interest and Other Charges	4,916,657	7,235,018	6,115,032	5,512,536	5,884,186	3,238,030	2,892,464	3,015,117	2,911,079	2,852,106
Total Expenditures	73,983,269	71,798,405	138,526,159	110,185,786	94,588,093	100,857,228	100,223,396	73,827,752	73,193,072	75,699,643
Excess (Deficiency) of Revenues over Expenditures	(2,505,958)	(7,139,206)	(39,365,954)	(15,045,494)	(16,911,823)	(34,034,878)	(22,525,746)	705,729	(2,218,900)	1,207,845
Other Financing Sources (Uses)										
Transfers In	5,291,988	3,643,861	5,518,910	5,073,630	5,557,908	8,562,880	4,536,704	5,786,586	5,607,877	4,761,322
Transfers Out	(5,333,431)	(3,741,248)	(5,564,264)	(5,109,848)	(5,637,447)	(10,697,971)	(4,302,056)	(8,156,236)	(5,561,337)	(7,224,500)
Sale of Capital Assets	61,789	62,084	6,839	123,733	85,058	167,872	-	-	-	-
Bonds Issued, at Par	6,765,000	120,335,000	-	-	19,983,750	30,355,000	-	-	-	-
Note Proceeds	-	-	-	14,619,551	69,366	-	-	-	-	-
Payment to Escrow Agent	(6,852,230)	(66,518,105)	-	-	-	-	-	-	-	-
Premium (Discount) on Issuance of Bonds	163,592	(420,904)	-	-	(237,739)	1,262,028	-	-	-	-
Total Other Financing Sources (Uses)	96,708	53,360,688	(38,515)	14,707,066	19,820,896	29,649,809	234,648	(2,369,650)	46,540	(2,463,178)
Net Change in Fund Balances	\$ (2,409,250)	\$ 46,221,482	\$ (39,404,469)	\$ (338,428)	\$ 2,909,073	\$ (4,385,069)	\$ (22,291,098)	\$ (1,663,921)	\$ (2,172,360)	\$ (1,255,333)
Debt Service as a Percentage of Noncapital Expenditures	48.26%	42.23%	48.85%	47.47%	31.92%	46.95%	22.42%	31.92%	28.08%	24.95%

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
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	516,387,551	2,401,425,020	0.820	7,204,275,060	33.333%
2009	1,284,024,644	440,752,860	187,250,761	94,827	425,119,346	2,337,242,438	0.888	7,011,727,314	33.333%
2010	1,148,816,831	395,150,291	195,331,416	94,827	402,454,268	2,141,847,633	0.986	6,425,542,899	33.333%
2011	1,063,328,132	337,154,068	153,170,261	94,827	324,518,768	1,878,266,056	1.116	5,634,798,168	33.333%
2012	973,021,897	307,388,195	144,884,600	94,827	313,919,377	1,739,308,896	1.224	5,217,926,688	33.333%
2013	(B)								

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

(B) 2013 detail valuations and Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the Cook and Kane County Clerks

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
SCHAUMBURG TOWNSHIP

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates (A)										
General	0.646	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.118	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	
Police Pension	0.096	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	
Firefighters Pension	0.076	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	
Total Direct Rate	0.936	0.901	0.910	0.820	0.820	0.888	0.986	1.116	1.224	
Overlapping Rates										
School District #54	3.106	3.003	3.104	2.582	2.559	2.592	2.996	3.196	3.578	
Palatine Twp. H.S. #211	2.158	2.191	2.261	1.972	1.928	1.916	2.204	2.482	2.772	
Junior College District #512	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	
Forest Preserve District of Cook County	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	
Sub. T.B. Sanitarium	0.001	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	
Schaumburg Township Library District	0.285	0.277	0.287	0.256	0.254	0.258	0.295	0.321	0.331	
Township of Schaumburg (All Funds)	0.101	0.100	0.104	0.089	0.089	0.092	0.110	0.125	0.137	
Metropolitan Sanitary District of Greater Chicago	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	
Northwest Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	
Hoffman Estates Park District	0.498	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	
Consolidated Elections	0.000	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	8.373	8.167	8.286	7.181	7.046	7.150	8.108	8.970	9.975	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.2%	11.0%	11.0%	11.4%	11.6%	12.4%	12.2%	12.4%	12.3%	

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

(B) 2013 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

BARRINGTON TOWNSHIP

Last Ten Levy Years

Tax Levy Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates (A)										
General	0.646	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.118	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	
Police Pension	0.096	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	
Firefighters Pension	0.076	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	
Total Direct Rate	0.936	0.901	0.910	0.820	0.820	0.887	0.986	1.116	1.224	
Overlapping Rates										
Unit School District #220	3.456	3.348	3.460	3.148	2.982	3.036	3.343	3.788	4.292	
Junior College District #512	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	
Forest Preserve District of Cook County	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	
Sub. T.B. Sanitarium	0.001	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.201	0.166	0.180	0.166	0.157	0.157	0.172	0.195	0.223	
Township of Barrington (All Funds)	0.030	0.028	0.027	0.023	0.022	0.022	0.023	0.026	0.029	
Metropolitan Sanitary District of Greater Chicago	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	
Northwest Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	
Hoffman Estates Park District	0.498	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	
Consolidated Elections	0.000	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Lake County Tax Obj Ct Ord-220	0.000	0.000	0.065	0.053	0.052	0.078	0.080	0.088	0.136	
Total Tax Rate per \$100 of Assessed Valuation	6.410	6.138	6.262	5.672	5.429	5.584	6.121	6.943	7.837	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	14.6%	14.7%	14.5%	14.5%	15.1%	15.9%	16.1%	16.1%	15.6%	

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

(B) 2013 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates (A)										
General	0.646	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.118	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	
Police Pension	0.096	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	
Firefighters Pension	0.076	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	
Total Direct Rate	0.936	0.901	0.910	0.820	0.820	0.887	0.986	1.116	1.224	
Overlapping Rates										
School District #15	2.925	2.840	2.763	2.435	2.385	2.307	2.603	2.943	3.269	
Palatine Twp. H.S. #211	2.158	2.191	2.261	1.972	1.928	1.916	2.204	2.482	2.772	
Junior College District #512	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	
Forest Preserve District of Cook County	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	
Sub. T.B. Sanitarium	0.001	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	
Palatine Public Library	0.280	0.271	0.280	0.246	0.240	0.229	0.198	0.222	0.248	
Township of Palatine (All Funds)	0.116	0.114	0.120	0.107	0.106	0.103	0.119	0.135	0.145	
Metropolitan Sanitary District of Greater Chicago	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	
Northwest Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	
Hoffman Estates Park District	0.498	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	
Consolidated Elections	0.000	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Tax Rate per \$100 of Assessed Valuation	8.202	8.012	7.954	7.042	6.875	6.846	7.627	8.628	9.591	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	11.4%	11.2%	11.4%	11.6%	11.9%	13.0%	12.9%	12.9%	12.8%	

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

(B) 2013 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Village Direct Rates (A)										
General	0.646	0.625	0.628	0.566	0.565	0.576	0.645	0.762	0.831	(B)
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.118	0.109	0.104	0.091	0.084	0.083	0.091	0.102	0.111	
Police Pension	0.096	0.094	0.102	0.094	0.095	0.124	0.134	0.145	0.166	
Firefighters Pension	0.076	0.073	0.075	0.069	0.075	0.105	0.116	0.107	0.116	
Total Direct Rate	0.936	0.901	0.910	0.820	0.820	0.887	0.986	1.116	1.224	
Overlapping Rates										
Unit School District #220	3.456	3.348	3.460	3.148	2.982	3.036	3.343	3.788	4.292	
Junior College District #512	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	
Forest Preserve District of Cook County	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	
Sub. T.B. Sanitarium	0.001	0.005	0.005	0.000	0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library District	0.318	0.304	0.310	0.367	0.357	0.350	0.394	0.449	0.515	
Township of Hanover (All Funds)	0.242	0.237	0.250	0.224	0.223	0.218	0.248	0.286	0.324	
Metropolitan Sanitary District of Greater Chicago	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	
Northwest Mosquito Abatement District	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	
Hoffman Estates Park District	0.498	0.478	0.477	0.420	0.414	0.413	0.465	0.521	0.585	
Consolidated Elections	0.000	0.014	0.000	0.012	0.000	0.021	0.000	0.025	0.000	
County of Cook	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Comm. Mental Health Facility and Service District	0.036	0.035	0.037	0.033	0.033	0.033	0.038	0.044	0.050	
Lake County Tax Obj Ct Ord-220	0.000	0.000	0.065	0.053	0.052	0.078	0.080	0.088	0.136	
Total Tax Rate per \$100 of Assessed Valuation	6.775	6.520	6.652	6.107	5.863	6.006	6.606	7.501	8.474	
Share of Total Tax Rate Levied by the Village of Hoffman Estates	13.8%	13.8%	13.7%	13.4%	14.0%	14.8%	14.9%	14.9%	14.4%	

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

(B) 2013 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	2012 Tax Levy			2003 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	\$ 153,664,785	1	8.83%	\$ 260,683,986	1	17.37%
AT&T Lease & SBC Ameritech	111,279,360	2	6.40%	142,213,743	2	9.48%
Property Tax Advisors				36,266,575	3	2.42%
Town Management Corporation				21,735,036	4	1.45%
W 2001 VHE LLC	19,567,624	3	1.13%			
Stonegate Properties	16,034,644	4	0.92%	18,330,363	5	1.22%
Yavitski LLC	15,711,789	5	0.90%			
Park Place Apartments				14,591,548	6	0.97%
Lincoln Property	15,334,004	6				
TransAmerica	13,589,123	7	0.78%	13,944,404	7	0.93%
Alexian Brothers Health System	13,257,779	8	0.76%			
American Heritage	11,204,576	9	0.64%			
Winegarner & Hammons	10,467,553	10	0.60%			
Siemens Medical System				10,171,617	8	0.68%
Autumn Chase Apartments				9,962,163	9	0.66%
Claire's Boutiques Inc.				9,578,791	10	0.64%
	<u>\$ 380,111,237</u>		<u>21.85%</u>	<u>\$ 537,478,226</u>		<u>35.82%</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
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%	203,406	16,629,004	97.99%
2010	17,136,948	16,498,732	96.28%	89,247	16,587,979	96.80%
2011	17,340,949	17,020,527	98.15%	59,979	17,080,506	98.50%
2012	17,442,448	16,907,162	96.93%	-	16,907,162	96.93%
2013	18,286,478	(A)				

(A) Collections for the 2013 Tax Levy Year will not be received until fiscal year 2014.

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			
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	-	25,683	245,848,054	14.3%	4,861
2010	54,413,750	-	99,304,684	-	57,196,250	-	21,083	210,935,767	12.5%	4,065
2011	51,803,750	-	85,819,617	-	55,966,250	-	16,483	193,606,100	11.7%	3,731
2012	50,338,750	-	73,353,944	-	54,681,250	-	11,883	178,385,827	10.2%	3,437
2013	49,908,571	-	60,249,276	-	53,122,019	-	7,283	163,287,149	9.4%	3,146

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 159 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
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	1.11%	1,578.66
2009	57,768,750	4,354,605	53,414,145	0.76%	1,056.18
2010	54,413,750	2,581,577	51,832,173	0.81%	998.79
2011	51,803,750	1,542,308	50,261,442	0.89%	968.52
2012	50,338,750	853,148	49,485,602	0.95%	953.57
2013	49,908,571	633,706	49,274,865	0.84%	949.51

(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.

Buisenss Type has not been included as it is not paid through debt service or property taxes

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 147 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2013

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	\$ 110,157,847	100.000%	\$ 110,157,847
Dundee Township	6,665,000	0.104%	6,932
Dundee Township Park District	2,521,730	0.104%	2,623
Hoffman Estates Park District	10,385,000	93.862%	9,747,569
Palatine Park District	10,600,000	2.864%	303,584
South Barrington Park District	166,257	0.036%	60
Schools			
District No. 211	16,430,000	12.927%	2,123,906
District No. 15	23,472,136	8.587%	2,015,552
District No. 220	65,745,000	9.168%	6,027,502
District No. 300	309,562,140	1.324%	4,098,603
District No. 46	287,505,996	3.115%	8,955,812
Junior College District No. 512	175,310,000	6.331%	11,098,876
Junior College District No. 509	199,330,329	1.996%	3,978,633
Metropolitan Water Reclamation District	2,481,971,593	1.070%	26,557,096
Cook County including Forest Preserve District	3,703,360,000	1.048%	38,811,213
Kane County including Forest Preserve District	183,760,866	0.013%	23,889
Gail Borden Library District	18,615,000	5.482%	1,020,474
Poplar Creek Library District	20,090,000	5.211%	1,046,890
	<u>7,515,491,047</u>		<u>115,819,213</u>
	<u>\$ 7,625,648,894</u>		<u>\$ 225,977,060</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, 2013

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

PLEGDED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds							Tax Increment Financing Notes			
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Debt Service		Coverage ^a	Incremental Property Taxes	Debt Service		Coverage
					Principal	Interest			Principal	Interest	
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
2012	8,421,354	(9,558,246)	(3,500)	(1,140,392)	-	-	N/A	14,588,442	14,588,442	-	1.00
2013	9,802,210	(9,385,159)	(1,500)	415,551	-	-	N/A	14,174,258	14,174,258	-	1.00

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
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
2012	51,895	1,746,941,385	33,663	6.8
2013	51,895	1,736,199,120	33,456	6.1

Data Sources

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

(2) Illinois Bureau of Employment Security

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings	6,200	1	11.9%	6,000	1	11.9%
St. Alexius Medical Center	1,900	2	3.7%	1,500	3	3.0%
AT&T (Ameritech)	1,200	3	2.3%	2,700	2	5.3%
GE Capital Services	800	4	1.5%	-		
TransAmerica				800	4	1.6%
Automated Data Processing	600	5	1.2%	600	5	1.2%
Siemens Medical Systems	500	6	1.0%	556	6	1.1%
Liberty Mutual	400	7	0.8%			
Village of Hoffman Estates	357	8	0.7%	384	8	0.8%
CBI Distributing Corp (Claire's)	350	9	0.7%	400	7	0.8%
Leopardo Companies, Inc.	300	10	0.6%			
Hartford Computer Group, Inc.				300	9	0.6%
Bosch Rexroth Corporations				220	10	0.4%
Total	<u>12,607</u>			<u>13,460</u>		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Management Services	25	25	26	29	29	27	25	24	25	24
Finance	15	15	15	16	16	15	14	14	14	14
Public Safety										
Police										
Officers	95	94	97	99	101	96	92	92	91	92
Civilians	24	24	24	25	25	23	23	20	20	20
Fire										
Firefighters and officers	98	98	100	103	113	102	101	94	94	99
Civilians	4	5	5	4	3	3	3	3	3	3
Highways and Streets										
Administration	3	3	3	4	3	3	3	3	3	3
Engineering	11	11	11	12	11	9	8	9	9	9
Street Maintenance	70	70	72	73	75	71	71	66	66	66
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	23	23	24	24	25	19	19	18	18	18
Culture and Recreation	2	2	2	1	2	2	2	2	2	2
Economic Development	10	10	9	10	9	8	7	7	7	8
Total	380	380	388	399	413	377	368	352	352	358

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Physical arrests	2,008	1,956	2,838	2,418	2,360	2,259	1,985	1,661	1,407	1,713
Parking violations	5,553	6,321	8,750	8,503	9,608	8,336	3,138	2,262	2,613	4,147
Traffic violations	16,189	17,765	18,834	12,641	18,700	18,111	20,638	17,614	15,175	19,186
Fire										
Emergency responses	2,860	2,994	4,984	5,276	5,414	5,272	5,653	5,419	5,415	4,012
Fire/Miscellaneous responses	1,731	1,758	1,751	1,721	1,956	1,670	1,678	1,802	1,645	1,372
Inspections	3,023	2,923	3,415	3,136	3,282	2,006	1,835	2,130	2,844	2,283
Public Works										
Vehicles Maintained by Dept	178	182	191	201	230	223	227	225	225	225
Street reconstruction (miles)	1.5	1.4	1.8	2.0	0.5	0.3	0.3	1.0	1.4	1.4
Street resurfacing (miles)	7.1	2.5	5.2	3.4	4.3	4.8	1.3	1.6	2.4	-
Water										
New connections	224	237	200	227	54	16	12	12	10	16
Water main breaks	23	45	41	66	53	42	63	65	112	65
Average daily consumption	5,346,751	5,829,000	5,318,000	5,349,000	5,082,000	5,258,000	4,984,000	4,907,000	5,143,000	4,778,000
Peak daily consumption	12,586,000	11,478,000	8,653,000	9,885,000	8,417,000	10,388,000	7,481,000	8,554,000	8,377,000	7,458,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	42	47	47	51	51	53	54	53	56
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	9	9	9	10	12	11	11	11	11	11
Public Works										
Miles of Streets	142	145	145	157	158	158	158	158	158	158
Streetlights	2,196	2,246	2,261	2,261	2,261	2,388	2,388	2,464	2,512	2,512
Traffic signals	2	2	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	221	224	226	228	232	232	233	235	247	257
Fire hydrants	2,727	2,775	2,815	2,854	2,926	2,827	2,827	3,076	3,084	3,092
Storage capacity (gallons)	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	9,820,000	11,720,000	11,820,000	11,820,000	11,820,000
Wastewater										
Sanitary sewers (miles)	172	173	175	176	179	176	179	201	201	201
Storm sewers (miles)	N/A	N/A	N/A	N/A	10	11	11	145	145	156

N/A - Data was not available.

Data Source

Various Village Departments

Village of Hoffman Estates, Illinois
Continuing Disclosure Undertaking for the Fiscal Year Ended
December 31, 2013

"Annual Report"

Prepared by:
Finance Department
Rachel Musiala, Director of Finance
847-882-9100

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assets						
Cash and Investments	\$10,574,805	\$7,596,239	\$6,014,780	\$7,892,228	\$11,370,920	\$15,278,521
Receivables:						
Property Taxes	13,456,391	16,194,251	18,284,432	15,734,333	15,625,569	16,481,760
Accounts	121,345	170,362	214,524	164,719	157,192	168,009
Accrued Interest	15,984	322	-	187	5,431	1,769
Other	807,566	789,802	1,054,720	1,752,822	1,904,501	2,441,989
Prepaid Items	63,294	1,386	52,253	115,656	129,796	122,778
Inventory	216,620	194,019	161,322	156,286	147,335	140,181
Due from Other Governments	3,900,678	4,748,143	4,993,233	4,848,393	4,939,041	4,926,237
Due from Other Funds	2,646,552	931,939	317,618	428,480	365,152	189,746
Due from Fiduciary Funds	112,976	252,745	882,861	721,814	630,223	-
Advance to Other Funds	-	796,291	550,180	600,000	-	-
Advance to Fiduciary Funds	5,000	-	-	31,100	31,100	31,100
Total Assets	<u>\$31,921,211</u>	<u>\$31,675,499</u>	<u>\$32,525,923</u>	<u>\$32,446,018</u>	<u>\$35,306,260</u>	<u>\$39,782,090</u>
Liabilities						
Accounts Payable	\$1,752,815	\$1,486,298	\$1,230,311	\$1,246,047	\$1,597,577	\$1,641,295
Accrued Payroll	1,325,720	642,542	467,968	459,475	537,830	866,017
Current Compensated Absences	-	-	216,739	-	-	-
Deferred Revenues	14,440,946	17,124,924	16,500,482	16,668,859	16,838,892	17,921,390
Due to Other Funds	87,799	-	163,869	83,009	444,434	20,700
Due to Fiduciary Funds	5,906	-	934,134	62,748	130,597	3,069,764
Deposits Payable	1,468,273	1,352,392	1,622,394	983,193	1,065,823	1,056,312
Total Liabilities	<u>\$19,081,459</u>	<u>\$20,606,156</u>	<u>\$21,135,897</u>	<u>\$19,503,331</u>	<u>\$20,615,153</u>	<u>\$24,575,478</u>
Fund Balances						
Nonspendable for Prepaid Items	\$63,294	\$1,386	\$52,253	\$115,656	\$129,796	\$122,778
Nonspendable for Inventory	216,620	194,019	161,322	156,286	147,335	140,181
Nonspendable for Insurance Deposits	-	-	-	876,935	1,083,418	1,582,687
Reserved for Advances to Other Funds	5,000	796,291	550,180	600,000	-	-
Restricted for Public Safety	114,324	126,964	98,502	91,786	99,590	98,179
Restricted for Employee Loan Program	70,399	64,106	71,927	85,353	86,699	85,754
Reserved for Compensated Absences	-	-	216,739	-	-	-
Unassigned	12,370,115	9,886,577	10,239,103	11,893,606	13,144,269	13,177,033
Total Equity and Credits	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,390,026</u>	<u>\$13,819,622</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>
 Total Liabilities, Equity and Other Credits	 <u>\$31,921,211</u>	 <u>\$31,675,499</u>	 <u>\$32,525,923</u>	 <u>\$33,322,953</u>	 <u>\$35,306,260</u>	 <u>\$39,782,090</u>

Sources Comprehensive Annual Financial Reports, FY 2008 - 2013

Village of Hoffman Estates
General Fund Revenues & Expenditures

Fiscal Years Ended December 31

	2008	2009	2010	2011	2012	2013	Budget 2014
Revenues:							
Taxes	\$22,702,394	\$22,629,437	\$23,526,451	\$23,543,577	\$24,231,961	\$24,417,385	\$29,804,320
Licenses and Permits	1,313,427	1,103,880	1,276,000	2,049,297	1,682,898	1,493,182	1,126,500
Intergovernmental	13,474,956	11,670,548	12,101,914	12,019,865	12,856,322	14,386,548	14,329,520
Charges for Services	4,566,938	4,483,868	4,830,580	6,269,750	6,329,978	6,460,905	6,693,740
Fines and Forfeits	1,451,980	966,369	884,908	806,084	905,297	1,323,962	1,149,500
Investment Income	345,136	56,881	37,508	23,016	16,089	15,720	14,050
Miscellaneous	602,449	246,975	501,131	3,334,574	788,354	1,282,025	1,152,390
Total Revenues	<u>\$44,457,280</u>	<u>\$41,157,958</u>	<u>\$43,158,492</u>	<u>\$48,046,163</u>	<u>\$46,810,899</u>	<u>\$49,379,727</u>	<u>\$54,270,020</u>
Expenditures:							
General Government	\$5,817,443	\$5,352,058	\$5,259,070	\$5,295,530	\$5,432,808	\$5,526,598	\$6,237,190
Public Safety	27,011,405	26,913,669	28,239,314	28,034,071	27,926,905	29,391,729	33,755,840
Highways and Streets	6,261,272	5,471,434	4,896,159	4,961,989	4,903,380	5,349,853	7,320,660
Sanitation	-	-	-	1,115,901	1,213,277	1,211,351	1,374,500
Health and Welfare	1,945,636	1,783,070	1,680,372	1,661,144	1,687,017	1,670,982	1,751,900
Culture and Recreation	276,335	367,578	248,571	216,819	319,509	336,655	362,400
Economic Development	1,932,884	1,808,471	1,783,336	1,792,813	1,850,716	2,167,472	2,442,980
Miscellaneous	-	-	-	-	-	-	-
Total Expenditures	<u>\$43,244,975</u>	<u>\$41,696,280</u>	<u>\$42,106,822</u>	<u>\$43,078,267</u>	<u>\$43,333,612</u>	<u>\$45,654,640</u>	<u>\$53,245,470</u>
Excess (Deficiency) of Revenues Over Exp	\$1,212,305	(\$538,322)	\$1,051,670	\$4,967,896	\$3,477,287	\$3,725,087	\$1,024,550
Other Financing Sources (Uses)	<u>(\$2,386,489)</u>	<u>(\$1,232,087)</u>	<u>(\$730,987)</u>	<u>(\$3,475,963)</u>	<u>(\$1,728,867)</u>	<u>(\$3,209,582)</u>	<u>(\$2,543,940)</u>
Net Change in Fund Balance	(1,174,184)	(1,770,409)	320,683	1,491,933	1,748,420	515,505	(1,519,390)
Fund Balance, January 1	<u>\$14,013,936</u>	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,450,754</u>	<u>\$12,942,687</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>
Ending Fund Balance	<u>\$12,839,752</u>	<u>\$11,069,343</u>	<u>\$11,390,026</u>	<u>\$12,942,687</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>	<u>\$13,687,222</u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2008 - 2013; Budget, Fiscal Year 2014

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

	2008	2009	2010	2011	2012	2013
Governmental Fund Types:						
General Fund	\$12,839,752	\$11,069,343	\$11,390,026	\$12,942,687	\$14,691,107	\$15,206,612
Special Revenue Funds:						
Motor Fuel Tax Fund	137,107	91,469	198,055	1,423,852	1,386,956	1,984,638
Com. Development Block Grant Fund	1	1	1	1	1	1
Asset Seizure Fund	128,209	152,689	158,675	154,917	110,857	128,855
Econ. Dev. Area Admin.	453,451	714,816	2,297,881	1,578,070	1,136,075	1,200,413
E911	924,651	888,747	370,297	84,434	81,780	78,141
Roselle Rd TIF	2,126,206	538,050	1,414,888	1,876,819	994,710	982,195
Municipal Waste	126,568	69,366	60,728	-	-	-
Higgins/Hassell Road TIF	-	-	-	-	-	(9,924)
Total Special Revenue	\$3,896,193	\$2,455,138	\$4,500,525	\$5,118,093	\$3,710,379	\$4,364,319
Debt Service Funds	\$28,505,183	\$18,143,679	\$2,621,337	\$1,542,308	\$853,148	\$633,706
Capital Project Funds	15,706,446	24,894,345	15,759,519	13,004,398	11,180,492	8,975,156
Total Governmental	\$60,947,574	\$56,562,505	\$34,271,407	\$32,607,486	\$30,435,126	\$29,179,793
Proprietary Fund Types:						
Waterworks and Sewerage	\$34,672,776	\$32,162,906	\$30,849,097	\$29,769,678	\$29,828,640	\$28,209,568
Sears Centre	-	32,852,437	31,707,951	31,967,506	29,683,433	30,194,026
Insurance	599,874	429,802	326,833	1,028,441	1,303,876	1,694,670
Information Systems	570,450	373,820	514,530	642,127	698,037	651,548
Total Proprietary	\$35,843,100	\$65,818,965	\$63,398,411	\$63,407,752	\$61,513,986	\$60,749,812
Fiduciary Fund Types:						
Expendable Trust Funds	-	-	-	-	-	-
Pension Trust:						
Police Pension	\$40,439,193	\$46,170,267	\$52,092,944	\$52,085,622	\$58,167,708	\$66,577,819
Firefighters' Pension	43,975,311	48,459,349	54,429,934	54,918,658	59,649,651	67,949,911
Total Fiduciary	\$84,414,504	\$94,629,616	\$106,522,878	\$107,004,280	\$117,817,359	\$134,527,730
 <i>Total All Funds (Memo Only)</i>	 \$181,205,178	 \$217,011,086	 \$204,192,696	 \$203,019,518	 \$209,766,471	 \$224,457,335

Sources Comprehensive Annual Financial Reports, FY 2008 - 2013

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

As of December 31

	2008	2009	2010	2011	2012	2013
General Fund	\$10,574,805	\$7,596,239	\$6,014,780	\$7,892,228	\$11,370,920	\$15,278,521
Special Revenue Funds	4,585,577	3,038,268	5,788,453	5,481,475	4,251,158	4,503,811
Debt Service - GO Bonds	4,192,144	4,616,286	2,650,611	1,376,749	816,498	548,560
Debt Service - EDA Related	24,475,971	13,833,257	39,760	38,317	36,861	36,876
Total Debt Service Funds	\$28,668,115	\$18,449,543	\$2,690,371	\$1,415,066	\$853,359	\$585,436
Capital Project Funds	\$18,167,827	\$24,472,630	\$11,691,292	\$9,875,080	\$9,163,928	\$10,105,115
Capital Projects - EDA, Series 1991	4,517,254	4,287,319	4,238,130	4,189,109	3,451,564	3,480,334
Total Capital Project Funds	\$22,685,081	\$28,759,949	\$15,929,422	\$14,064,189	\$12,615,492	\$13,585,449
Waterworks and Sewerage	\$12,696,513	\$8,679,680	\$5,119,462	\$2,427,840	\$1,315,923	\$1,268,610
Sears Centre	-	770,078	2,772,582	4,319,654	2,281,964	2,735,416
Total Enterprise Funds	\$12,696,513	\$9,449,758	\$7,892,044	\$6,747,494	\$3,597,887	\$4,004,026
Insurance	\$2,098,246	\$1,840,307	\$1,834,891	\$1,874,941	\$2,131,445	\$2,496,362
Information Systems	655,694	121,176	302,410	484,889	589,363	664,825
Total Internal Service Funds	\$2,753,940	\$1,961,483	\$2,137,301	\$2,359,830	\$2,720,808	\$3,161,187
Pension Funds	\$2,541,339	\$2,905,028	\$3,893,073	\$1,887,547	\$1,588,874	\$1,691,146
All Other Funds	13,170,550	25,620,650	18,960,647	15,559,991	15,213,746	12,306,468
Total	\$97,675,920	\$97,780,918	\$63,306,091	\$55,407,820	\$52,212,244	\$55,116,044

Sources Comprehensive Annual Financial Reports, FY 2008 - 2013

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

Revenues	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Property Taxes	\$9,563,610	\$10,276,657	\$10,636,766	\$11,002,303	\$11,645,093	\$11,518,518
Sales Tax	6,990,526	6,069,966	6,026,619	5,957,084	6,396,370	7,131,620
Home Rule Sales tax	3,938,726	3,508,616	3,406,116	3,319,905	3,529,589	3,694,907
Local Use Tax	748,732	614,640	665,122	751,257	810,403	877,758
State Income Tax	4,781,261	3,991,678	4,350,948	4,154,694	4,600,918	5,004,310
Licenses and Permits	1,313,427	1,103,879	1,276,000	1,781,831	1,605,297	1,416,469
Charges for Services	4,566,938	4,483,869	4,830,580	6,345,366	6,213,449	6,515,916
Fines and Forfeits	1,451,980	941,060	884,908	776,084	877,407	1,297,773
Investment Income	345,136	56,866	37,508	23,010	16,089	15,722
Hotel Tax	1,263,922	923,549	1,005,562	1,064,607	1,209,627	1,161,494
Real Estate Transfer Tax	755,637	510,990	406,333	366,253	419,814	917,245
Telecommunications Tax	3,404,303	3,119,398	2,919,649	2,760,859	2,885,633	2,495,732
All Other	5,349,802	5,565,084	7,308,502	10,122,910	6,688,350	7,524,680
Total Revenue.....	<u>\$44,474,000</u>	<u>\$41,166,252</u>	<u>\$43,754,612</u>	<u>\$48,426,163</u>	<u>\$46,898,039</u>	<u>\$49,572,144</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2013

	Outstanding <u>Bonds</u>	<u>Applicable to Village</u> <u>Percentage</u>	<u>Amount</u>
Direct Debt			
General Obligation Bonds Outstanding	\$49,138,750	100.0%	\$49,138,750
Overlapping Debt			
Cook County	\$3,703,360,000	1.048%	\$38,811,213
Metropolitan Water Reclamation District	2,481,971,593	1.070%	26,557,096
Kane County	183,760,866	0.013%	23,889
Dundee Township	6,665,000	0.104%	6,932
Dundee Township Park District	2,521,730	0.104%	2,623
Hoffman Estates Park District	10,385,000	93.862%	9,747,569
Palatine Park District	10,600,000	2.864%	303,584
South Barrington Park District	166,257	0.036%	60
Gail Borden Public Library District	18,615,000	5.482%	1,020,474
Poplar Creek Library District	20,090,000	5.211%	1,046,890
Schaumburg Township Library District	-	0.000%	-
School District #15	23,472,136	8.587%	2,015,552
Community Unit School District #46	287,505,996	3.115%	8,955,812
Community Unit School District #220	65,745,000	9.168%	6,027,502
Community Unit School District #300	309,562,140	1.324%	4,098,603
High School District #211	16,430,000	12.927%	2,123,906
Community College #509	199,330,329	1.996%	3,978,633
Community College #512	175,310,000	6.331%	<u>11,098,876</u>
			\$115,819,213
Total Direct and Overlapping General Obligation Bonded Debt			\$164,957,963

Source: Cook and Kane County Clerk's Offices

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

As of December 31, 2013

Year Ended (December 1)	Series 2005A Bonds			Series 2008A & 2009A Bonds			Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
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	2,340,012	3,895,012	1,360,000	2,689,931	4,049,931	2,915,000	5,029,943	7,944,943
2017	1,635,000	2,261,485	3,896,485	1,410,000	2,635,531	4,045,531	3,045,000	4,897,016	7,942,016
2018	1,720,000	2,177,283	3,897,283	1,485,000	2,565,031	4,050,031	3,205,000	4,742,314	7,947,314
2019	1,810,000	2,087,842	3,897,842	1,555,000	2,490,781	4,045,781	3,365,000	4,578,623	7,943,623
2020	1,905,000	1,992,818	3,897,818	1,640,000	2,409,144	4,049,144	3,545,000	4,401,962	7,946,962
2021	2,005,000	1,892,805	3,897,805	1,725,000	2,323,044	4,048,044	3,730,000	4,215,849	7,945,849
2022	2,110,000	1,787,542	3,897,542	1,815,000	2,232,481	4,047,481	3,925,000	4,020,023	7,945,023
2023	2,225,000	1,674,130	3,899,130	1,910,000	2,137,194	4,047,194	4,135,000	3,811,324	7,946,324
2024	2,345,000	1,554,536	3,899,536	2,010,000	2,036,919	4,046,919	4,355,000	3,591,455	7,946,455
2025	2,470,000	1,428,492	3,898,492	2,115,000	1,931,394	4,046,394	4,585,000	3,359,886	7,944,886
2026	2,600,000	1,295,730	3,895,730	2,225,000	1,820,356	4,045,356	4,825,000	3,116,086	7,941,086
2027	2,740,000	1,155,330	3,895,330	2,335,000	1,710,219	4,045,219	5,075,000	2,865,549	7,940,549
2028	2,890,000	1,007,370	3,897,370	2,455,000	1,590,550	4,045,550	5,345,000	2,597,920	7,942,920
2029	3,045,000	851,310	3,896,310	2,585,000	1,464,731	4,049,731	5,630,000	2,316,041	7,946,041
2030	3,210,000	686,880	3,896,880	2,415,000	1,332,250	3,747,250	5,625,000	2,019,130	7,644,130
2031	3,385,000	513,540	3,898,540	2,540,000	1,211,500	3,751,500	5,925,000	1,725,040	7,650,040
2032	3,565,000	330,750	3,895,750	2,665,000	1,084,500	3,749,500	6,230,000	1,415,250	7,645,250
2033	2,560,000	138,240	2,698,240	2,795,000	951,250	3,746,250	5,355,000	1,089,490	6,444,490
2034	-	-	-	2,935,000	811,500	3,746,500	2,935,000	811,500	3,746,500
2035	-	-	-	3,085,000	664,750	3,749,750	3,085,000	664,750	3,749,750
2036	-	-	-	3,240,000	510,500	3,750,500	3,240,000	510,500	3,750,500
2037	-	-	-	3,400,000	348,500	3,748,500	3,400,000	348,500	3,748,500
2038	-	-	-	3,570,000	178,500	3,748,500	3,570,000	178,500	3,748,500
	<u>\$46,675,000</u>	<u>\$30,074,663</u>	<u>\$76,749,663</u>	<u>\$55,800,000</u>	<u>\$42,692,106</u>	<u>\$98,492,106</u>	<u>\$102,475,000</u>	<u>\$72,766,769</u>	<u>\$175,241,769</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2011 v.</u> <u>2012</u>	<u>2012 v.</u> <u>2013</u>
January	October	\$ 614,831	\$ 505,056	\$ 499,781	\$ 567,696	\$ 610,243	\$ 660,488	7%	8%
February	November	567,087	581,207	493,847	413,811	446,201	511,352	8%	15%
March	December	651,535	609,438	576,980	490,093	481,233	491,260	-2%	2%
April	January	537,730	468,904	417,113	555,394	511,652	601,655	-8%	18%
May	February	527,687	428,140	475,153	491,400	544,604	562,580	11%	3%
June	March	572,460	542,983	484,646	469,329	535,285	582,458	14%	9%
July	April	609,868	490,141	460,764	528,513	522,335	559,356	-1%	7%
August	May	585,116	506,613	498,893	463,544	529,665	619,615	14%	17%
September	June	633,604	529,597	570,797	475,886	545,005	672,434	15%	23%
October	July	592,928	484,807	508,110	493,201	559,279	613,356	13%	10%
November	August	613,051	534,471	494,385	488,836	543,698	619,702	11%	14%
December	September	580,285	481,247	529,219	519,381	567,170	637,364	9%	12%
Year Totals		<u>\$ 7,086,181</u>	<u>\$ 6,162,604</u>	<u>\$ 6,009,688</u>	<u>\$ 5,957,084</u>	<u>\$ 6,396,370</u>	<u>\$ 7,131,620</u>	<u>7%</u>	<u>11%</u>

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2011 v.</u> <u>2012</u>	<u>2012 v.</u> <u>2013</u>
January	October	\$ 334,762	\$ 310,368	\$ 285,698	\$ 344,625	\$ 355,945	\$ 383,623	3%	8%
February	November	330,135	338,610	297,208	228,719	252,071	266,407	10%	6%
March	December	383,795	381,069	361,813	262,809	273,430	272,471	4%	0%
April	January	311,781	265,394	231,066	299,150	282,686	318,355	-6%	13%
May	February	285,826	252,890	268,550	274,031	332,830	282,979	21%	-15%
June	March	299,470	295,060	273,585	280,136	286,100	304,288	2%	6%
July	April	320,295	268,645	274,366	304,288	287,149	311,744	-6%	9%
August	May	324,084	284,606	277,551	243,665	279,815	295,042	15%	5%
September	June	341,857	303,447	287,434	247,418	286,293	322,952	16%	13%
October	July	341,887	273,130	291,181	275,143	292,249	312,158	6%	7%
November	August	349,666	314,903	269,544	268,583	295,032	307,526	10%	4%
December	September	331,086	286,566	292,375	291,338	305,989	317,362	5%	4%
Year Totals		<u>\$ 3,954,646</u>	<u>\$ 3,574,688</u>	<u>\$ 3,410,371</u>	<u>\$ 3,319,905</u>	<u>\$ 3,529,589</u>	<u>\$ 3,694,907</u>	<u>6%</u>	<u>5%</u>

Source: Village Finance Department