

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2017**



**VILLAGE OF HOFFMAN ESTATES,
ILLINOIS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by Finance Department

Rachel Musiala
Director of Finance

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2017

LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Gary G. Stanton

Karen V. Mills

Michael Gaeta

Anna Newell

Karen J. Arnet

Gary J. Pilafas

Bev Romanoff, Village Clerk

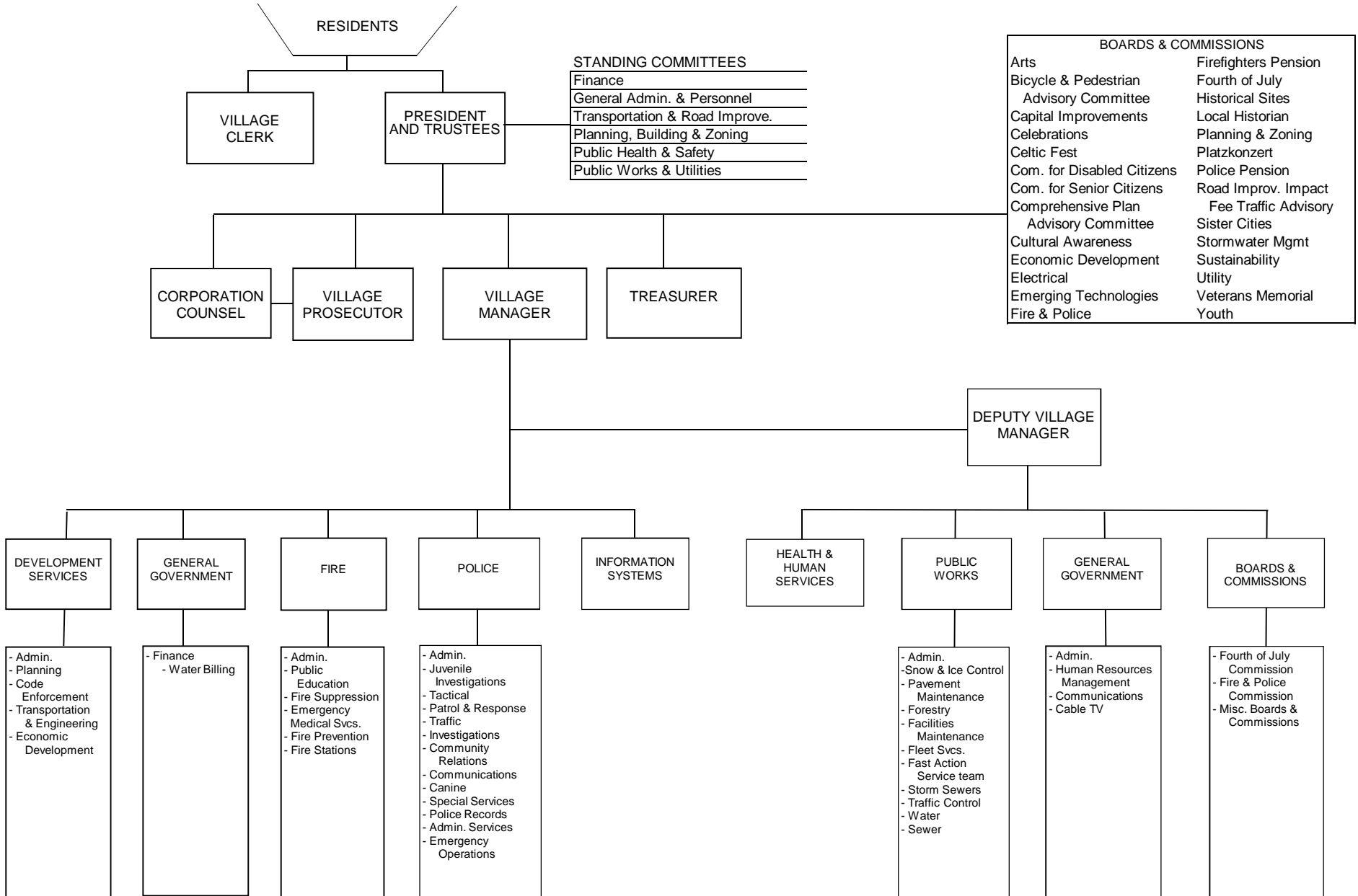
ADMINISTRATIVE

James H. Norris, Village Manager

FINANCE DEPARTMENT

Rachel Musiala, Director of Finance

VILLAGE OF HOFFMAN ESTATES ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Hoffman Estates
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



HOFFMAN ESTATES

May 9, 2018

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, 2017.

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

State statutes require an annual audit by independent certified public accountants. The accounting firm of Sikich LLP performed the audit this year. The independent auditor's report is included in the Financial Section of this report. The auditors have given this report an unmodified ("clean") opinion, meaning that the financial statements fairly present the Village's financial position at December 31, 2017, and the changes in financial position for the year then ended.

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

Profile of the Government

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

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

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

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

Village of Hoffman Estates is comprised of all funds of the primary government (i.e., the Village of Hoffman Estates as legally defined) and its pension trust funds: the Hoffman Estates Police Pension Fund and the Hoffman Estates Firefighters' Pension Fund. These funds were determined to be pension trust funds due to their fiduciary and fiscal relationship with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers and firefighters. Tax increment financing (TIF) districts have been reported as blended funds in the Village's financial statements, as they are not legally separate. No other legally separate entity qualifies as a component unit of the Village.

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

Local Economy

To most citizens, it would appear that the national economy seems to have recovered from the downturn that occurred in FY2008 and FY2009. Development is on the rise, and retailers and restaurants seem to have more activity. At the height of the recession, the national unemployment rate was 10% (October, 2009). However, that rate has been falling each year since and the rate as of October, 2017 is 4.2%. In March of 2009, the stock market bottomed out at 6,626. Today, the market is at 24,000, more than three times that of 2009.

Despite these positive signs, the Village has been negatively impacted by actions taken recently by the State of Illinois. The State legislature passed a budget effective July 1, 2017 through June 30, 2018 and as part of the State budget solution, the Village share of Local Government Distributive Funds (LGDF) has been cut by 10%, which results in a General Fund loss of approximately \$515,000 over the aforementioned time period. Also, the State has reduced Home Rule Sales Tax revenues through imposition of a 2% administrative fee that the State will keep for processing payments. This has a negative impact on the General Fund of approximately \$70,000 over the same time frame.

The economy has grown through most sectors in Hoffman Estates during 2017 including retail, entertainment, residential and industrial.

Public Transportation: One of the most significant projects to be completed in 2017 was the widening of I-90 and the opening of all four legs of the Barrington Road interchange. In 2013, the Village partnered with the Illinois Tollway and Illinois Department of Transportation to improve the Barrington Road interchange at I-90 with full access (from east and west bound). Design began in 2014 with construction following in 2015 in conjunction with the rebuilding and widening of I-90. Village staff worked with Pace to incorporate a Park-n-Ride at the interchange. Tollway construction activity on the interchange took place throughout 2017, with completion at the end of the year. Construction of the Park-N-Ride pedestrian bridge over I-90 was also completed in 2017, with Pace bus service set to begin in spring/summer 2018, ultimately connecting to the CTA blue line station in Rosemont and to downtown Chicago.

Retail/Restaurants: During 2017, a number of developments initiated in 2015 were opened to the public. In August, a long awaited economic development goal was achieved with the grand opening of an Ace Hardware store at the intersection of Higgins and Golf Roads. The hardware store anchors the Crossroads Plaza and brings Ace back to the Village after a seven year absence. Also in 2017, Denny's finalized construction of their new restaurant adjacent to the Buffalo Wild Wings in the Poplar Creek Crossing Shopping Center in the western part of the Village. Finally, the Village again leased space at the Village Green for Das Beer Garden and plans to again for the 2018 and 2019 seasons.

Roselle Road TIF District:

In 2017, the Village of Hoffman Estates continued to focus on the promotion and improvement of Golf Center and Hoffman Plaza Shopping Centers while seeking redevelopment on key parcels. By the end of 2017, Golf Center was nearly fully leased, as Robin Realty, the center owner, was successful in attracting additional retailers.

Sterling Organization, the owner of Hoffman Plaza, worked to redevelop the center by completing a tear down and remodel to open Burlington as the anchor on the south side of the shopping center. This redevelopment occurred with the assistance of three separate agreements between the Village and Sterling including the sale of 920 Apple Street, a purchase and sale agreement for 75-85 E Golf Road and a Redevelopment Agreement for the overall center. In 2018, Sterling hopes to finalize phase II plans and begin construction on outlot buildings for the center.

Office/Light Industrial: Construction completed and the Trumpf Technology Center opened in September 2017. The building is located at the northeast corner of Central Road and Center Drive, visible from I-90, and is home to the regional headquarters for Trumpf, a high-tech company. Village staff also worked to attract Bystronic, another high-tech company, who builds and sells precision metal cutting lasers for advanced manufacturing use. The building, on the northwest corner of Central Road and Center Drive, will be around 160,000 square feet with office, showroom, warehouse and manufacturing space. Approval and construction is expected to occur in 2018.

The Village worked hard to promote the Lakewood Campus (formerly AT&T headquarters) as an area for reuse and redevelopment. At the end of 2017, the property owner solicited bids from perspective buyers. The Village expects to consider a concept plan approval for a mixed-use development on the site with construction starting in 2019.

Residential: As it often happens, as the residential market goes, so the economy goes, which is another positive indication that the local economy in Hoffman Estates is trending upward. 2017 saw the continuation, construction or entitlements of four single-family residential subdivisions. M/I Homes continued construction on Phase I of the two-phase, 81 unit Bergman Pointe subdivision on the north side of the Village, and submitted plans for Phase II construction. Cal-Atlantic Homes' ongoing investment in the western portion of Hoffman Estates was evidenced by their continued construction in the Devonshire Woods subdivision and the start of construction on their 108 single-family lot subdivision, Amber Meadows.

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. A full update is planned in FY2018. The Comprehensive Plan is intended to guide the long range development policy of the Village. A broad array of development related issues are discussed in the plan, including transportation, land use, and economic development. The general guidance provided by the plan is considered when new developments are proposed and when specific programs are considered for implementation by the Village. Over time, it is expected that the broad policies in the plan may need to be adapted to meet changing conditions. Many of the policies of the plan are proposed with this need for flexibility in mind.

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

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

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

“The Village will strive to maintain an Unassigned Fund Balance within the General Fund equal to 25% of the preceding year's annual operating budget (not including transfers to fund capital projects), barring any unforeseen circumstances that may arise as a result of the State of Illinois' financial condition. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will remain in the General Fund or be transferred to other funds to address known future financial needs. This utilization of General Fund surplus will be brought before the Village President and Board of Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.”

As of December 31, 2017, General Fund unassigned fund balance is 31 percent of budgeted operating expenditures and transfers.

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.
- 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

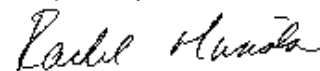
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the thirty-fourth 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 2017 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 ninth 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 Village President, 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

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois (the Village) as of and for the year ended December 31, 2017 and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois, as of December 31, 2017, 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 and required supplementary information identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental data and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village's basic financial statements for the year ended December 31, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2016 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 29, 2018, 2018 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 *Governmental Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
May 29, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

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, 2017. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the Village's financial statements (beginning on page 4).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 4 through 7 of this report.

Fund Financial Statements

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

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

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

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

The Village maintains 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 each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8 through 12 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 13 through 17 of this report.

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

The basic fiduciary fund financial statements can be found on pages 18 and 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 79 of this report.

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 80 through 92 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 93 through 155 of this report.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Beyond presenting current-year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior years in the Management's Discussion and Analysis. By doing so, the Village believes that it is providing the best means of analyzing its financial condition and position as of December 31, 2017.

Net Position

The table below reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
Current and Other Assets	\$ 65,400.6	\$ 65,458.6	\$ 10,499.1	\$ 17,321.3	\$ 75,899.7	\$ 82,779.9
Capital Assets	149,033.0	149,714.2	98,810.3	96,138.7	247,843.3	245,852.9
<i>Total Assets</i>	214,433.6	215,172.8	109,309.4	113,460.0	323,743.0	328,632.8
Deferred Outflows of Resources	25,406.6	20,624.1	2,769.6	2,366.9	28,176.2	22,991.0
<i>Total Assets and Deferred Outflows</i>	239,840.2	235,796.9	112,079.0	115,826.9	351,919.2	351,623.8
Long-Term Liabilities	278,391.3	267,947.2	57,218.3	61,086.7	335,609.6	329,033.9
Other Liabilities	10,026.2	10,576.4	3,267.9	4,018.4	13,294.1	14,594.8
<i>Total Liabilities</i>	288,417.5	278,523.6	60,486.2	65,105.1	348,903.7	343,628.7
Deferred Inflows of Resources	35,281.5	41,425.8	331.2	298.5	35,612.7	41,724.3
<i>Total Liabilities and Deferred Inflows</i>	323,699.0	319,949.4	60,817.4	65,403.6	384,516.4	385,353.0
Net Position:						
Net Investment in Capital Assets	101,583.1	103,869.6	48,783.0	46,285.7	150,366.1	150,155.3
Restricted	1,900.7	1,935.1	-	-	1,900.7	1,935.1
Unrestricted	(187,342.5)	(189,957.2)	2,478.5	4,137.6	(184,864.0)	(185,819.6)
<i>Total Net Position</i>	\$ (83,858.7)	\$ (84,152.5)	\$ 51,261.5	\$ 50,423.3	\$ (32,597.2)	\$ (33,729.2)

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

The deficit in unrestricted net position is the primarily attributable to the Village's adoption of GASB Statement No. 68 in 2016. This financial reporting standard entails the recognition of net pension liabilities totaling \$90,525,426 and deferred outflows of resources amounting to \$21,120,016 as of December 31, 2017. These items pertain to the Village's participation in the Hoffman Estates Firefighters' Pension Fund, Hoffman Estates Police Pension Fund, and Illinois Municipal Retirement Fund. Prior to 2016, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e. the obligations did not affect the statement of net position). Additionally, the Village made a determination to report information from the December 31, 2016 actuarial valuation from the Illinois Municipal Retirement Fund in order to continue its dedication to timely financial reporting. The changes in net position of governmental activities and business-type activities are decreases of \$293,716 and \$838,273, respectively.

Also, a portion of the deficit in unrestricted net position is the result of the Village sponsoring one of the largest economic development area (EDA) tax increment financing (TIF) districts in the State of Illinois to induce the relocation of the headquarters of a major retailer to the Village and keeping the jobs within the state. As part of the inducement, the Village issued \$65,400,000 Senior Lien Tax Increment Revenue Bonds, Series 2005 (expired in 2010), \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$118,614,716 (as of December 31, 2017). 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, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
Current and Other Assets	\$ 63,397.9	\$ 63,852.6	\$ 10,499.1	\$ 17,321.3	\$ 73,897.0	\$ 81,173.9
Capital Assets	149,033.0	149,714.2	98,810.3	96,138.7	247,843.3	245,852.9
<i>Total Assets</i>	<u>212,430.9</u>	<u>213,566.8</u>	<u>109,309.4</u>	<u>113,460.0</u>	<u>321,740.3</u>	<u>327,026.8</u>
Deferred Outflows of Resources	25,406.6	20,624.1	2,769.6	2,366.9	28,176.20	22,991.0
Total Assets and Deferred Outflows	237,837.5	234,190.9	112,079.0	115,826.9	349,916.5	350,017.8
Long-Term Liabilities	155,229.0	149,332.5	57,218.3	61,086.7	212,447.3	210,419.2
Other Liabilities	10,026.2	10,574.3	3,267.9	4,018.4	13,294.1	14,592.7
<i>Total Liabilities</i>	<u>165,255.2</u>	<u>159,906.8</u>	<u>60,486.2</u>	<u>65,105.1</u>	<u>225,741.4</u>	<u>225,011.9</u>
Deferred Inflows of Resources	35,281.5	41,425.8	331.2	298.5	35,612.7	41,724.3
Total Liabilities and Deferred Inflows	200,536.7	201,332.6	60,817.4	65,403.6	261,354.1	266,736.2
Net Position:						
Invested in Capital Assets,						
Net of Debt	101,583.1	103,869.6	48,783.0	46,285.7	150,366.1	150,155.3
Restricted	(102.0)	331.2	-	-	(102.0)	331.2
Unrestricted	(64,180.2)	(71,342.5)	2,478.5	4,137.6	(61,701.7)	(67,204.9)
Total Net Position	\$ 37,300.9	\$ 32,858.3	\$ 51,261.5	\$ 50,423.3	\$ 88,562.4	\$ 83,281.6

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. After excluding EDA TIF activity, in the case of the Village of Hoffman Estates, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$83,281,610 as of December 31, 2017. The Village's combined net position decreased by \$5,280,819 from 2016 which is mainly due to spending of reserves on capital projects.

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

Table 2
Net Position Invested in Capital Assets, Net of Related Debt
As of December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
Capital Assets	\$ 149,033.0	\$ 149,714.2	\$ 98,810.3	\$ 96,138.7	\$ 247,843.3	\$ 245,852.9
Less Outstanding Related Debt:						
2005A G.O. Bonds	-	-	-	-	-	-
2008 G.O. Bonds	(19,983.7)	(17,557.5)	(6,661.3)	(5,852.5)	(26,645.0)	(23,410.0)
2009 G.O. Bonds	(16,690.0)	(15,280.0)	-	-	(16,690.0)	(15,280.0)
2015A G.O. Bonds	-	-	(21,160.0)	(19,495.0)	(21,160.0)	(19,495.0)
2015B G.O. Bonds	(1,545.0)	(1,430.0)	(4,265.0)	(3,995.0)	(5,810.0)	(5,425.0)
2015C G.O. Bonds	-	-	(21,805.0)	(21,765.0)	(21,805.0)	(21,765.0)
2016 G.O. Bonds	(8,750.0)	(8,650.0)	-	-	(8,750.0)	(8,650.0)
2017A G.O. Bonds	-	(550.0)	-	(5,530.0)	-	(6,080.0)
2017B G.O. Bonds	-	(2,420.0)	-	(805.0)	-	(3,225.0)
Less Outstanding Premiums	(1,418.2)	(1,489.2)	(224.9)	(224.9)	(1,643.1)	(1,714.1)
Plus Outstanding Discounts	168.7	141.5	377.0	377.0	545.7	518.5
Plus Loss on Refunding	768.3	812.1	-	-	768.3	812.1
Plus Unspent Bond Proceeds	-	578.5	3,711.9	7,437.4	3,711.9	8,015.9
Total	\$ 101,583.1	\$ 103,869.6	\$ 48,783.0	\$ 46,285.7	\$ 150,366.1	\$ 150,155.3

The second portion of the Village's net position, excluding EDA TIF Activity, in the amount of \$331,204 represents resources that are subject to external restrictions on how they may be used. The final portion of the Village's net position, excluding EDA TIF Activity, in the amount of \$(67,204,897) represents funds that are unrestricted.

For more detailed information, see the Statement of Net Position on page 4 and 5.

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

Activities

The table below summarizes the revenue and expenses of the Village's activities.

Table 3
Changes in Net Position
For the Fiscal Year Ended December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2016	2017	2016	2017	2016	2017
REVENUES						
Program Revenues:						
Charges for Services	\$ 12,947.9	\$ 13,435.3	\$ 24,407.3	\$ 27,908.7	\$ 37,355.2	\$ 41,344.0
Operating Grants	2,097.9	2,086.8	-	-	2,097.9	2,086.8
Capital Grants/Contributions	297.6	108.3	24.8	359.6	322.4	467.9
General Revenues:						
Property Taxes	37,672.7	34,559.7	-	-	37,672.7	34,559.7
Other Taxes	26,685.3	27,154.2	2,260.2	2,357.1	28,945.5	29,511.3
Other	1,364.7	2,074.4	419.5	1,088.2	1,784.2	3,162.6
Total Revenues	81,066.1	79,418.7	27,111.8	31,713.6	108,177.9	111,132.3
EXPENSES						
General Government	6,646.1	6,554.1	-	-	6,646.1	6,554.1
Public Safety	41,446.7	39,733.5	-	-	41,446.7	39,733.5
Highways and Streets	12,138.8	13,455.2	-	-	12,138.8	13,455.2
Sanitation	3,325.2	3,833.5	-	-	3,325.2	3,833.5
Health and Welfare	1,975.3	2,119.0	-	-	1,975.3	2,119.0
Culture and Recreation	356.0	298.7	-	-	356.0	298.7
Economic Development	5,386.0	5,965.3	-	-	5,386.0	5,965.3
Water and Sewer	-	-	18,261.8	19,374.3	18,261.8	19,374.3
Sears Centre	-	-	11,953.8	14,260.6	11,953.8	14,260.6
Interest on Long-Term Debt	6,837.0	6,670.1	-	-	6,837.0	6,670.1
Total Expenses	78,111.1	78,629.4	30,215.6	33,634.9	108,326.7	112,264.3
Excess (Deficiency)						
Before Transfers	2,955.0	789.3	(3,103.8)	(1,921.3)	(148.8)	(1,132.0)
Transfers In (Out)	(1,602.7)	(1,083.1)	2,053.0	1,083.1	450.3	-
Change in Net Position	\$ 1,352.3	\$ (293.8)	\$ (1,050.8)	\$ (838.2)	\$ 301.5	\$ (1,132.0)
Net Position, January 1	\$ (87,550.8)	\$ (83,858.7)	\$ 51,573.4	\$ 51,261.5	\$ (35,977.4)	\$ (32,597.2)
Change in Accounting Principle	2,339.8	-	738.9	-	3,078.7	-
Net Position,						
January 1, as Restated	\$ (85,211.0)	\$ (83,858.7)	\$ 52,312.3	\$ 51,261.5	\$ (32,898.7)	\$ (32,597.2)
Net Position,						
December 31	\$ (83,858.7)	\$ (84,152.5)	\$ 51,261.5	\$ 50,423.3	\$ (32,597.2)	\$ (33,729.2)

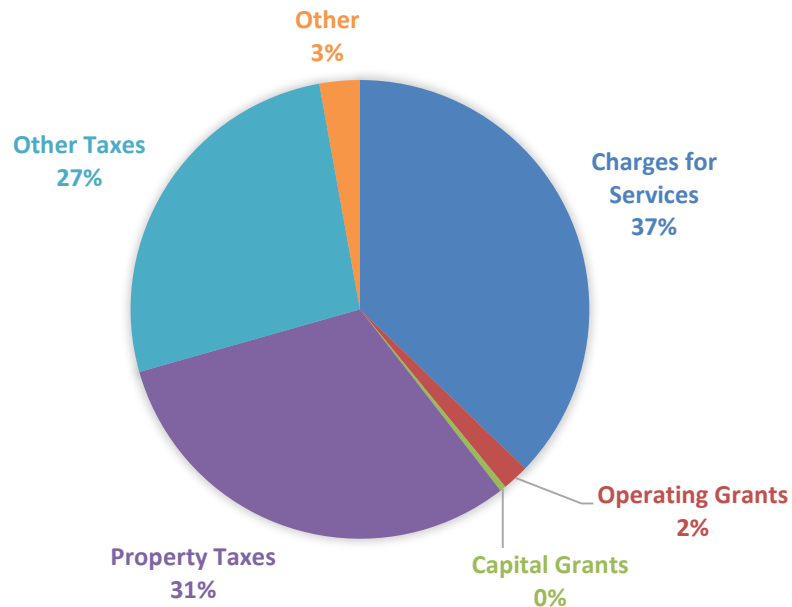
VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$79,418,736. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$34,559,674. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is currently at 9 percent, the equivalent of a 1 percent tax is remitted to Hoffman Estates, in addition to another 1 percent for the Village's home-rule sales tax portion.

In 2017, state-shared sales tax revenues were \$8,252,713 compared to \$7,887,857 in 2016. Home-rule sales tax revenues also saw an increase from \$3,627,746 in 2016 to \$3,637,260. These increases can be attributed to new sales-tax generating businesses opening in 2017.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2017



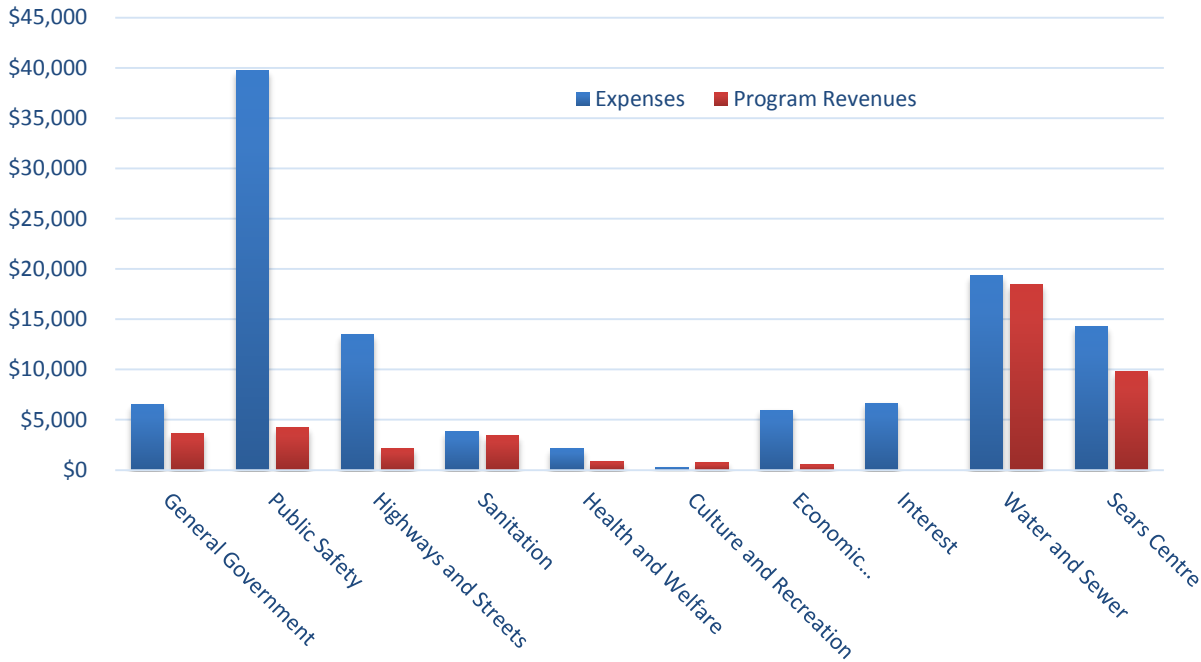
Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2016 and 2017, the Village's income and local use tax revenues decreased from \$6,224,044 to \$6,055,330.

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 \$18,260,298 in 2017 compared to \$17,460,743 in 2016. A 5-year water rate study was started in 2014 to plan needed rate increases. The Village imposed a 6% water rate increase in January, 2017 as a result of the water rate study.

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

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

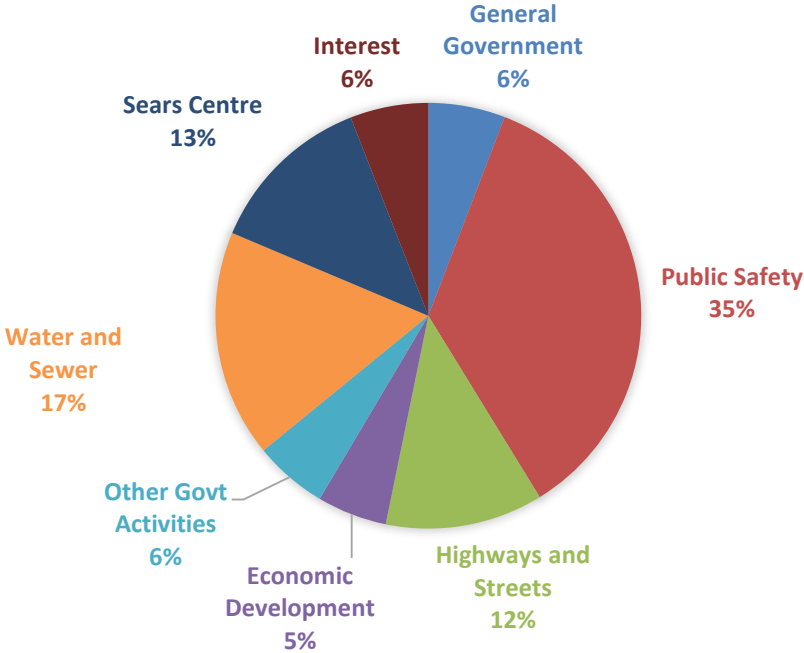
Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2017
(Dollars in Thousands)



Village expenses amounted to \$112,264,271 in 2017. The largest share is related to Public Safety in the amount of \$39,733,471.

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

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2017



Once again, it needs to be mentioned that the inclusion of the EDA activity distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$8,944,465, which represents general revenue to the governmental activities. On the expense side, the Village recognized principal payments of \$8,944,465. Removing all EDA activity from the governmental activities results in the following:

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

Table 3-a
Changes in Net Position Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
REVENUES						
Program Revenues:						
Charges for Services	\$ 12,947.9	\$ 13,435.3	\$ 24,407.3	\$ 27,908.7	\$ 37,355.2	\$ 41,344.0
Operating Grants	2,097.9	2,086.8	-	-	2,097.9	2,086.8
Capital Grants/Contributions	297.6	108.3	24.8	359.6	322.4	467.9
General Revenues:						
Property Taxes	25,593.0	25,615.2	-	-	25,593.0	25,615.2
Other Taxes	26,685.3	27,154.2	2,260.2	2,357.1	28,945.5	29,511.3
Other	1,351.0	1,988.4	419.5	1,088.2	1,770.5	3,076.6
Total Revenues	68,972.7	70,388.2	27,111.8	31,713.6	96,084.5	102,101.8
EXPENSES						
General Government	6,646.1	6,554.1	-	-	6,646.1	6,554.1
Public Safety	41,131.8	39,733.5	-	-	41,131.8	39,733.5
Highways and Streets	12,138.8	13,455.2	-	-	12,138.8	13,455.2
Sanitation	3,325.2	3,833.5	-	-	3,325.2	3,833.5
Health and Welfare	1,975.3	2,119.0	-	-	1,975.3	2,119.0
Culture and Recreation	356.0	298.7	-	-	356.0	298.7
Economic Development	5,366.0	5,698.4	-	-	5,366.0	5,698.4
Water and Sewer	-	-	18,261.8	19,374.3	18,261.8	19,374.3
Sears Centre	-	-	11,953.8	14,260.6	11,953.8	14,260.6
Interest on Long-Term Debt	2,312.1	2,273.2	-	-	2,312.1	2,273.2
Total Expenses	73,251.3	73,965.6	30,215.6	33,634.9	103,466.9	107,600.5
Excess (Deficiency)						
Before Transfers & Adjustments	(4,278.6)	(3,577.4)	(3,103.8)	(1,921.3)	(7,382.4)	(5,498.7)
Transfers In (Out)	(502.3)	(865.2)	2,053.0	1,083.1	1,550.7	217.9
Change in Net Position	\$ (4,780.9)	\$ (4,442.6)	\$ (1,050.8)	\$ (838.2)	\$ (5,831.7)	\$ (5,280.8)
Net Position, January 1	\$ 39,742.0	\$ 37,300.9	\$ 51,573.4	\$ 51,261.5	\$ 175.9	\$ 88,562.4
Change in Accounting Principle	2,339.8	-	738.9	-	3,078.7	-
Net Position, January 1, as Restated	\$ 42,081.8	\$ 37,300.9	\$ 52,312.3	\$ 51,261.5	\$ 94,394.1	\$ 88,562.4
Net Position, December 31	\$ 37,300.9	\$ 32,858.3	\$ 51,261.5	\$ 50,423.3	\$ 88,562.4	\$ 83,281.6

For 2017, the Village is showing a total decrease change in net position of \$5,280,819 primarily due to increased TIF activity and decreased income tax and telecommunications tax revenues.

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

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, 2017, the governmental funds reported combined ending fund balances of \$29,984,562. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,193,924, while total fund balance equaled \$22,370,807. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.9 percent of budgeted General Fund expenditures and transfers, while total fund balance represents 36.0 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2017
(in thousands)

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			<i>2017</i>	<i>2016</i>
<i>REVENUES & SALE OF CAPITAL ASSETS</i>				
Taxes	\$31,563.2	\$31,563.2	\$30,928.4	\$30,563.0
Inter-Governmental	15,128.8	15,128.8	15,085.8	14,854.0
Other	12,287.7	12,373.2	12,898.4	12,896.0
Transfers In	-	-	-	200.5
Total Revenues	58,979.7	59,065.2	58,912.6	58,513.5
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(56,393.6)	(56,479.1)	(54,257.4)	(53,172.8)
Transfers Out	(4,966.3)	(5,668.3)	(5,635.5)	(4,649.5)
Total Expenditures and Transfers	(61,359.9)	(62,147.4)	(59,892.9)	(57,822.3)
Change in Fund Balance	(\$2,380.2)	(\$3,082.2)	(\$980.3)	\$691.2

The fund balance of the Village's General Fund decreased by \$980,268 during the current fiscal year. This was a positive result when compared to the original planned drawdown of \$2,380,170. In years where revenues exceed expenditures within the General Fund, excess funds are utilized according to the Village's Fund Balance Policy. This policy states that the Village will strive to maintain an unassigned fund balance within the General Fund equal to 25 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. The utilization of General Fund surplus will be brought before the Village President and Board of Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.

Actual General Fund revenues were less than amended budgeted revenues by \$152,658 during fiscal year 2017. These lower revenue levels can be attributed to reduced income tax and telecommunications tax revenues. Actual General Fund expenditures and transfers ended up being less than the amended budget by \$2,254,560 in 2017.

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

The EDA General Account Fund is a major fund due to the amount of revenues and expenditures that are in this fund for 2017. This fund is used to account for EDA Revenue Note payments that are made when surplus revenues are available related to the EDA. Since this fund has revenues matching the expenditures, there is no fund balance as of December 31, 2017.

In 2016, the Village decided to change the Barrington/Higgins TIF fund from an Agency Fund to a Special Revenue Fund, which is the same classification as all the other Village's TIF Funds (besides EDA). The fund now recognizes revenues and expenditures. 2017 is the first complete year as a Special Revenue Fund.

With respect to the business-type activities, in 2017, the Waterworks and Sewerage Fund recorded a decrease in net position in the amount of \$687,531. 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. Also, fewer water & sewer projects were completed than originally budgeted. Unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$2,770,828.

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, 2017, this fund had an unrestricted net position in the amount of \$1,366,747.

The Village Board amended the fiscal year 2017 budget only once throughout the year. The budget amendment was primarily for the following purposes:

- Usage of fund balance (\$320,700) in the General Fund to fund the anticipated replacement of the Village's Central Area Dispatch (CAD) system.
- Usage of Federal Asset seizure monies to aid the in the replacement of police department vehicles (\$208,000) and replacement of police station camera system (\$110,000).
- Increase of professional services by \$672,800 in Barrington/Higgins TIF since the FY2017 budget was already approved prior to the change from the aforementioned change from Agency Fund to Special Revenue Fund.
- \$8,944,500 represented EDA incremental property taxes to pay outstanding EDA revenue notes.
- Increase in funding for on-going Barrington Road Interchange project to the Road Improvement Fund: \$408,500 from Central Area Road Impact Fee Fund, \$99,500 from Central Road Corridor Fund, \$47,500 from Traffic Improvement Fund, and \$9,000 from Western Area Traffic Improvement Fund.
- Issuance of a new note of \$2,700,800 in the Higgins/Hassel TIF Fund. Note was issued to help community and business development.

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, 2017 amounted to \$245,852,921 (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 0.8 percent from 2016.

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

Major capital asset events during 2017 included the following:

- The Village reconstructed eight (8) streets and resurfaced 18 streets in 2017, resulting in the addition of \$5,682,346 in new streets.
- The Village purchased 20 new vehicles totaling 1,071,523: 14 for the Police Department, two for Public Works, two for the Fire Department, one for general government, and one for the Water Department.
- The Sears Centre updated all of the lighting to energy efficient LED sports lights (\$186,220).
- The Village took over a new subdivision, Bradwell Estates, in 2017, and all of the infrastructure associated with it (\$639,400).

The following schedule reflects the Village's capital asset balances as of December 31, 2017.

Table 5
Capital Assets
As of December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
Land and Land Right of Way	\$ 49,184.4	\$ 49,261.6	\$ 6,499.0	\$ 6,499.0	\$ 55,683.4	\$ 55,760.6
Plant System and Equipment	-	-	55,515.8	56,134.4	55,515.8	56,134.4
Buildings and Improvements	50,509.8	50,530.8	74,709.0	75,047.0	125,218.8	125,577.8
Machinery, Vehicles and Equipment	14,888.2	15,550.0	7,893.7	8,032.2	22,781.9	23,582.2
Infrastructure	119,103.0	123,262.6	-	-	119,103.0	123,262.6
Construction in Progress	1,168.1	1,521.1	98.2	86.4	1,266.3	1,607.5
Less:						
Accumulated Depreciation	(85,820.5)	(90,411.9)	(45,905.4)	(49,660.3)	(131,725.9)	(140,072.2)
Total	\$ 149,033.0	\$ 149,714.2	\$ 98,810.3	\$ 96,138.7	\$ 247,843.3	\$ 245,852.9

Additional information on the Village's capital assets can be found in note 4 on pages 33 and 34 of this report.

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

Long-Term Debt

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

Table 6
Bonded and Similar Indebtedness
As of December 31, 2017 and 2016
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2017</i>
General Obligation Bonds	\$ 46,968.7	\$ 45,887.5	\$ 53,891.3	\$ 57,442.5	\$ 100,860.0	\$ 103,330.0
Unamortized Prem/(Discount)	1,249.5	1,347.7	(152.1)	119.3	1,097.4	1,467.0
TIF Revenue Notes	130,239.4	128,268.7	-	-	130,239.4	128,268.7
Compensated Absences	2,553.2	2,461.6	351.5	386.3	2,904.7	2,847.9
Net OPEB	2,107.9	2,241.2	245.4	289.7	2,353.3	2,530.9
Net Pension Liability - IMRF	9,127.0	9,021.5	2,882.2	2,848.9	12,009.2	11,870.4
Net Pension Liability - Police	46,206.3	44,302.6	-	-	46,206.3	44,302.6
Net Pension Liability - Fire	39,798.9	34,352.5	-	-	39,798.9	34,352.5
Termination Benefit	140.4	63.9	-	-	140.4	63.9
Total	\$ 278,250.9	\$ 267,947.2	\$ 57,218.3	\$ 61,086.7	\$ 335,609.6	\$ 329,033.9

At the end of the current fiscal year, the Village had total debt outstanding of \$329,033,979. Of this amount, \$103,330,000 comprises general obligation bonds backed by the full faith and credit of the Village. The Village also issues notes where the Village pledges incremental tax income derived from a separately created tax increment financing district. These notes are not obligations of the Village and are secured only by the incremental revenues generated by the TIF districts and the EDA.

Compared to restated 2016 figures, the Village's total long-term debt decreased by \$6,575,609, or 2.0 percent, in 2017. Net pension liabilities totaled \$98,014,373 at December 31, 2016 and \$90,525,426 at December 31, 2017, a decrease of \$7,488,947, or 7.6 percent. The debt decrease was also due to the annual EDA note payment in the amount of \$8,944,465 from EDA incremental revenues.

The Village issued \$6,080,000 of General Obligation Bonds Series 2017A, which will be used to fund water & sewer capital projects and a new Fire Engine. Also, the Village issued \$3,225,000 of General Obligation Bonds Series 2017B, which refunded part of the existing 2008A debt and provided \$497,535 in present value savings for the Village.

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 AA+ from Standard & Poor's, which was reaffirmed in July 2017. Standard & Poor's rating reflected the Village's strong economy and management, and highlighted the Village's budgetary flexibility and strong liquidity.

Additional information on the Village's long-term debt can be found in note 5 on pages 35 through 43 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 slightly in tax levy year 2017 (fiscal year 2018). 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.

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

All Village Sworn Police Officers and Firefighters are covered under the downstate police pension plan and fire pension plan, respectively, as governed by Illinois Compiled Statutes and amended only by the Illinois Legislature. All other Village employees are covered under the Illinois Municipal Retirement Fund (IMRF).

The 2010 census found that the median household income was \$75,506 and the median home value was \$301,500. The Village's population, per the 2010 census, is 51,895, an increase of 2,400 from the 2000 census figure of 49,495. This increase in population means that the Village will be entitled to larger portions of state-shared revenues such as income taxes and motor fuel taxes.

All of these factors were considered in preparing the Village's budget for the 2017 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$19,193,924 from \$18,181,441. The assigned fund balance for subsequent budgets decreased \$1,865,100, which transitioned to unassigned fund balance. When combined with the deficit in General Fund, that results in the increase in unassigned fund balance. The Village is planning on utilizing \$526,330 of this fund balance in the 2018 fiscal year budget for more capital projects.

A water & sewer rate study was completed & presented to the Village Board in 2016. The results of the study included recommended routine rate increases to the Village water & sewer rates to adequately fund operations of the Water & Sewer Fund. In FY2017, the Village implemented a six (6) percent increase to water and sewer rates. In the 2018 budget, the Village proposed a four and a quarter (4.25) percent increase to help fund operations in the Water & Sewer Fund.

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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 35,563,546	\$ 13,168,008	\$ 48,731,554
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	21,237,387	-	21,237,387
Accounts	446,357	3,416,320	3,862,677
Accrued Interest	144,132	27,613	171,745
Other	3,490,065	414,533	3,904,598
Deposits	50,000	-	50,000
Prepaid Expenses	80,931	62,836	143,767
Inventories	116,953	231,926	348,879
Due from Other Governments	4,298,113	-	4,298,113
Advance to Fiduciary Funds	31,100	-	31,100
Capital Assets			
Not Depreciated	50,782,751	6,585,433	57,368,184
Depreciated (Net of Accumulated Depreciation)	98,931,456	89,553,281	188,484,737
 Total Assets	 215,172,791	 113,459,950	 328,632,741
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	4,141,788	1,307,933	5,449,721
Pension Items - Firefighters' Pension	6,416,706	-	6,416,706
Pension Items - Police Pension	9,253,589	-	9,253,589
Unamortized Loss on Refunding	812,080	1,058,961	1,871,041
 Total Deferred Outflows of Resources	 20,624,163	 2,366,894	 22,991,057
 Total Assets and Deferred Outflows of Resources	 235,796,954	 115,826,844	 351,623,798

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 4,039,348	\$ 2,185,710	\$ 6,225,058
Accrued Payroll	1,161,152	110,743	1,271,895
Accrued Interest Payable	182,820	196,277	379,097
Claims Payable	663,790	-	663,790
Benefits Payable	542,420	-	542,420
Unearned Revenues	456,993	1,490,779	1,947,772
Deposits Payable	3,520,502	34,784	3,555,286
Due to/from Fiduciary Funds	9,346	-	9,346
Long-Term Liabilities			
Due Within One Year	3,422,684	2,178,343	5,601,027
Due in More than One Year	264,524,533	58,908,419	323,432,952
Total Liabilities	<u>278,523,588</u>	<u>65,105,055</u>	<u>343,628,643</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	945,261	298,503	1,243,764
Pension Items - Firefighters' Pension	5,594,357	-	5,594,357
Pension Items - Police Pension	13,701,397	-	13,701,397
Property Taxes	21,184,815	-	21,184,815
Total Deferred Inflows of Resources	<u>41,425,830</u>	<u>298,503</u>	<u>41,724,333</u>
Total Liabilities and Deferred Inflows of Resources	<u>319,949,418</u>	<u>65,403,558</u>	<u>385,352,976</u>
NET POSITION			
Net Investment in Capital Assets	103,869,592	46,285,711	150,155,303
Restricted for			
Employee Loan Program	55,851	-	55,851
Highways and Streets	726,902	-	726,902
Public Safety	606,932	-	606,932
Economic Development	505,976	-	505,976
Debt Service	39,469	-	39,469
Unrestricted (Deficit)	(189,957,186)	4,137,575	(185,819,611)
TOTAL NET POSITION	<u>\$ (84,152,464)</u>	<u>\$ 50,423,286</u>	<u>\$ (33,729,178)</u>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 6,554,140	\$ 3,672,654	\$ -	\$ -
Public Safety	39,733,471	3,683,940	493,739	20,275
Highways and Streets	13,455,206	738,598	1,342,393	88,069
Sanitation	3,833,464	3,451,809	-	-
Health and Welfare	2,118,952	892,563	-	-
Culture and Recreation	298,721	716,198	-	-
Economic Development	5,965,340	279,512	250,646	-
Interest	6,670,096	-	-	-
Total Governmental Activities	78,629,390	13,435,274	2,086,778	108,344
Business-Type Activities				
Waterworks and Sewerage	19,374,285	18,260,298	-	219,676
Sears Centre	14,260,596	9,648,371	-	139,947
Total Business-Type Activities	33,634,881	27,908,669	-	359,623
TOTAL PRIMARY GOVERNMENT	\$ 112,264,271	\$ 41,343,943	\$ 2,086,778	\$ 467,967

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (2,881,486)	\$ -	\$ (2,881,486)
	(35,535,517)	-	(35,535,517)
	(11,286,146)	-	(11,286,146)
	(381,655)	-	(381,655)
	(1,226,389)	-	(1,226,389)
	417,477	-	417,477
	(5,435,182)	-	(5,435,182)
	(6,670,096)	-	(6,670,096)
	(62,998,994)	-	(62,998,994)
	-	(894,311)	(894,311)
	-	(4,472,278)	(4,472,278)
	-	(5,366,589)	(5,366,589)
	(62,998,994)	(5,366,589)	(68,365,583)
General Revenues			
Taxes			
Property	34,559,674	-	34,559,674
Home Rule Sales (Nonsales)	3,637,260	-	3,637,260
Real Estate Transfer	1,087,913	-	1,087,913
Hotel/Motel	1,274,499	-	1,274,499
Telecommunications	1,808,685	-	1,808,685
Food and Beverage	-	1,624,577	1,624,577
Entertainment	129,166	368,590	497,756
Replacement	288,436	-	288,436
Other	4,620,211	363,920	4,984,131
Unrestricted Intergovernmental Revenues			
Sales Tax	8,252,713	-	8,252,713
Income and Local Use Tax	6,055,330	-	6,055,330
Investment Income	280,937	56,616	337,553
Miscellaneous	1,793,516	1,031,551	2,825,067
Transfers In (Out)	(1,083,062)	1,083,062	-
Total	62,705,278	4,528,316	67,233,594
CHANGE IN NET POSITION	(293,716)	(838,273)	(1,131,989)
NET POSITION, JANUARY 1	(83,858,748)	51,261,559	(32,597,189)
NET POSITION, DECEMBER 31	\$ (84,152,464)	\$ 50,423,286	\$ (33,729,178)

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2017

	General	EDA General Account	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	\$ 20,170,755	\$ -	\$ 11,366,989	\$ 31,537,744
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	18,229,735	-	3,007,652	21,237,387
Accounts	396,905	-	47,588	444,493
Accrued Interest	82,303	-	35,743	118,046
Other	2,785,069	-	704,996	3,490,065
Prepaid Items	50,851	-	30,080	80,931
Inventory	116,953	-	-	116,953
Due from Other Governments	4,183,443	-	114,670	4,298,113
Due from Other Funds	60,269	-	146,948	207,217
Advance to Fiduciary Funds	31,100	-	-	31,100
TOTAL ASSETS	\$ 46,107,383	\$ -	\$ 15,454,666	\$ 61,562,049

	General	EDA General Account	Nonmajor Governmental Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,624,566	\$ -	\$ 2,176,554	\$ 3,801,120
Accrued Payroll	1,139,346	-	-	1,139,346
Unearned Revenues	368,407	-	88,586	456,993
Due to Other Funds	-	-	207,217	207,217
Due to Fiduciary Funds	9,346	-	-	9,346
Deposits Payable	1,155,449	-	2,365,053	3,520,502
Total Liabilities	4,297,114	-	4,837,410	9,134,524
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	18,181,314	-	3,003,501	21,184,815
Unavailable State Taxes	1,258,148	-	-	1,258,148
Total Deferred Inflows of Resources	19,439,462	-	3,003,501	22,442,963
FUND BALANCES				
Nonspendable				
Prepaid Items	50,851	-	30,080	80,931
Inventories	116,953	-	-	116,953
Advances	31,100	-	-	31,100
Restricted				
Employee Loan Program	55,851	-	-	55,851
Highways and Streets	-	-	726,902	726,902
Public Safety	127,381	-	479,551	606,932
Economic Development - State Statute	-	-	505,976	505,976
Debt Service	-	-	39,469	39,469
Capital Improvements	-	-	578,537	578,537
Assigned				
Employee Health	2,268,417	-	-	2,268,417
Subsequent Budget	526,330	-	-	526,330
Capital Improvements	-	-	5,253,240	5,253,240
Unassigned	19,193,924	-	-	19,193,924
Total Fund Balances	22,370,807	-	7,613,755	29,984,562
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 46,107,383	\$ -	\$ 15,454,666	\$ 61,562,049

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 29,984,562
--	----------------------

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 governmental funds	
Capital assets	149,714,207
Less capital assets of internal service funds included above	(370,593)

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	(2,461,566)
Plus compensated absences of internal service funds included above	31,953
Net other postemployment benefit obligation and related termination benefits	(2,305,208)
Plus net other postemployment benefit obligation of internal service funds included above	45,740
Unamortized bond premium	(1,489,228)
Unamortized bond discount	141,496
Loss on refundings	812,080
General obligation bonds payable	(45,887,500)
Tax increment financing notes payable	(128,268,668)

Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(9,021,463)
Less net pension liability of internal service funds included above	474,814

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	3,196,527
Less net pension liability of internal service funds included above	(168,238)

Net pension liability for the Police and Firefighters' Pension Funds is shown as a liability on the statement of net position	(78,655,080)
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Police and Firefighters' Pension Funds are recognized as deferred outflows and inflows of resources on the statement of net position	(3,625,459)
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Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(182,820)
--	-----------

Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position	1,258,148
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The net position of the internal service funds is included in the governmental activities in the statement of net position	2,623,832
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (84,152,464)
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See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	General	EDA General Account	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	\$ 30,928,418	\$ 8,944,465	\$ 6,796,713	\$ 46,669,596
Licenses and Permits	1,707,137	-	-	1,707,137
Intergovernmental	15,085,809	-	2,968,200	18,054,009
Charges for Services	9,087,327	-	1,081,394	10,168,721
Fines and Forfeits	1,279,213	-	471,708	1,750,921
Investment Income	188,872	-	92,065	280,937
Miscellaneous	635,776	-	195,893	831,669
Total Revenues	58,912,552	8,944,465	11,605,973	79,462,990
EXPENDITURES				
Current				
General Government	5,910,231	-	-	5,910,231
Public Safety	35,385,440	-	712,647	36,098,087
Highways and Streets	5,677,957	-	1,262,986	6,940,943
Sanitation	2,917,600	-	-	2,917,600
Health and Welfare	2,018,586	-	-	2,018,586
Culture and Recreation	310,459	-	-	310,459
Economic Development	2,037,077	-	3,808,984	5,846,061
Capital Outlay	-	-	9,949,220	9,949,220
Debt Service				
Principal Retirement	-	8,944,465	1,748,847	10,693,312
Interest and Fiscal Charges	-	-	2,322,815	2,322,815
Total Expenditures	54,257,350	8,944,465	19,805,499	83,007,314
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,655,202	-	(8,199,526)	(3,544,324)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	7,589,427	7,589,427
Transfers (Out)	(5,635,470)	-	(3,159,787)	(8,795,257)
Bonds Issued, at Par	-	-	2,970,000	2,970,000
Payment to Escrow Agent	-	-	(2,510,274)	(2,510,274)
Premium (Discount) on Bonds	-	-	182,988	182,988
Notes Issued, at Par	-	-	2,700,763	2,700,763
Total Other Financing Sources (Uses)	(5,635,470)	-	7,773,117	2,137,647
NET CHANGE IN FUND BALANCES	(980,268)	-	(426,409)	(1,406,677)
FUND BALANCES, JANUARY 1	23,351,075	-	8,040,164	31,391,239
FUND BALANCES, DECEMBER 31	\$ 22,370,807	\$ -	\$ 7,613,755	\$ 29,984,562

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,406,677)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	6,180,477
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(88,156)
The repayment of the principal on long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	10,693,312
Certain items are reported as interest expense on the statement of activities	
Accretion of interest on notes payable	(4,396,857)
Change in accrued interest payable	5,076
Amortization of bond premiums and discounts, net	84,778
Amortization of gain or loss on refunding	(40,278)
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(5,598,625)
Certain revenues recognition is different on the full accrual basis than on the modified accrual basis	10,612
The issuance of long-term debt is shown as an other financing source in governmental funds but the principal outstanding is shown as long-term liability on the statement of net position	
Bonds issued	(2,970,000)
Payment to escrow agent	2,510,274
Bond premium	(182,988)
TIF notes issued	(2,700,763)
The increase in the net other postemployment benefit obligation and related termination benefits is shows as an increase in expense on the statement of activities	(47,300)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	99,975
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(943,999)
The change in the net pension liability for the Police and Firefighters' Pension Funds is reported only in the statement of activities	7,350,093
The change in deferred inflows and outflows for the Police and Firefighters' Pension Funds is reported only in the in the statement of activities	(9,208,891)
The change in compensated absences payable is shown as an expense on the statement of activities	98,885
The change in net position of certain activities of internal service funds (excluding depreciation included above) is in governmental funds	257,336
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (293,716)

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
CURRENT ASSETS				
Cash and Investments	\$ 10,119,022	\$ 3,048,986	\$ 13,168,008	\$ 4,025,802
Receivables				
Accounts	2,915,711	500,609	3,416,320	1,864
Accrued Interest	27,613	-	27,613	26,086
Other	609	413,924	414,533	-
Deposits	-	-	-	50,000
Prepaid Expenses	-	62,836	62,836	-
Inventories	231,926	-	231,926	-
Total Current Assets	13,294,881	4,026,355	17,321,236	4,103,752
CAPITAL ASSETS				
Not Depreciated	585,433	6,000,000	6,585,433	-
Depreciated	60,496,428	78,717,115	139,213,543	651,520
Accumulated Depreciation	(31,729,167)	(17,931,095)	(49,660,262)	(280,927)
Net Capital Assets	29,352,694	66,786,020	96,138,714	370,593
Total Assets	42,647,575	70,812,375	113,459,950	4,474,345
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	1,307,933	-	1,307,933	217,989
Unamortized Loss on Refunding	32,643	1,026,318	1,058,961	-
Total Deferred Outflows of Resources	1,340,576	1,026,318	2,366,894	217,989
Total Assets and Deferred Outflows of Resources	43,988,151	71,838,693	115,826,844	4,692,334

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
CURRENT LIABILITIES				
Accounts Payable	\$ 1,155,407	\$ 1,030,303	\$ 2,185,710	\$ 238,228
Accrued Payroll	110,743	-	110,743	21,806
Accrued Interest Payable	57,751	138,526	196,277	-
Unearned Revenue	-	1,490,779	1,490,779	-
Claims Payable	-	-	-	663,790
Benefits Payable	-	-	-	542,420
Deposits Payable	34,784	-	34,784	-
General Obligation Bonds Payable	275,000	1,740,000	2,015,000	-
Compensated Absences Payable	163,343	-	163,343	31,953
Total Current Liabilities	1,797,028	4,399,608	6,196,636	1,498,197
LONG-TERM LIABILITIES				
General Obligation Bonds Payable	16,322,245	39,224,577	55,546,822	-
Compensated Absences Payable	223,026	-	223,026	-
Net Pension Liability	2,848,883	-	2,848,883	474,814
Other Postemployment Benefit Obligations	289,688	-	289,688	45,740
Total Long-Term Liabilities	19,683,842	39,224,577	58,908,419	520,554
Total Liabilities	21,480,870	43,624,185	65,105,055	2,018,751
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	298,503	-	298,503	49,751
Total Deferred Inflows of Resources	298,503	-	298,503	49,751
Total Liabilities and Deferred Inflows of Resources	21,779,373	43,624,185	65,403,558	2,068,502
NET POSITION				
Net Investment in Capital Assets	19,437,950	26,847,761	46,285,711	370,593
Unrestricted	2,770,828	1,366,747	4,137,575	2,253,239
TOTAL NET POSITION	\$ 22,208,778	\$ 28,214,508	\$ 50,423,286	\$ 2,623,832

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
OPERATING REVENUES				
Charges for Services	\$ 18,260,298	\$ 9,584,200	\$ 27,844,498	\$ 3,050,113
Total Operating Revenues	18,260,298	9,584,200	27,844,498	3,050,113
OPERATING EXPENSES				
Operations	-	-	-	1,677,244
Claims and Insurance	-	-	-	1,434,812
Water Division	14,179,635	-	14,179,635	-
Sewer Division	3,280,430	-	3,280,430	-
Sears Centre	-	10,073,769	10,073,769	-
Depreciation	1,431,651	2,387,765	3,819,416	29,587
Total Operating Expenses	18,891,716	12,461,534	31,353,250	3,141,643
OPERATING INCOME (LOSS)	(631,418)	(2,877,334)	(3,508,752)	(91,530)
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	-	2,357,087	2,357,087	-
Charges for Services	-	64,171	64,171	-
Investment Income	49,683	6,933	56,616	34,813
Interest Expense	(482,569)	(1,799,062)	(2,281,631)	-
Gain (Loss) on Sale of Capital Assets	18,100	-	18,100	-
Miscellaneous Revenue	140,012	873,439	1,013,451	161,698
Total Non-Operating Revenues (Expenses)	(274,774)	1,502,568	1,227,794	196,511
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(906,192)	(1,374,766)	(2,280,958)	104,981
TRANSFERS				
Transfers In	125,785	1,084,077	1,209,862	122,768
Transfers (Out)	(126,800)	-	(126,800)	-
Total Transfers	(1,015)	1,084,077	1,083,062	122,768
CONTRIBUTIONS				
Intergovernmental	-	139,947	139,947	-
Contribution of Assets	219,676	-	219,676	-
Total Contributions	219,676	139,947	359,623	-
CHANGE IN NET POSITION	(687,531)	(150,742)	(838,273)	227,749
NET POSITION, JANUARY 1	22,896,309	28,365,250	51,261,559	2,396,083
NET POSITION, DECEMBER 31	\$ 22,208,778	\$ 28,214,508	\$ 50,423,286	\$ 2,623,832

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	Sears Centre Operating	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 18,805,476	\$ 10,181,943	\$ 28,987,419	\$ -
Receipts from Interfund Services Transactions	-	-	-	3,048,855
Payments to Suppliers	(13,612,205)	(10,273,013)	(23,885,218)	(2,607,344)
Payments to Employees	(3,764,286)	-	(3,764,286)	(505,528)
Net Cash from Operating Activities	1,428,985	(91,070)	1,337,915	(64,017)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	125,785	1,084,077	1,209,862	122,768
Transfers (Out)	(126,800)	-	(126,800)	-
Intergovernmental Income	391	139,947	140,338	-
Entertainment and Food and Beverage Tax	-	2,357,087	2,357,087	-
Miscellaneous Income	140,012	937,610	1,077,622	-
Reimbursements and Recoveries	-	-	-	161,698
Net Cash from Noncapital Financing Activities	139,388	4,518,721	4,658,109	284,466
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Purchased	(576,176)	(351,931)	(928,107)	(187,514)
Principal Payment on Bonds	(1,078,750)	(1,705,000)	(2,783,750)	-
Proceeds from the Issuance of Bonds	6,548,406	-	6,548,406	-
Interest and Fiscal Charges Paid on Bonds	(465,132)	(1,687,867)	(2,152,999)	-
Proceeds from the Sale of Capital Assets	18,100	-	18,100	-
Net Cash from Capital and Related Financing Activities	4,446,448	(3,744,798)	701,650	(187,514)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	24,331	6,933	31,264	16,992
Net Cash from Investing Activities	24,331	6,933	31,264	16,992
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,039,152	689,786	6,728,938	49,927
CASH AND CASH EQUIVALENTS, JANUARY 1	4,079,870	2,359,200	6,439,070	3,975,875
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 10,119,022	\$ 3,048,986	\$ 13,168,008	\$ 4,025,802

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)

PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities		Total	Governmental
	Waterworks and Sewerage	Sears Centre Operating		Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (631,418)	\$ (2,877,334)	\$ (3,508,752)	\$ (91,530)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation	1,431,651	2,387,765	3,819,416	29,587
Changes in Assets and Liabilities				
Pension Related Items	281,341	-	281,341	46,891
Receivables	40,348	(53,688)	(13,340)	(1,258)
Prepaid Expenses	-	(33,911)	(33,911)	-
Inventory	(21,068)	-	(21,068)	-
Unearned Revenue	-	299,499	299,499	-
Accounts Payable	259,686	303,913	563,599	78,587
Accrued Payroll	(1,016)	-	(1,016)	3,492
Claims Payable	-	-	-	(107,528)
Benefits Payable	-	-	-	(39,129)
Deposits Payable	(9,681)	(117,314)	(126,995)	-
Compensated Absences Payable	34,896	-	34,896	7,225
Other Postemployment Benefits Payable	44,246	-	44,246	9,646
NET CASH FROM OPERATING ACTIVITIES	\$ 1,428,985	\$ (91,070)	\$ 1,337,915	\$ (64,017)
NONCASH TRANSACTIONS				
Contributions of Capital Assets	\$ 219,676	\$ -	\$ 219,676	\$ -
TOTAL NONCASH TRANSACTIONS	\$ 219,676	\$ -	\$ 219,676	\$ -

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2017

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 2,565,284	\$ 2,526
Investments, at Fair Value		
U.S. Treasury Securities	15,101,038	-
U.S. Agency Securities	20,043,793	-
Corporate Bonds	16,958,004	-
Municipal Bonds	1,171,026	-
Mutual Funds	97,114,692	-
Money Market Mutual Funds	1,276,547	-
Equity Securities	8,354,733	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	328,565	-
Due from General Fund	9,346	-
Prepaid Expenses	10,917	-
Assets Held by Agents	-	97,195
	162,933,945	\$ 99,721
Total Assets	162,933,945	\$ 99,721
LIABILITIES		
Accounts Payable	38,176	\$ -
Due to Participants	-	66,095
Advances from Other Funds	-	31,100
Due to Other Governments	-	2,526
	38,176	\$ 99,721
Total Liabilities	38,176	\$ 99,721
NET POSITION RESTRICTED FOR PENSIONS	\$ 162,895,769	

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

For the Year Ended December 31, 2017

ADDITIONS

Contributions

Employer	\$ 6,529,253
Employee	1,729,120

Total Contributions	<u>8,258,373</u>
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Investment Income

Net Appreciation in Fair Value of Investments	14,243,265
Interest	5,103,989

Total Investment Income	19,347,254
Less Investment Expense	<u>(329,196)</u>

Net Investment Income	<u>19,018,058</u>
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Total Additions	<u>27,276,431</u>
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DEDUCTIONS

Benefits and Refunds	10,142,598
Miscellaneous	93,182

Total Deductions	<u>10,235,780</u>
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NET INCREASE	17,040,651
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>145,855,118</u>
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December 31	<u><u>\$ 162,895,769</u></u>
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See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 GAAP, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the financial accountability of the Village for the potential component unit. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependence on the primary government.

Based on the above criteria, the Village does not have any component units.

B. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of general capital assets (capital projects funds) and funds committed, restricted or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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

C. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

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

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

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

The Village reports the following major proprietary funds:

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

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

Additionally, the Village reports the following internal service funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, charges for services, food and beverage taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

E. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 is equal to the participants' fair value.

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. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deposits and Investments (Continued)

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

F. Property Taxes

Property taxes for 2017 attach as an enforceable lien on January 1, 2017 on properties assessed as of the same date. Taxes are levied on a calendar year basis by the last Tuesday of December. Tax bills are prepared and mailed by the Counties on or about February 1, 2018 and August 1, 2018, and are payable in two installments, on or about March 1, 2018 and September 1, 2018. The Counties collect such taxes and remit them periodically. Since the 2017 levy is intended to finance the 2018 fiscal year, the levy has been recorded as receivable and deferred revenue. The revenues in the current year financial statements represent the 2016 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 acquisition value at the date of donation.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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:

Assets	Years
Buildings and Improvements	40
Infrastructure	30
Office Equipment	5-15
Department Equipment	5-15
Office Furniture	10-15
Vehicles	5-15
Plant System	40
Software	5-15

J. Compensated Absences

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

K. Interfund Transactions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Transactions (Continued)

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 nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

M. Long-Term Obligations

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance

The components of fund balance include the following line items:

- 1) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- 2) Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.
- 3) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision-making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision-making.
- 4) Assigned fund balance has limitations resulting from intended use, where the intended use is established by the Board of Trustees. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- 5) Unassigned fund balance is the total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. Deficit fund balances of other governmental funds are also reported as unassigned.

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

P. Deferred Outflows/Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows/Inflows of Resources (Continued)

report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

A. Village

The Village's investment policy authorizes the Village to invest in debt securities guaranteed by the United States Government (explicitly or implicitly), debt securities of the United States Government or its agencies, interest-bearing savings accounts, time deposits and certificates of deposit of a bank that is insured by the FDIC, certain insured short-term obligations of corporations organized in the United States Government, certain money market mutual funds, interest-bearing bonds of other local governments and Illinois Funds (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value).

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. Village (Continued)

The Village maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the Village's funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

B. Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable Certificates of Deposit	\$ 26,544,630	\$ 21,804,630	\$ 4,740,000	\$ -	\$ -
TOTAL	\$ 26,544,630	\$ 21,804,630	\$ 4,740,000	\$ -	\$ -

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed currently. The investment policy limits the maximum maturity lengths of most investments to two years.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government.

The Village has the following recurring fair value measurements as of December 31, 2017: the negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

The negotiable certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. The Village's investment policy has the following diversification guidelines: no more than 50% of the Village's investments can be held at any one financial institution, exclusive of bonds, notes debenture or other obligations of the United States or its agencies.

3. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES

Hotel Tax	\$ 73,433
Electric Utility Tax	150,346
Local Municipal Gas Use Tax	148,329
Packaged Liquor Tax	37,042
Municipal Motor Fuel Tax	35,486
Cable Franchise Fees	203,137
IPBC Terminal Reserve	2,268,417
Grants	358,051
Waste Management Franchise Fees	5,322
Employee Computer Program	55,851
Red Light Camera Funds	1,400
Other Miscellaneous	<u>153,251</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 3,490,065

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

3. RECEIVABLES (Continued)

BUSINESS-TYPE ACTIVITIES

Entertainment Tax	\$ 20,529
Food and Beverage Taxes	221,068
Video Gaming Tax	31,526
Ticketing Revenues	9,662
Other Miscellaneous	<u>131,748</u>

TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 414,533</u>
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The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,016,488
Home Rule Sales Tax	942,978
Income Tax	394,357
Local Use Tax	356,370
Municipal Motor Fuel Tax	114,670
Simplified Telecommunications Tax	436,639
Court Fines	<u>36,611</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,298,113</u>
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4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 7,037,285	\$ -	\$ -	\$ 7,037,285
Land Right of Way	42,147,108	77,250	-	42,224,358
Construction in Progress	1,168,119	352,989	-	1,521,108
Total Capital Assets not Being Depreciated	<u>50,352,512</u>	430,239	-	<u>50,782,751</u>
Capital Assets Being Depreciated				
Buildings and Improvements	50,509,809	47,440	26,484	50,530,765
Department Equipment	2,652,827	276,363	84,498	2,844,692
Vehicles	12,163,712	923,316	453,382	12,633,646
Software	71,650	-	-	71,650
Infrastructure	119,102,982	4,690,633	531,060	123,262,555
Total Capital Assets Being Depreciated	<u>184,500,980</u>	5,937,752	1,095,424	<u>189,343,308</u>

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

4. CAPITAL ASSETS (Continued)

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less Accumulated Depreciation for				
Buildings and Improvements	\$ 14,788,540	\$ 1,252,600	\$ 9,269	\$ 16,031,871
Department Equipment	1,857,262	183,593	80,943	1,959,912
Vehicles	7,648,300	599,595	436,792	7,811,103
Software	50,163	5,372	-	55,535
Infrastructure	61,476,230	3,557,465	480,264	64,553,431
Total Accumulated Depreciation	<u>85,820,495</u>	<u>5,598,625</u>	<u>1,007,268</u>	<u>90,411,852</u>
 Total Capital Assets Being Depreciated, Net	 <u>98,680,485</u>	 <u>339,127</u>	 <u>88,156</u>	 <u>98,931,456</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 149,032,997</u>	<u>\$ 769,366</u>	<u>\$ 88,156</u>	<u>\$ 149,714,207</u>
	Balances January 1	Increases	Decreases	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in Progress	98,203	9,338	21,108	86,433
Total Capital Assets not Being Depreciated	<u>6,597,203</u>	<u>9,338</u>	<u>21,108</u>	<u>6,585,433</u>
 Capital Assets Being Depreciated				
Buildings and Improvements	74,708,960	337,982	-	75,046,942
Plant System and Equipment	55,515,778	618,595	-	56,134,373
Vehicles	1,950,895	148,207	64,500	2,034,602
Software	14,077	-	-	14,077
Department Equipment	5,928,779	54,769	-	5,983,548
Total Capital Assets Being Depreciated	<u>138,118,489</u>	<u>1,159,553</u>	<u>64,500</u>	<u>139,213,542</u>
 Less Accumulated Depreciation For				
Buildings and Improvements	13,758,978	1,901,020	-	15,659,998
Plant System and Equipment	28,089,250	1,195,369	-	29,284,619
Vehicles	833,084	155,784	64,500	924,368
Software	14,076	-	-	14,076
Department Equipment	3,209,957	567,243	-	3,777,200
Total Accumulated Depreciation	<u>45,905,345</u>	<u>3,819,416</u>	<u>64,500</u>	<u>49,660,261</u>
 Total Capital Assets Being Depreciated, Net	 <u>92,213,144</u>	 <u>(2,659,863)</u>	 <u>-</u>	 <u>89,553,281</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 98,810,347</u>	<u>\$ (2,650,525)</u>	<u>\$ 21,108</u>	<u>\$ 96,138,714</u>

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 358,980
Public Safety	1,261,377
Highways and Streets, including Depreciation of General Infrastructure Assets	3,929,629
Health and Welfare	4,507
Culture and Recreation	24,642
Economic Development	<u>19,490</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 5,598,625

BUSINESS-TYPE ACTIVITIES

Waterworks and Sewerage	\$ 1,431,651
Sears Centre Operating	<u>2,387,765</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 3,819,416

5. LONG-TERM DEBT

A. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/Refundings	Balances December 31	Current Portion
\$26,645,000 General Obligation Bonds, Series 2008A, dated March 7, 2008 with interest at 5%	Village Hall, Police and Fire Station and Water Tank Construction	Water	\$ 6,661,250	\$ -	\$ 808,750	\$ 5,852,500	\$ -
		Debt Service	19,983,750	-	2,426,250	17,557,500	-
\$30,355,000 General Obligation Bonds, Series 2009A, dated March 17, 2009 with interest at 3.000% to 5.125%	Police Station Construction and Road Improvements	Debt Service	16,690,000	-	1,410,000	15,280,000	1,485,000
\$23,415,000 General Obligation Refunding Bonds, Series 2015A, dated August 19, 2015 with interest at 1.00% to 4.38%	Sears Centre	Sears Centre	21,160,000	-	1,665,000	19,495,000	1,740,000

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/Refundings	Balances December 31	Current Portion
\$6,125,000 General Obligation Bonds, Series 2015B, dated August 12, 2015 with interest at 2% to 4%	Ladder Truck and Storm Water and Water System	Debt Service/ Stormwater Management	\$ 1,545,000	\$ -	\$ 115,000	\$ 1,430,000	\$ 115,000
		Water	4,265,000	-	270,000	3,995,000	275,000
\$21,905,000 General Obligation Refunding Bonds, Series 2015C, dated October 28, 2015 with interest at 1.00% to 4.50%	Sears Centre	Sears Centre	21,805,000	-	40,000	21,765,000	-
\$8,975,000 General Obligation Refunding Bonds, Series 2016, dated April 21, 2016 with interest at 2% to 4%	Police Station Construction and Road Improvements	Debt Service	8,750,000	-	100,000	8,650,000	100,000
\$6,080,000 General Obligation Bonds, Series 2017A, dated September 12, 2017 with interest at 2% to 4%	Fire Engine and Water System	Debt Service	-	550,000	-	550,000	35,000
		Water	-	5,530,000	-	5,530,000	-
\$3,225,000 General Obligation Refunding Bonds, Series 2017B dated September 12, 2017 with interest at 2% to 4%	Village Hall, Police and Fire Station and Water Tank Construction	Debt Service	-	2,420,000	-	2,420,000	-
		Water	-	805,000	-	805,000	-
TOTAL GENERAL OBLIGATION BONDS			\$ 100,860,000	\$ 9,305,000	\$ 6,835,000	\$ 103,330,000	\$ 3,750,000

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

5. LONG-TERM DEBT (Continued)

B. Economic Development Area and Tax Increment Financing Notes

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

Issue	Fund Debt Retired by	Balance January 1, Restated	Issuances or Accretions	Retirements or Accretions	Balances December 31	Current Portion
Economic Development Area Notes due in annual installments only if incremental tax revenues are available	Debt Service	\$ 123,162,324	\$ 4,396,857	\$ 8,944,465	\$ 118,614,716	\$ -
Tax Increment Redevelopment Note due in annual installments only if incremental tax revenues are available	Barrington/ Higgins TIF Fund	3,584,840	-	-	3,584,840	-
Tax Increment Redevelopment Note due in annual installments only if incremental tax revenues are available	Higgins/ Hassell TIF Fund	2,950,749	2,700,763	123,847	5,527,665	-
Tax Increment Redevelopment Note due in annual installments only if incremental tax revenues are available	Barrington/ Higgins TIF Fund	541,447	-	-	541,447	-
TOTAL TAX INCREMENT FINANCING NOTES		\$ 130,239,360	\$ 7,097,620	\$ 9,068,312	\$ 128,268,668	\$ -

The increase of \$4,396,857 in the Economic Development Area Tax Increment Revenue Notes is interest due as of December 31, 2017 that accrues to the principal balance if not paid.

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

5. LONG-TERM DEBT (Continued)

C. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	General Obligation Bonds Governmental Activities	
	Principal	Interest
2018	\$ 1,735,000	\$ 2,193,324
2019	1,845,000	2,089,837
2020	1,935,000	2,001,201
2021	2,025,000	1,907,601
2022	2,020,000	1,808,137
2023-2027	11,620,000	7,438,015
2028-2032	10,915,000	4,829,001
2033-2037	11,237,500	2,291,039
2038-2039	2,555,000	123,650
TOTAL	\$ 45,887,500	\$ 24,681,805

Year Ending December 31,	Tax Increment Revenue Notes*		General Obligation Bonds Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ -	\$ -	\$ 2,015,000	\$ 2,355,846
2019	-	-	2,385,000	2,269,549
2020	-	-	2,490,000	2,216,719
2021	-	-	2,545,000	2,156,431
2022	-	-	2,775,000	2,077,131
2023-2027	-	-	16,230,000	8,739,283
2028-2032	-	-	20,365,000	4,959,560
2033-2037	-	-	7,507,500	1,057,221
2038-2039	-	-	1,130,000	50,400
TOTAL	\$ -	\$ -	\$ 57,442,500	\$ 25,882,140

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

5. LONG-TERM DEBT (Continued)

C. Debt Service Requirements to Maturity (Continued)

*The Hoffman Estates Economic Development Project Area Tax Increment Revenue Notes provide that the payment of principal and interest on the notes are due only if tax increment revenues are available for payment of debt service in the Sears EDA General Account Fund before the EDA 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 Notes provide 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 notes bears interest at 5%. Therefore, no set debt service schedule is available.

The Higgins/Hassell Redevelopment Note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. The note does not bear interest. Therefore, no set debt service schedule is available.

D. Changes in Long-Term Liabilities

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

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 46,968,750	\$ 2,970,000	\$ 4,051,250	\$ 45,887,500	\$ 1,735,000
Unamortized Bond Discount	(168,718)	-	(27,222)	(141,496)	-
Unamortized Bond Premium	1,418,240	182,988	112,000	1,489,228	-
Tax Increment Financing Notes Payable***	130,239,360	7,097,620	9,068,312	128,268,668	-
Compensated Absences Payable - Governmental Funds*	2,528,498	1,234,072	1,332,957	2,429,613	1,632,059
Compensated Absences Payable - Internal Service Fund	24,728	31,953	24,728	31,953	-

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

5. LONG-TERM DEBT (Continued)

D. Changes in Long-Term Liabilities (Continued)

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
Net Other Postemployment Benefit Obligations**	\$ 2,071,816	\$ 123,715	\$ -	\$ 2,195,531	\$ -
Net Other Postemployment Benefit Obligations - Internal Service Fund	36,094	9,646	-	45,740	-
Net Pension Liability - IMRF**	8,646,624	-	99,975	8,546,649	-
Net Pension Liability - IMRF - Internal Service Fund	480,368	-	5,554	474,814	-
Net Pension Liability - Police Pension**	46,206,322	-	1,903,694	44,302,628	-
Net Pension Liability - Firefighters' Pension**	39,798,851	-	5,446,399	34,352,452	-
Termination Benefit**	140,352	-	76,415	63,937	55,625
TOTAL GOVERNMENTAL ACTIVITIES	\$ 278,391,285	\$ 11,649,994	\$ 22,094,062	\$ 267,947,217	\$ 3,422,684

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

**The General Fund is generally used to liquidate the net pension liabilities, termination benefits and the net other postemployment benefit obligations.

***Part of the increase of \$4,396,857 in the Economic Development Area Tax Increment Revenue Notes is interest due as of December 31, 2017 that accrues to the principal balance if not paid.

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

5. LONG-TERM DEBT (Continued)

D. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1,	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 53,891,250	\$ 6,335,000	\$ 2,783,750	\$ 57,442,500	\$ 2,015,000
Unamortized Bond Discount	(377,006)	-	(34,417)	(342,589)	-
Unamortized Bond Premium	224,935	258,380	21,404	461,911	-
Compensated Absences Payable	351,473	193,183	158,287	386,369	163,343
Net Other Postemployment Benefit Obligations	245,441	44,247	-	289,688	-
Net Pension Liability - IMRF	2,882,208	-	33,325	2,848,883	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 57,218,301	\$ 6,830,810	\$ 2,962,349	\$ 61,086,762	\$ 2,178,343

E. Refundings

On April 21, 2016, the Village issued \$8,975,000 General Obligation Refunding Bonds, Series 2016, to advance refund, through an in-substance defeasance, \$8,575,000 of the Series 2009 General Obligation Bonds. Through the refunding, the Village reduced its debt service by \$1,090,101 and achieved an economic gain of \$838,638. The amount of bonds outstanding to be paid from escrow at December 31, 2017 was \$8,575,000.

On September 17, 2017, the Village issued \$3,225,000 General Obligation Refunding Bonds, 2017B, to advance refund, through an in-substance defeasance, \$3,235,000 of the Series 2008A General Obligation Bonds. Through the refunding, the Village reduced its debt service by \$864,785 and achieved an economic gain of \$497,534. The amount of bonds outstanding to be paid from escrow at December 31, 2017 was \$3,235,000.

F. Legal Debt Margin

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

5. LONG-TERM DEBT (Continued)

F. Legal Debt Margin (Continued)

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

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

G. Tax Increment Revenue Note Disclosures

The Village, pursuant to an economic development agreement dated February 25, 1990, has agreed to reimburse Sears, Roebuck and Co. (Sears) for certain project costs Sears has incurred as the Village’s agent in furthering the economic development plan and project. The economic development agreement requires that an economic development tax increment revenue note be executed each time Sears makes such an advance. These notes are payable from and secured solely by the pledged incremental revenues deposited from time-to-time in the Sears EDA General Account Fund created by the indenture of the Series 2005 and Series 1991 tax increment revenue bonds.

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

H. 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 benefits. During October 2016, the Village entered into an agreement providing for the payment of 15 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 2016 actual rates. The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments. The remaining balance under the agreement was \$63,937 as of December 31, 2017.

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

5. LONG-TERM DEBT (Continued)

I. Net Other Postemployment Benefit Obligation

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, the Village is required to calculate and record a net other postemployment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions. See Note 13 for further information regarding the NOPEBO liability at December 31, 2017.

6. INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2017 consist of the following:

	Due From	Due To
General	\$ 60,269	\$ 9,346
Nonmajor Governmental	146,948	207,217
Fiduciary	9,346	-
TOTAL	\$ 216,563	\$ 216,563

- The above due from/due to amounts outstanding primarily relate to the allocation of health, dental and workers' compensation insurance expenses, capital projects expenses, property tax allocations and other expenses. These amounts will be repaid within one year.

Advances from/to other funds at December 31, 2017 consisted of the following:

	Advance From	Advance To
General	\$ 31,100	\$ -
Fiduciary	-	31,100
TOTAL	\$ 31,100	\$ 31,100

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.

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

6. INTERFUND ACCOUNTS (Continued)

Interfund transfers during the year ended December 31, 2017 consisted of the following:

	Transfer In	Transfer Out
General	\$ -	\$ 5,635,470
Nonmajor Governmental	7,589,427	3,159,787
Waterworks and Sewerage	125,785	126,800
Sears Centre Operating	1,084,077	-
Internal Service	122,768	-
TOTAL	\$ 8,922,057	\$ 8,922,057

The purposes of significant interfund transfers are as follows:

- \$7,589,427 transferred from the General Fund (\$4,478,625), Waterworks and Sewerage Fund (\$76,800) and Nonmajor Governmental Funds (\$3,034,002) to Nonmajor Governmental Funds. This relates to routine transfers for the payment of debt service costs and capital projects. The transfers will not be repaid.
- \$1,084,077 transferred from the General Fund to the Sears Centre Operating Fund to fund debt service and capital acquisitions. This amount will not be repaid.
- \$122,768 transferred from the General Fund (\$72,768) and Waterworks and Sewage Fund (\$50,000) to the internal service funds to fund operating expenses. The transfers will not be repaid.

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for general liability and workers' compensation and has established a risk financing Insurance Fund (the Fund) for those risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. Under this program, the Fund provides coverage up to a maximum of \$100,000 for each general liability and property damage claim, and \$600,000 for each workers' compensation claim. The Village is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC) for health claims. IPBC currently has \$2,268,417 available on deposit for use by the Village. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims did not exceed the Fund's coverage and the commercial coverage was not exceeded in the past three fiscal years.

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

7. RISK MANAGEMENT (Continued)

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

	2017	2016
UNPAID CLAIMS, BEGINNING OF YEAR	\$ 771,318	\$ 535,666
Incurred Claims (including IBNR)	610,911	995,840
Claim Payments	(718,439)	(760,188)
UNPAID CLAIMS, END OF YEAR	\$ 663,790	\$ 771,318

High-Level Excess Liability Pool

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

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

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

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

7. RISK MANAGEMENT (Continued)

High-Level Excess Liability Pool (Continued)

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

Intergovernmental Personnel Benefit Cooperative

Effective January 1, 2005, the Village participates in the 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.

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 IPBC beyond its representation on the Board of Directors.

8. CONTINGENT LIABILITIES

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

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

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

9. CONTRACTUAL COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency

The Village has committed to purchase water from Northwest Suburban Municipal Joint Action Water Agency (JAWA) through the year 2022. The Village expects to pay the following payments to JAWA:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 8,630,000
2019	8,630,000
2020	8,630,000
2021	8,630,000
2022	8,630,000

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

10. TAX ABATEMENTS

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, wholesale vehicle tax, amusement tax and property tax rebates. The amount of the rebates is limited to the lower of actual costs or \$19,462,500 (\$7,771,312 paid as of December 31, 2017) and are payable over 4 to 12 years solely from sales taxes, wholesale vehicle taxes, amusement taxes or property taxes generated by the commercial entities. The rebates are to be paid semiannually by each March 31st and September 30th for the previous six months ending December 31st and June 30th, respectively, or annually within 120 days after the end of the Village's fiscal year for amounts collected by the state or the Village for the prior fiscal year or quarterly. During the fiscal year ended December 31, 2017, approximately \$359,942 in property taxes, \$40,676 in wholesale vehicle taxes and \$569,907 in sales taxes were rebated under these agreements. At December 31, 2017, the Village has accrued an estimated rebate liability of \$309,849 for amounts collected by the state and the Village through December 31, 2017. The amounts to be reimbursed annually are limited to various percentages or maximum limits of sales taxes and property taxes generated by the commercial entities.

11. JOINT VENTURES

A. Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

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

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

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

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

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

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

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

11. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

In accordance with the joint venture agreement, the Village remitted \$8,640,009 to JAWA for 2017. The Village does not have an equity interest in JAWA at December 31, 2017.

B. Solid Waste Agency of Northern Cook County

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

SWANCC is governed by a Board of Directors which consists of the mayor or president from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws. SWANCC has no power to levy taxes.

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

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

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

11. JOINT VENTURES (Continued)

B. Solid Waste Agency of Northern Cook County

In accordance with the contract, the Village made payments totaling \$596,376 to SWANCC in 2017. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2017.

12. DEFINED BENEFIT PENSION PLANS

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

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, the latest actuarial valuation date, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	168
Inactive Employees Entitled to but not yet Receiving Benefits	117
Active Employees	<u>169</u>
 TOTAL	 <u><u>454</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2016 and 2017 were 13.79% and 12.83%, respectively, of covered payroll.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.50%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2016 and 2015 was 7.50% and 7.47%, respectively. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 74,328,581	\$ 62,319,381	\$ 12,009,200
Changes for the Period			
Service Cost	1,272,512	-	1,272,512
Interest	5,483,537	-	5,483,537
Difference Between Expected and Actual Experience	(217,172)	-	(217,172)
Changes in Assumptions	(281,937)	-	(281,937)
Employer Contributions	-	1,675,142	(1,675,142)
Employee Contributions	-	567,924	(567,924)
Net Investment Income	-	4,270,357	(4,270,357)
Benefit Payments and Refunds	(3,114,774)	(3,114,774)	-
Other (Net Transfer)	-	(117,629)	117,629
Net Changes	3,142,166	3,281,020	(138,854)
BALANCES AT DECEMBER 31, 2016	\$ 77,470,747	\$ 65,600,401	\$ 11,870,346

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,172,256. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ -	\$ 1,033,871
Changes in Assumption	625,857	209,893
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	3,252,890	-
Contributions Made Subsequent to the		
Measurement Date	<u>1,570,663</u>	<u>-</u>
 TOTAL	 <u>\$ 5,449,410</u>	 <u>\$ 1,243,764</u>

\$1,570,663 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ 1,074,740
2019	654,196
2020	832,747
2021	73,300
Thereafter	<u>-</u>
 TOTAL	 <u>\$ 2,634,983</u>

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 22,015,539	\$ 11,870,346	\$ 3,529,563

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active police employees.

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	87
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	88
 TOTAL	 176

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village funds at 100% of the past service cost. For the year ended December 31, 2017, the Village's contribution was 41.19% of covered payroll.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The Police Pension Fund's policy has an investment horizon for its investments of three years. During the year, the Fund did not make any changes to the investment policy other than changing its asset allocation.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	1%	0.50%
Fixed Income		
Short-Term Government	5%	2.00%
Intermediate Government	36%	2.00%
Domestic Equities		
Large Cap	5%	4.50%
Large Cap Value	5%	5.00%
Mid Cap Value	6%	5.00%
Small Cap	7%	6.00%
Small Cap Value	7%	7.00%
International Equities		
International Developed	4%	4.50%
International Value	7%	7.00%
International Small	7%	8.00%
Emerging Markets	8%	8.00%
Real Estate	2%	4.00%

ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2018 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

The Police Pension Fund had greater than 5% of its overall portfolio invested in FNMA and FHLMC securities implicitly guaranteed by the United States Government.

Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Fund in the Fund's name.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 7,523,968	\$ 161,432	\$ 5,356,403	\$ 2,006,133	\$ -
U.S. Agency Obligations	7,913,988	777,956	3,711,422	1,981,571	1,443,039
Municipal Bonds	1,171,026	385,723	659,562	-	125,741
Corporate Bonds	6,914,661	402,421	4,771,685	1,474,122	266,433
TOTAL	\$ 23,523,643	\$ 1,727,532	\$ 14,499,072	\$ 5,461,826	\$ 1,835,213

The Fund has the following recurring fair value measurements as of December 31, 2017: the U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal bonds and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows.

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and in corporate bonds in the top three classes by a national rating agency. Illinois Funds is rated AAA by a national rating agency. Additionally, the U.S. agency obligations that consist of FHLMC securities are rated Aaa by a national rating agency. The Fund's U.S. agency obligations consist of FHLMC, FNMA, GNMA and FFCB securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The municipal bonds are rated Ba1 to Aa2. The corporate bonds are rated Baa3 to Aaa.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	<u> </u>	<u> </u>	<u> </u>
BALANCES AT JANUARY 1, 2017	\$ 117,465,512	\$ 71,259,190	\$ 46,206,322
Changes for the Period			
Service Cost	1,495,789	-	1,495,789
Interest	8,609,603	-	8,609,603
Difference Between Expected and Actual Experience	1,425,213	-	1,425,213
Changes in Assumptions	-	-	-
Employer Contributions	-	3,407,918	(3,407,918)
Employee Contributions	-	865,157	(865,157)
Net Investment Income	-	9,200,616	(9,200,616)
Benefit Payments and Refunds	(5,341,609)	(5,341,609)	-
Administrative Expense	-	(39,392)	39,392
	<u> </u>	<u> </u>	<u> </u>
Net Changes	6,188,996	8,092,690	(1,903,694)
	<u> </u>	<u> </u>	<u> </u>
BALANCES AT DECEMBER 31, 2017	\$ 123,654,508	\$ 79,351,880	\$ 44,302,628

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	3.50% to 10.33%
Interest Rate	7.50%
Cost of Living Adjustments	Tier 1: 3.00%, Compounded Tier 2: 2.00%, Simple
Asset Valuation Method	Market

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2017 was 7.50%. At December 31, 2016, the discount rate was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 61,987,534	\$ 44,302,628	\$ 29,880,073

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

For the year ended December 31, 2017, the Village recognized police pension expense of \$3,719,867. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,211,537	\$ 2,009,567
Changes in Assumption	5,445,219	7,887,974
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,596,833	3,803,856
TOTAL	\$ 9,253,589	\$ 13,701,397

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

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

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ (256,868)
2019	(256,868)
2020	(1,555,285)
2021	(2,308,444)
2022	(213,499)
Thereafter	<u>143,156</u>
 TOTAL	 <u>\$ (4,447,808)</u>

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's President, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

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

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At December 31, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	72
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	94
 TOTAL	 166

Benefits Provided

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the Village funds at 100% of the past service cost. For the year ended December 31, 2017, the Village's contribution was 34.58% of covered payroll.

Investment Policy

Permitted Deposits and Investments - ILCS and the Firefighters' Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities. During the year, the following changes to the investment policy were approved by the Board of Trustees: allowing investments in real estate investment trusts and the global tactical asset allocation mutual fund.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	40%	3.21%
Domestic Equities	45%	7.94%
International Equities	15%	2.49%

ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The target column is the current preferred mix of assets.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2018 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

Concentrations

The Fund had greater than 5% of its overall portfolio invested in FNMA securities implicitly guaranteed by the United States Government.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. The Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Fund in the Fund's name.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 7,577,070	\$ 1,383,557	\$ 4,095,950	\$ 862,552	\$ 1,235,011
U.S. Agency Obligations	12,129,805	2,215	1,269,465	1,518,711	9,339,414
Corporate Bonds	10,043,343	421,825	3,530,897	1,937,599	4,153,022
TOTAL	\$ 29,750,218	\$ 1,807,597	\$ 8,896,312	\$ 4,318,862	\$ 14,727,447

The Fund has the following recurring fair value measurements as of December 31, 2017: the U.S. Treasury obligations, equities and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by requiring investments primarily in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and in corporate bonds in the top three classes by a national rating agency. Illinois Funds is rated AAA by a national rating agency. Additionally, the U.S. agency obligations that consist of FHLMC securities are rated AAA by a national rating agency. The Fund's U.S. agency obligations consist of FHLMC, FHLB, FNMA and GNMA securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The corporate bonds are rated BBB- to AAA.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and mutual funds are not subject to custodial credit risk.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 114,394,779	\$ 74,595,928	\$ 39,798,851
Changes for the Period			
Service Cost	1,935,078	-	1,935,078
Interest	8,298,776	-	8,298,776
Difference Between Expected and Actual Experience	(391,154)	-	(391,154)
Changes in Assumptions	(1,540,149)	-	(1,540,149)
Employer Contributions	-	3,121,335	(3,121,335)
Employee Contributions	-	863,963	(863,963)
Net Investment Income	-	9,817,442	(9,817,442)
Benefit Payments and Refunds	(4,800,989)	(4,800,989)	-
Administrative Expense	-	(53,790)	53,790
Net Changes	3,501,562	8,947,961	(5,446,399)
BALANCES AT DECEMBER 31, 2017	\$ 117,896,341	\$ 83,543,889	\$ 34,352,452

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 11.29%
Interest Rate	7.50%
Cost of Living Adjustments	Tier 1: 3.00%, Compounded Tier 2: 2.00%, Simple
Asset Valuation Method	Market

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2017 was 7.41%. At December 31, 2016, the discount rate was 7.31%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.44% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2017 to arrive at a discount rate of 7.41% used to determine the total pension liability. The index rate at December 31, 2016 was 3.78% to arrive at a discount rate of 7.31%.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.41% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.41%) or 1 percentage point higher (8.41%) than the current rate:

	1% Decrease (6.41%)	Current Discount Rate (7.41%)	1% Increase (8.41%)
Net Pension Liability	\$ 51,271,202	\$ 34,352,452	\$ 20,517,643

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

For the year ended December 31, 2017, the Village recognized firefighters' pension expense of \$4,668,184. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 847,129
Changes in Assumption	3,523,571	1,342,946
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,893,135	3,404,282
TOTAL	\$ 6,416,706	\$ 5,594,357

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

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

<u>Year Ending December 31,</u>	
2018	\$ 806,592
2019	806,590
2020	(215,700)
2021	(498,549)
2022	280,618
Thereafter	<u>(357,202)</u>
 TOTAL	 <u><u>\$ 822,349</u></u>

Pension Segment Information

Fiduciary Net Position

	<u>Pension Trust</u>		
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ASSETS			
Cash and Short-Term Investments	\$ 1,279,008	\$ 1,286,276	\$ 2,565,284
Investments, at Fair Value			
U.S. Treasury Securities	7,523,968	7,577,070	15,101,038
U.S. Agency Securities	7,913,988	12,129,805	20,043,793
Corporate Bonds	6,914,661	10,043,343	16,958,004
Municipal Bonds	1,171,026	-	1,171,026
Mutual Funds	54,223,356	42,891,336	97,114,692
Money Market Mutual Funds	172,312	1,104,235	1,276,547
Equities	-	8,354,733	8,354,733

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Pension Segment Information (Continued)

Fiduciary Net Position (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS (Continued)			
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	\$ 157,930	\$ 170,635	\$ 328,565
Prepaid Expenses	4,766	6,151	10,917
Due from General Fund	4,920	4,426	9,346
Total Assets	79,365,935	83,568,010	162,933,945
LIABILITIES			
Accounts Payable	14,055	24,121	38,176
Total Liabilities	14,055	24,121	38,176
NET POSITION RESTRICTED FOR PENSIONS	\$ 79,351,880	\$ 83,543,889	\$ 162,895,769

Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 3,407,918	\$ 3,121,335	\$ 6,529,253
Employee Contributions	865,157	863,963	1,729,120
Total Contributions	4,273,075	3,985,298	8,258,373

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Pension Segment Information (Continued)

Changes in Plan Net Position (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS (Continued)			
Investment Income			
Net Appreciation in Fair Value of Investments	\$ 6,512,476	\$ 7,730,789	\$ 14,243,265
Interest	2,787,167	2,316,822	5,103,989
Total Investment Income	9,299,643	10,047,611	19,347,254
Less Investment Expense	(99,027)	(230,169)	(329,196)
Net Investment Income	9,200,616	9,817,442	19,018,058
Total Additions	13,473,691	13,802,740	27,276,431
DEDUCTIONS			
Benefits and Refunds	5,341,609	4,800,989	10,142,598
Miscellaneous	39,392	53,790	93,182
Total Deductions	5,381,001	4,854,779	10,235,780
NET INCREASE	8,092,690	8,947,961	17,040,651
NET POSITION RESTRICTED FOR PENSIONS			
January 1	71,259,190	74,595,928	145,855,118
December 31	\$ 79,351,880	\$ 83,543,889	\$ 162,895,769

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

13. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

B. Benefits Provided

The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois Statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan.

C. Membership

At December 31, 2016 (most recent available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	69
Active Employees - Vested	45
Active Employees - Nonvested	<u>231</u>
 TOTAL	 <u><u>345</u></u>
 Participating Employers	 <u><u>1</u></u>

D. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the plan as of December 31, 2016 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, 2017. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years was as follows.

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 678,756	\$ 391,388	57.66%	\$ 2,179,416
2016	581,193	407,257	70.07%	2,353,352
2017	605,019	427,412	70.64%	2,530,959

The net OPEB obligation as of December 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 589,330
Interest on Net OPEB Obligation	94,134
Adjustment to Annual Required Contribution	<u>(78,445)</u>
Annual OPEB Cost	605,019
Contributions Made	<u>427,412</u>
Increase in Net OPEB Obligation	177,607
Net OPEB Obligation, Beginning of Year	<u>2,353,352</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 2,530,959</u>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2016 (most recent available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 9,880,829
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	9,880,829
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 23,557,037
UAAL as a Percentage of Covered Payroll	41.94%

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016 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 6.50% decreasing to an ultimate rate of 5.50%. Both rates include a 4.00% 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, 2016 was 29 years.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

GENERAL FUND

For the Year Ended December 31, 2017

	<u>Original</u>	<u>Final</u>	
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>
REVENUES			
Taxes	\$ 31,563,170	\$ 31,563,170	\$ 30,928,418
Licenses and Permits	1,512,000	1,597,500	1,707,137
Intergovernmental	15,128,800	15,128,800	15,085,809
Charges for Services	8,642,030	8,642,030	9,087,327
Fines and Forfeits	1,675,000	1,675,000	1,279,213
Interest Income	60,000	60,000	188,872
Miscellaneous	398,710	398,710	635,776
	<hr/>	<hr/>	<hr/>
Total Revenues	58,979,710	59,065,210	58,912,552
EXPENDITURES			
Current			
General Government	6,520,880	6,470,880	5,910,231
Public Safety	35,731,080	35,816,580	35,385,440
Highways and Streets	6,336,770	6,336,770	5,677,957
Sanitation	2,912,510	2,962,510	2,917,600
Health and Welfare	2,216,390	2,216,390	2,018,586
Culture and Recreation	328,790	328,790	310,459
Economic Development	2,347,120	2,347,120	2,037,077
	<hr/>	<hr/>	<hr/>
Total Expenditures	56,393,540	56,479,040	54,257,350
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/>	<hr/>	<hr/>
	2,586,170	2,586,170	4,655,202
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<hr/>	<hr/>	<hr/>
	(4,966,340)	(5,668,340)	(5,635,470)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(4,966,340)	(5,668,340)	(5,635,470)
NET CHANGE IN FUND BALANCE			
	<hr/>	<hr/>	<hr/>
	\$ (2,380,170)	\$ (3,082,170)	(980,268)
FUND BALANCE, JANUARY 1			
			<hr/>
			23,351,075
FUND BALANCE, DECEMBER 31			
			<hr/>
			\$ 22,370,807

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

EDA GENERAL ACCOUNT FUND

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ -	\$ 8,944,500	\$ 8,944,465
Total Revenues	-	8,944,500	8,944,465
EXPENDITURES			
Debt Service			
Principal Retirement	-	8,944,500	8,944,465
Total Expenditures	-	8,944,500	8,944,465
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

1. BUDGETARY INFORMATION

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

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

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

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2017

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2012	\$ -	\$ 11,871,893	0.00%	\$ 11,871,893	\$ 27,083,197	43.83%
2013	*	*	*	*	*	*
2014	-	8,325,891	0.00%	8,325,891	24,711,803	33.69%
2015	-	11,874,011	0.00%	11,874,011	25,371,459	46.80%
2016	-	9,880,829	0.00%	9,880,829	23,557,037	41.94%
2017	*	*	*	*	*	*

*The Village had actuarial valuations performed biennially.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017
Actuarially Determined Contribution	\$ 1,743,250	\$ 1,675,142	\$ 1,570,663
Contributions in Relation to the Actuarially Determined Contribution	1,743,250	1,675,142	1,570,663
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-Employee Payroll	<u>\$ 11,821,130</u>	<u>\$ 12,143,510</u>	<u>\$ 12,242,925</u>
Contributions as a Percentage of Covered-Employee Payroll	<u>14.75%</u>	<u>13.79%</u>	<u>12.83%</u>

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 2.75% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,785,384	\$ 1,912,498	\$ 2,524,331	\$ 2,476,784	\$ 2,473,855	\$ 2,392,818	\$ 2,710,874	\$ 2,609,029	\$ 3,178,239	\$ 3,380,781
Contributions in Relation to the Actuarially Determined Contribution	1,800,870	1,979,784	2,541,814	2,497,419	2,450,556	2,387,875	2,698,444	2,670,802	3,228,471	3,407,918
CONTRIBUTION DEFICIENCY (Excess)	\$ (15,486)	\$ (67,286)	\$ (17,483)	\$ (20,635)	\$ 23,299	\$ 4,943	\$ 12,430	\$ (61,773)	\$ (50,232)	\$ (27,137)
Covered-Employee Payroll	\$ 8,118,084	\$ 8,155,245	\$ 8,202,710	\$ 8,358,633	\$ 8,667,490	\$ 8,609,981	\$ 8,378,076	\$ 8,465,859	\$ 8,126,055	\$ 8,274,364
Contributions as a Percentage of Covered-Employee Payroll	22.18%	24.28%	30.99%	29.88%	28.27%	27.73%	32.21%	31.55%	39.73%	41.19%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,545,560	\$ 1,755,105	\$ 2,434,992	\$ 2,474,644	\$ 2,045,844	\$ 2,306,816	\$ 2,529,741	\$ 2,531,184	\$ 2,819,396	\$ 3,097,747
Contributions in Relation to the Actuarially Determined Contribution	1,561,796	1,771,131	2,454,155	2,488,676	2,080,514	2,062,868	2,520,362	2,597,016	2,867,272	3,121,335
CONTRIBUTION DEFICIENCY (Excess)	\$ (16,236)	\$ (16,026)	\$ (19,163)	\$ (14,032)	\$ (34,670)	\$ 243,948	\$ 9,379	\$ (65,832)	\$ (47,876)	\$ (23,588)
Covered-Employee Payroll	\$ 7,901,342	\$ 8,186,783	\$ 8,448,299	\$ 8,231,207	\$ 8,272,945	\$ 8,509,061	\$ 9,015,322	\$ 9,274,129	\$ 8,938,838	\$ 9,026,896
Contributions as a Percentage of Covered-Employee Payroll	19.77%	21.63%	29.05%	30.23%	25.15%	24.24%	27.96%	28.00%	32.08%	34.58%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2017

Fiscal Year December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 502,177	\$ 570,731	87.99%
2013	328,364	665,768	49.32%
2014	322,533	421,696	76.48%
2015	391,388	666,142	58.75%
2016	407,257	566,664	71.87%
2017	427,412	589,330	72.53%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015*	2016**
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,360,773	\$ 1,301,536	\$ 1,272,512
Interest	4,933,202	5,325,516	5,483,537
Changes of Benefit Terms			
Differences Between Expected and Actual Experience	(529,106)	(1,490,827)	(217,172)
Changes of Assumptions*	2,294,879	92,788	(281,937)
Benefit Payments, Including Refunds of Member Contributions	(2,501,688)	(2,892,799)	(3,114,774)
Net Change in Total Pension Liability	5,558,060	2,336,214	3,142,166
Total Pension Liability - Beginning	66,434,307	71,992,367	74,328,581
TOTAL PENSION LIABILITY - ENDING	\$ 71,992,367	\$ 74,328,581	\$ 77,470,747
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,633,793	\$ 1,743,250	\$ 1,675,142
Contributions - Member	551,845	569,687	567,924
Net Investment Income	3,655,142	314,408	4,270,357
Benefit Payments, Including Refunds of Member Contributions	(2,501,688)	(2,892,799)	(3,114,774)
Other (Net Transfer)	(152,063)	(680,586)	(117,629)
Net Change in Plan Fiduciary Net Position	3,187,029	(946,040)	3,281,020
Plan Fiduciary Net Position - Beginning	60,078,392	63,265,421	62,319,381
PLAN FIDUCIARY NET POSITION - ENDING	\$ 63,265,421	\$ 62,319,381	\$ 65,600,401
EMPLOYER'S NET PENSION LIABILITY	\$ 8,726,946	\$ 12,009,200	\$ 11,870,346
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.90%	83.80%	84.70%
Covered-Employee Payroll	\$ 11,708,241	\$ 11,821,130	\$ 12,143,510
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	74.50%	101.60%	97.80%

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

**Changes in assumptions related to the discount rate were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

POLICE PENSION FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015*	2016**	2017***
TOTAL PENSION LIABILITY				
Service Cost	\$ 1,718,313	\$ 1,644,115	\$ 1,485,606	\$ 1,495,789
Interest	7,215,478	7,426,526	9,230,804	8,609,603
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	1,407,476	(905,685)	(2,263,917)	1,425,213
Changes of Assumptions*	6,443,602	10,336,137	(11,653,118)	-
Benefit Payments, Including Refunds of Member Contributions	(3,744,605)	(4,131,392)	(4,822,503)	(5,341,609)
Net Change in Total Pension Liability	13,040,264	14,369,701	(8,023,128)	6,188,996
Total Pension Liability - Beginning	98,078,675	111,118,939	125,488,640	117,465,512
TOTAL PENSION LIABILITY - ENDING	\$ 111,118,939	\$ 125,488,640	\$ 117,465,512	\$ 123,654,508
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 2,698,444	\$ 2,670,802	\$ 3,228,471	\$ 3,407,918
Contributions - Member	1,026,505	852,743	813,215	865,157
Net Investment Income	1,545,937	(1,410,523)	6,063,204	9,200,616
Benefit Payments, Including Refunds of Member Contributions	(3,744,605)	(4,131,392)	(4,822,503)	(5,341,609)
Administrative Expense	(21,217)	(49,601)	(38,109)	(39,392)
Net Change in Plan Fiduciary Net Position	1,505,064	(2,067,971)	5,244,278	8,092,690
Plan Fiduciary Net Position - Beginning	66,577,819	68,082,883	66,014,912	71,259,190
PLAN FIDUCIARY NET POSITION - ENDING	\$ 68,082,883	\$ 66,014,912	\$ 71,259,190	\$ 79,351,880
EMPLOYER'S NET PENSION LIABILITY	\$ 43,036,056	\$ 59,473,728	\$ 46,206,322	\$ 44,302,628
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.30%	52.60%	60.70%	64.20%
Covered-Employee Payroll	\$ 8,378,076	\$ 8,465,859	\$ 8,205,983	\$ 8,493,193
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	513.70%	702.50%	563.10%	521.60%

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

** There was a change in 2016 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates and discount rates.

*** There was a change in 2017 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

FIREFIGHTERS' PENSION FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015*	2016**	2017***
TOTAL PENSION LIABILITY				
Service Cost	\$ 2,120,597	\$ 1,868,762	\$ 1,951,957	\$ 1,935,078
Interest	6,556,239	7,120,712	7,734,740	8,298,776
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	1,252,030	(800,017)	(15,879)	(391,154)
Changes of Assumptions*	3,396,442	4,562,482	949,835	(1,540,149)
Benefit Payments, Including Refunds of Member Contributions	(3,623,427)	(3,835,382)	(4,072,544)	(4,800,989)
Net Change in Total Pension Liability	9,701,881	8,916,557	6,548,109	3,501,562
Total Pension Liability - Beginning	89,228,232	98,930,113	107,846,670	114,394,779
TOTAL PENSION LIABILITY - ENDING	\$ 98,930,113	\$ 107,846,670	\$ 114,394,779	\$ 117,896,341
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 2,520,362	\$ 2,597,016	\$ 2,867,272	\$ 3,121,335
Contributions - Member	851,857	863,860	973,790	863,963
Net Investment Income	3,594,816	213,616	3,899,334	9,817,442
Benefit Payments, Including Refunds of Member Contributions	(3,623,427)	(3,835,382)	(4,072,544)	(4,800,989)
Administrative Expense	(77,973)	(55,131)	(71,449)	(53,790)
Net Change in Plan Fiduciary Net Position	3,265,635	(216,021)	3,596,403	8,947,961
Plan Fiduciary Net Position - Beginning	67,949,911	71,215,546	70,999,525	74,595,928
PLAN FIDUCIARY NET POSITION - ENDING	\$ 71,215,546	\$ 70,999,525	\$ 74,595,928	\$ 83,543,889
EMPLOYER'S NET PENSION LIABILITY	\$ 27,714,567	\$ 36,847,145	\$ 39,798,851	\$ 34,352,452
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.00%	65.80%	65.20%	70.90%
Covered-Employee Payroll	\$ 9,015,322	\$ 9,274,129	\$ 9,221,092	\$ 9,543,830
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	307.40%	397.30%	431.60%	359.90%

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

** There was a change in 2016 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates and discount rates.

*** There was a change in 2017 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

POLICE PENSION FUND

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.15%	(1.94%)	9.31%	13.02%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

FIREFIGHTERS' PENSION FUND

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.34%	0.42%	3.10%	13.40%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMPARATIVE BALANCE SHEET BY ACCOUNT

GENERAL FUND

December 31, 2017
(with comparative totals for 2016)

	<u>2017</u>			<u>2016</u>
	<u>General Account</u>	<u>Municipal Waste System Account</u>	<u>Total</u>	
ASSETS				
Cash and Investments	\$ 19,415,900	\$ 754,855	\$ 20,170,755	\$ 19,443,123
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	18,229,735	-	18,229,735	17,798,039
Accounts	153,450	243,455	396,905	454,640
Accrued Interest	82,303	-	82,303	33,043
Other	2,775,234	9,835	2,785,069	2,874,009
Prepaid Items	-	50,851	50,851	121,943
Inventories	116,953	-	116,953	124,661
Due from Other Governments	4,183,443	-	4,183,443	4,838,202
Due from Other Funds	60,269	-	60,269	99,795
Advance to Fiduciary Funds	31,100	-	31,100	31,100
TOTAL ASSETS	\$ 45,048,387	\$ 1,058,996	\$ 46,107,383	\$ 45,818,555
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,244,691	\$ 379,875	\$ 1,624,566	\$ 1,023,336
Accrued Payroll	1,138,197	1,149	1,139,346	1,048,744
Unearned Revenues	146,055	222,352	368,407	389,950
Due to Fiduciary Funds	9,346	-	9,346	8,104
Deposits Payable	1,155,449	-	1,155,449	967,471
Total Liabilities	3,693,738	603,376	4,297,114	3,437,605
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	18,181,314	-	18,181,314	17,782,339
Unavailable State Taxes	1,258,148	-	1,258,148	1,247,536
Total Deferred Inflows of Resources	19,439,462	-	19,439,462	19,029,875
Total Liabilities and Deferred Inflows of Resources	23,133,200	603,376	23,736,576	22,467,480
FUND BALANCES				
Nonspendable				
Prepaid Items	-	50,851	50,851	121,943
Inventories	116,953	-	116,953	124,661
Advances	31,100	-	31,100	31,100
Restricted				
Public Safety	127,381	-	127,381	122,524
Employee Loan Program	55,851	-	55,851	49,510
Assigned				
Employee Health	2,268,417	-	2,268,417	2,328,466
Subsequent Budget	526,330	-	526,330	2,391,430
Unassigned	18,789,155	404,769	19,193,924	18,181,441
Total Fund Balances	21,915,187	455,620	22,370,807	23,351,075
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 45,048,387	\$ 1,058,996	\$ 46,107,383	\$ 45,818,555

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BY ACCOUNT**

GENERAL FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017				2016			
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Eliminations	Total
REVENUES								
Taxes	\$ 30,928,418	\$ -	\$ -	\$ 30,928,418	\$ 30,563,005	\$ -	\$ -	\$ 30,563,005
Licenses and Permits	1,707,137	-	-	1,707,137	1,774,407	-	-	1,774,407
Intergovernmental	15,085,809	-	-	15,085,809	14,853,986	-	-	14,853,986
Charges for Services	6,279,519	2,807,808	-	9,087,327	6,298,315	2,608,989	-	8,907,304
Fines and Forfeits	1,279,213	-	-	1,279,213	1,496,652	-	-	1,496,652
Investment Income	187,889	983	-	188,872	76,788	19	-	76,807
Miscellaneous	483,105	152,671	-	635,776	480,318	160,500	-	640,818
Total Revenues	55,951,090	2,961,462	-	58,912,552	55,543,471	2,769,508	-	58,312,979
EXPENDITURES								
Current								
General Government	5,910,231	-	-	5,910,231	5,904,784	-	-	5,904,784
Public Safety	35,385,440	-	-	35,385,440	34,229,399	-	-	34,229,399
Highways and Streets	5,645,075	32,882	-	5,677,957	5,951,650	33,265	-	5,984,915
Sanitation	-	2,917,600	-	2,917,600	-	2,843,463	-	2,843,463
Health and Welfare	2,018,586	-	-	2,018,586	1,823,939	-	-	1,823,939
Culture and Recreation	310,459	-	-	310,459	321,265	-	-	321,265
Economic Development	2,037,077	-	-	2,037,077	2,065,058	-	-	2,065,058
Total Expenditures	51,306,868	2,950,482	-	54,257,350	50,296,095	2,876,728	-	53,172,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,644,222	10,980	-	4,655,202	5,247,376	(107,220)	-	5,140,156

	2017				2016			
	General Account	Municipal Waste System Account	Eliminations	Total	General Account	Municipal Waste System Account	Eliminations	Total
OTHER FINANCING SOURCES (USES)								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 200,479	\$ -	\$ -	\$ 200,479
Transfers (Out)	(5,635,470)	-	-	(5,635,470)	(4,649,453)	-	-	(4,649,453)
Total Other Financing Sources (Uses)	(5,635,470)	-	-	(5,635,470)	(4,448,974)	-	-	(4,448,974)
NET CHANGE IN FUND BALANCES	(991,248)	10,980	-	(980,268)	798,402	(107,220)	-	691,182
FUND BALANCES, JANUARY 1	22,906,435	444,640	-	23,351,075	22,108,033	551,860	-	22,659,893
FUND BALANCES, DECEMBER 31	\$ 21,915,187	\$ 455,620	\$ -	\$ 22,370,807	\$ 22,906,435	\$ 444,640	\$ -	\$ 23,351,075

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL ACCOUNT

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 371,210	\$ 371,210	\$ 356,584	\$ 366,169
Administration	711,630	711,630	690,305	613,715
Legal	568,340	568,340	478,430	547,448
Finance	1,180,870	1,130,870	1,084,661	976,735
Village Clerk	201,400	201,400	197,250	201,409
Human Resources Management	560,790	560,790	549,210	529,103
Communications	238,240	238,240	246,583	218,243
Buildings and Grounds	1,160,870	1,160,870	1,060,690	956,579
Fleet Services	1,249,560	1,249,560	1,028,883	1,114,744
Police and Fire Commission	64,380	64,380	35,891	35,817
Miscellaneous Boards and Commissions	213,590	213,590	181,744	173,031
Total General Government	6,520,880	6,470,880	5,910,231	5,732,993
PUBLIC SAFETY				
Police Department				
Administration	1,536,280	1,536,280	1,575,998	1,312,408
Juvenile Investigations	522,150	522,150	527,766	507,415
Tactical	752,350	752,350	732,668	606,753
Patrol and Response	10,839,580	10,839,580	10,727,894	9,748,411
Traffic Control	1,331,710	1,331,710	1,092,393	1,595,771
Investigations	1,289,490	1,289,490	1,285,808	1,217,851
Community Relations	13,950	13,950	10,775	11,537
Communications	801,020	801,020	760,603	790,929
Canine	173,620	173,620	171,332	161,706
Special Services	228,260	228,260	245,530	201,749
Records	296,260	296,260	271,687	298,078
Administrative Services	755,440	755,440	736,749	660,130
Emergency Operations	79,380	79,380	65,905	49,328
Total Police Department	18,619,490	18,619,490	18,205,108	17,162,066
Fire Department				
Administration	819,990	905,490	951,825	817,168
Public Education	41,450	41,450	46,189	36,071
Suppression	8,246,590	8,246,590	8,231,993	7,796,488
Emergency Medical Services	7,436,570	7,436,570	7,422,068	6,975,783
Fire Prevention	536,690	536,690	500,275	489,632
Fire Stations	30,300	30,300	27,982	23,475
Total Fire Department	17,111,590	17,197,090	17,180,332	16,138,617
Total Public Safety	35,731,080	35,816,580	35,385,440	33,300,683

(This schedule is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL ACCOUNT

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS				
Administration - Public Works	\$ 310,210	\$ 310,210	\$ 309,919	\$ 239,367
Snow and Ice Control	1,872,930	1,872,930	1,387,641	1,538,223
Pavement Maintenance	393,880	393,880	380,080	417,189
Forestry	1,195,860	1,195,860	1,031,669	2,067,999
Maintenance	315,360	315,360	315,364	293,915
Storm Sewers	158,890	158,890	154,301	200,021
Utilities	751,070	751,070	765,495	642,791
Engineering	1,303,820	1,303,820	1,300,606	1,206,261
Total Highways and Streets	6,302,020	6,302,020	5,645,075	6,605,766
HEALTH AND WELFARE				
Health and Human Services	721,040	721,040	693,891	666,938
Code Enforcement	1,495,350	1,495,350	1,324,695	1,122,319
Total Health and Welfare	2,216,390	2,216,390	2,018,586	1,789,257
CULTURE AND RECREATION				
Cable T.V.	163,880	163,880	155,268	144,182
4th of July	164,910	164,910	155,191	153,718
Total Culture and Recreation	328,790	328,790	310,459	297,900
ECONOMIC DEVELOPMENT				
Administration - Community Development	394,730	394,730	397,309	386,014
Planning	405,830	405,830	355,840	489,068
Economic Development	1,546,560	1,546,560	1,283,928	1,185,293
Total Economic Development	2,347,120	2,347,120	2,037,077	2,060,375
TOTAL EXPENDITURES	\$ 53,446,280	\$ 53,481,780	\$ 51,306,868	\$ 49,786,974

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

MUNICIPAL WASTE SYSTEM ACCOUNT

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 2,791,260	\$ 2,791,260	\$ 2,807,808	\$ 2,608,989
Investment Income	-	-	983	19
Miscellaneous	152,300	152,300	152,671	160,500
Total Revenues	2,943,560	2,943,560	2,961,462	2,769,508
EXPENDITURES				
Current				
Sanitation	2,912,510	2,962,510	2,917,600	2,843,463
Highways and Streets	34,750	34,750	32,882	33,265
Total Expenditures	2,947,260	2,997,260	2,950,482	2,876,728
NET CHANGE IN FUND BALANCE	\$ (3,700)	\$ (53,700)	10,980	(107,220)
FUND BALANCE, JANUARY 1				444,640
FUND BALANCE, DECEMBER 31				\$ 444,640
				\$ 455,620

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

EDA GENERAL ACCOUNT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		Actual	2016
	Original Budget	Final Budget		Actual
REVENUES				
Taxes	\$ -	\$ 8,944,500	\$ 8,944,465	\$ 12,079,693
Total Revenues	-	8,944,500	8,944,465	12,079,693
EXPENDITURES				
Debt Service				
Principal Retirement	-	8,944,500	8,944,465	12,079,693
Total Expenditures	-	8,944,500	8,944,465	12,079,693
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 1,642,752	\$ 35,318	\$ 9,688,919	\$ 11,366,989
Receivables				
Property Taxes	902,921	2,104,731	-	3,007,652
Accounts	-	-	47,588	47,588
Accrued Interest	1,389	-	34,354	35,743
Other	205,839	-	499,157	704,996
Prepaid Items	-	-	30,080	30,080
Due from Other Governments	114,670	-	-	114,670
Due from Other Funds	-	-	146,948	146,948
TOTAL ASSETS	\$ 2,867,571	\$ 2,140,049	\$ 10,447,046	\$ 15,454,666
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 22,252	\$ -	\$ 2,154,302	\$ 2,176,554
Unearned Revenues	22,752	-	65,834	88,586
Due to Other Funds	207,217	-	-	207,217
Deposits Payable	-	-	2,365,053	2,365,053
Total Liabilities	252,221	-	4,585,189	4,837,410
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	902,921	2,100,580	-	3,003,501
Total Deferred Inflows of Resources	902,921	2,100,580	-	3,003,501
Total Liabilities and Deferred Inflows of Resources	1,155,142	2,100,580	4,585,189	7,840,911
FUND BALANCES				
Nonspendable				
Prepaid Items	-	-	30,080	30,080
Restricted				
Highways and Streets	726,902	-	-	726,902
Public Safety	479,551	-	-	479,551
Debt Service	-	39,469	-	39,469
Economic Development - State Statute	505,976	-	-	505,976
Capital Improvements	-	-	578,537	578,537
Assigned				
Capital Improvements	-	-	5,253,240	5,253,240
Unassigned (Deficit)	-	-	-	-
Total Fund Balances	1,712,429	39,469	5,861,857	7,613,755
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,867,571	\$ 2,140,049	\$ 10,447,046	\$ 15,454,666

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 849,080	\$ 2,325,331	\$ 3,622,302	\$ 6,796,713
Intergovernmental	1,593,039	270,964	1,104,197	2,968,200
Charges for Services	-	-	1,081,394	1,081,394
Fines and Forfeits	471,708	-	-	471,708
Investment Income	9,848	4,158	78,059	92,065
Miscellaneous	63,793	-	132,100	195,893
Total Revenues	2,987,468	2,600,453	6,018,052	11,605,973
EXPENDITURES				
Current				
Public Safety	712,647	-	-	712,647
Highways and Streets	1,262,986	-	-	1,262,986
Economic Development	3,808,984	-	-	3,808,984
Capital Outlay	-	-	9,949,220	9,949,220
Debt Service				
Principal Retirement	123,847	1,595,000	30,000	1,748,847
Interest and Fiscal Charges	-	2,298,247	24,568	2,322,815
Total Expenditures	5,908,464	3,893,247	10,003,788	19,805,499
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,920,996)	(1,292,794)	(3,985,736)	(8,199,526)
OTHER FINANCING SOURCES (USES)				
Transfers In	381,244	1,209,358	5,998,825	7,589,427
Transfers (Out)	(67,115)	-	(3,092,672)	(3,159,787)
Notes Issued, at Par	2,700,763	-	-	2,700,763
Bonds Issued	-	2,420,000	550,000	2,970,000
Payment to Escrow Agent	-	(2,510,274)	-	(2,510,274)
Premium on Bonds Issued	-	148,070	34,918	182,988
Total Other Financing Sources (Uses)	3,014,892	1,267,154	3,491,071	7,773,117
NET CHANGE IN FUND BALANCES	93,896	(25,640)	(494,665)	(426,409)
FUND BALANCES, JANUARY 1	1,618,533	65,109	6,356,522	8,040,164
FUND BALANCES, DECEMBER 31	\$ 1,712,429	\$ 39,469	\$ 5,861,857	\$ 7,613,755

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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.

Barrington/Higgins TIF Fund - to account for the revenues and expenditures pertaining to the activity in the Barrington/Higgins 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, 2017

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
ASSETS			
Cash and Investments	\$ 615,114	\$ 19,421	\$ 494,074
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	507	-	-
Property Tax	-	-	-
Other	-	205,839	-
Due from Other Governments	114,670	-	-
TOTAL ASSETS	\$ 730,291	\$ 225,260	\$ 494,074
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,389	\$ 2,041	\$ -
Unearned Revenues	-	-	12,752
Due to Other Funds	-	205,446	1,771
Total Liabilities	3,389	207,487	14,523
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	3,389	207,487	14,523
FUND BALANCES			
Restricted			
Highways and Streets	726,902	-	-
Public Safety	-	-	479,551
Economic Development - State Statute	-	17,773	-
Total Fund Balances	726,902	17,773	479,551
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 730,291	\$ 225,260	\$ 494,074

Emergency 911	Roselle Road TIF	Barrington Higgins TIF	Higgins/Hassell TIF	Total
\$ -	\$ 289,968	\$ 214,507	\$ 9,668	\$ 1,642,752
-	882	-	-	1,389
-	200,591	603,852	98,478	902,921
-	-	-	-	205,839
-	-	-	-	114,670
\$ -	\$ 491,441	\$ 818,359	\$ 108,146	\$ 2,867,571
\$ -	\$ 7,201	\$ 9,621	\$ -	\$ 22,252
-	10,000	-	-	22,752
-	-	-	-	207,217
-	17,201	9,621	-	252,221
-	200,591	603,852	98,478	902,921
-	200,591	603,852	98,478	902,921
-	217,792	613,473	98,478	1,155,142
-	-	-	-	726,902
-	-	-	-	479,551
-	273,649	204,886	9,668	505,976
-	273,649	204,886	9,668	1,712,429
\$ -	\$ 491,441	\$ 818,359	\$ 108,146	\$ 2,867,571

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	1,342,393	250,646	-
Fines and Forfeits	-	-	471,708
Investment Income	4,840	-	1,467
Miscellaneous	-	37,002	26,791
Total Revenues	1,347,233	287,648	499,966
EXPENDITURES			
Current			
Public Safety	-	-	712,647
Highways and Streets	1,262,986	-	-
Economic Development	-	269,876	-
Debt Service			
Principal Retirement	-	-	-
Total Expenditures	1,262,986	269,876	712,647
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	84,247	17,772	(212,681)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	381,244
Transfers (Out)	-	-	-
Notes Issued, at Par	-	-	-
Total Other Financing Sources (Uses)	-	-	381,244
NET CHANGE IN FUND BALANCES	84,247	17,772	168,563
FUND BALANCES, JANUARY 1	642,655	1	310,988
FUND BALANCES, DECEMBER 31	\$ 726,902	\$ 17,773	\$ 479,551

Emergency 911	Roselle Road TIF	Barrington Higgins TIF	Higgins/Hassell TIF	Total
\$ -	\$ 146,573	\$ 604,029	\$ 98,478	\$ 849,080
-	-	-	-	1,593,039
-	-	-	-	471,708
136	795	2,527	83	9,848
-	-	-	-	63,793
136	147,368	606,556	98,561	2,987,468
-	-	-	-	712,647
-	-	-	-	1,262,986
-	19,096	683,531	2,836,481	3,808,984
-	-	-	123,847	123,847
-	19,096	683,531	2,960,328	5,908,464
136	128,272	(76,975)	(2,861,767)	(2,920,996)
-	-	-	-	381,244
(67,115)	-	-	-	(67,115)
-	-	-	2,700,763	2,700,763
(67,115)	-	-	2,700,763	3,014,892
(66,979)	128,272	(76,975)	(161,004)	93,896
66,979	145,377	281,861	170,672	1,618,533
\$ -	\$ 273,649	\$ 204,886	\$ 9,668	\$ 1,712,429

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

MOTOR FUEL TAX FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		Actual	2016
	Original Budget	Final Budget		Actual
REVENUES				
Intergovernmental	\$ 1,275,000	\$ 1,275,000	\$ 1,342,393	\$ 1,359,174
Investment Income	2,000	2,000	4,840	2,196
Total Revenues	1,277,000	1,277,000	1,347,233	1,361,370
EXPENDITURES				
Current				
Highways and Streets	1,275,000	1,275,000	1,262,986	1,250,621
Total Expenditures	1,275,000	1,275,000	1,262,986	1,250,621
NET CHANGE IN FUND BALANCE	\$ 2,000	\$ 2,000	84,247	110,749
FUND BALANCE, JANUARY 1			642,655	531,906
FUND BALANCE, DECEMBER 31			\$ 726,902	\$ 642,655

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 320,900	\$ 320,900	\$ 250,646	\$ 289,461
Miscellaneous	-	-	37,002	24,997
Total Revenues	<u>320,900</u>	<u>320,900</u>	<u>287,648</u>	<u>314,458</u>
EXPENDITURES				
Current				
Economic Development	320,900	320,900	269,876	314,458
Total Expenditures	<u>320,900</u>	<u>320,900</u>	<u>269,876</u>	<u>314,458</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	17,772	-
FUND BALANCE, JANUARY 1			<u>1</u>	<u>1</u>
FUND BALANCE, DECEMBER 31			<u>\$ 17,773</u>	<u>\$ 1</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ASSET SEIZURE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ 320,830	\$ 320,830	\$ 471,708	\$ 426,116
Investment Income	200	200	1,467	185
Miscellaneous	-	-	26,791	4,550
Total Revenues	321,030	321,030	499,966	430,851
EXPENDITURES				
Current				
Public Safety	418,710	736,710	712,647	158,648
Total Expenditures	418,710	736,710	712,647	158,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(97,680)	(415,680)	(212,681)	272,203
OTHER FINANCING SOURCES (USES)				
Transfers In	-	381,300	381,244	-
Transfers (Out)	-	-	-	(89,130)
Total Other Financing Sources (Uses)	-	381,300	381,244	(89,130)
NET CHANGE IN FUND BALANCE	\$ (97,680)	\$ (34,380)	168,563	183,073
FUND BALANCE, JANUARY 1			310,988	127,915
FUND BALANCE, DECEMBER 31			\$ 479,551	\$ 310,988

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

EMERGENCY 911 FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 136	\$ 187
Total Revenues	-	-	136	187
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	136	187
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(70,000)	(70,000)	(67,115)	-
Total Other Financing Sources (Uses)	(70,000)	(70,000)	(67,115)	-
NET CHANGE IN FUND BALANCE	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	(66,979)	187
FUND BALANCE, JANUARY 1			66,979	66,792
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	<u>\$ 66,979</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ROSELLE ROAD TIF FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ 202,880	\$ 202,880	\$ 146,573	\$ 196,875
Investment Income	1,000	1,000	795	1,008
Total Revenues	203,880	203,880	147,368	197,883
EXPENDITURES				
Current				
Economic Development	1,792,860	1,792,860	19,096	378,268
Total Expenditures	1,792,860	1,792,860	19,096	378,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,588,980)	(1,588,980)	128,272	(180,385)
OTHER FINANCING SOURCES (USES)				
Sale of Property	890,000	(890,000)	-	-
Total Other Financing Sources (Uses)	890,000	(890,000)	-	-
NET CHANGE IN FUND BALANCE	\$ (698,980)	\$ (2,478,980)	128,272	(180,385)
FUND BALANCE, JANUARY 1			145,377	325,762
FUND BALANCE, DECEMBER 31			\$ 273,649	\$ 145,377

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

BARRINGTON/HIGGINS TIF FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ -	\$ 605,000	\$ 604,029	\$ 691,033
Investment Income	-	-	2,527	1,476
Total Revenues	-	605,000	606,556	692,509
EXPENDITURES				
Current				
Economic Development	-	683,600	683,531	1,402,380
Total Expenditures	-	683,600	683,531	1,402,380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(78,600)	(76,975)	(709,871)
OTHER FINANCING SOURCES (USES)				
Notes Issued, at Par	-	-	-	541,447
Transfers In	-	-	-	450,285
Total Other Financing Sources (Uses)	-	-	-	991,732
NET CHANGE IN FUND BALANCE	\$ -	\$ (78,600)	(76,975)	281,861
FUND BALANCE, JANUARY 1			281,861	-
FUND BALANCE, DECEMBER 31			\$ 204,886	\$ 281,861

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

HIGGINS/HASSELL TIF FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ 193,330	\$ 193,330	\$ 98,478	\$ 193,334
Investment Income	-	-	83	-
Total Revenues	193,330	193,330	98,561	193,334
EXPENDITURES				
Current				
Economic Development	4,610	2,833,800	2,836,481	1,111,172
Debt Service				
Principal Retirement	-	123,900	123,847	-
Total Expenditures	4,610	2,957,700	2,960,328	1,111,172
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	188,720	(2,764,370)	(2,861,767)	(917,838)
OTHER FINANCING SOURCES (USES)				
Notes Issued, at Par	-	2,956,700	2,700,763	1,104,803
Total Other Financing Sources (Uses)	-	2,956,700	2,700,763	1,104,803
NET CHANGE IN FUND BALANCE	\$ 188,720	\$ 192,330	(161,004)	186,965
FUND BALANCE (DEFICIT), JANUARY 1			170,672	(16,293)
FUND BALANCE, DECEMBER 31			\$ 9,668	\$ 170,672

(See independent auditor's report.)

NONMAJOR DEBT SERVICE FUNDS

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.

2015B General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2015B general obligation bond issue.

2016 General Obligation Refunding Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2016 general obligation bond issue.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

December 31, 2017

	2008A General Obligation Debt Service	2009A General Obligation Debt Service	2015B General Obligation Debt Service	2016 General Obligation Debt Service	Total
ASSETS					
Cash and Investments	\$ 20,221	\$ 14,495	\$ -	\$ 602	\$ 35,318
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	-	1,666,931	-	437,800	2,104,731
TOTAL ASSETS	\$ 20,221	\$ 1,681,426	\$ -	\$ 438,402	\$ 2,140,049
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	-	1,662,780	-	437,800	2,100,580
Total Deferred Inflows of Resources	-	1,662,780	-	437,800	2,100,580
Total Liabilities and Deferred Inflows of Resources	-	1,662,780	-	437,800	2,100,580
FUND BALANCES					
Restricted					
Debt Service	20,221	18,646	-	602	39,469
Total Fund Balances	20,221	18,646	-	602	39,469
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,221	\$ 1,681,426	\$ -	\$ 438,402	\$ 2,140,049

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended December 31, 2017

	2008A	2009A	2015B	2016	
	General	General	General	General	
	Obligation	Obligation	Obligation	Obligation	
	Debt Service	Debt Service	Debt Service	Debt Service	Total
REVENUES					
Taxes	\$ -	\$ 1,839,491	\$ -	\$ 485,840	\$ 2,325,331
Charges for Services	-	270,964	-	-	270,964
Investment Income	-	4,085	-	73	4,158
Total Revenues	-	2,114,540	-	485,913	2,600,453
EXPENDITURES					
Debt Service					
Principal Retirement	-	1,410,000	85,000	100,000	1,595,000
Interest and Fiscal Charges	1,057,484	862,813	37,675	340,275	2,298,247
Total Expenditures	1,057,484	2,272,813	122,675	440,275	3,893,247
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,057,484)	(158,273)	(122,675)	45,638	(1,292,794)
OTHER FINANCING SOURCES (USES)					
Transfers In	952,683	134,000	122,675	-	1,209,358
Bonds Issued	2,420,000	-	-	-	2,420,000
Payment to Escrow Agent	(2,510,274)	-	-	-	(2,510,274)
Premium on Bonds Issued	148,070	-	-	-	148,070
Total Other Financing Sources (Uses)	1,010,479	134,000	122,675	-	1,267,154
NET CHANGE IN FUND BALANCES	(47,005)	(24,273)	-	45,638	(25,640)
FUND BALANCES (DEFICIT), JANUARY 1	67,226	42,919	-	(45,036)	65,109
FUND BALANCES, DECEMBER 31	\$ 20,221	\$ 18,646	\$ -	\$ 602	\$ 39,469

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2008A GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	999,690	1,057,490	1,057,484	999,688
Total Expenditures	999,690	1,057,490	1,057,484	999,688
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(999,690)	(1,057,490)	(1,057,484)	(999,688)
OTHER FINANCING SOURCES (USES)				
Transfers In	999,190	999,190	952,683	999,188
Bonds Issued	-	2,420,000	2,420,000	-
Payment to Escrow Agent	-	(2,510,500)	(2,510,274)	-
Premium on Bonds Issued	-	148,300	148,070	-
Total Other Financing Sources (Uses)	999,190	1,056,990	1,010,479	999,188
NET CHANGE IN FUND BALANCE	\$ (500)	\$ (500)	(47,005)	(500)
FUND BALANCE, JANUARY 1			67,226	67,726
FUND BALANCE, DECEMBER 31			\$ 20,221	\$ 67,226

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2009A GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,848,320	\$ 1,848,320	\$ 1,839,491	\$ 2,165,914
Charges for Services	300,000	300,000	270,964	248,600
Investment Income	500	500	4,085	1,955
Total Revenues	2,148,820	2,148,820	2,114,540	2,416,469
EXPENDITURES				
Debt Service				
Principal Retirement	1,410,000	1,410,000	1,410,000	1,360,000
Interest and Fiscal Charges	862,820	862,820	862,813	919,763
Total Expenditures	2,272,820	2,272,820	2,272,813	2,279,763
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,000)	(124,000)	(158,273)	136,706
OTHER FINANCING SOURCES (USES)				
Transfers In	134,000	134,000	134,000	134,000
Transfers (Out)	-	-	-	(388,328)
Total Other Financing Sources (Uses)	134,000	134,000	134,000	(254,328)
NET CHANGE IN FUND BALANCE	\$ 10,000	\$ 10,000	(24,273)	(117,622)
FUND BALANCE, JANUARY 1			42,919	160,541
FUND BALANCE, DECEMBER 31			\$ 18,646	\$ 42,919

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2015B GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal Retirement	85,000	85,000	85,000	70,000
Interest and Fiscal Charges	37,700	37,700	37,675	50,762
Total Expenditures	122,700	122,700	122,675	120,762
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(122,700)	(122,700)	(122,675)	(120,762)
OTHER FINANCING SOURCES (USES)				
Transfers In	122,700	122,700	122,675	120,762
Total Other Financing Sources (Uses)	122,700	122,700	122,675	120,762
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2016 GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 440,800	\$ 440,800	\$ 485,840	\$ -
Investment Income	-	-	73	-
Total Revenues	440,800	440,800	485,913	-
EXPENDITURES				
Debt Service				
Principal Retirement	100,000	100,000	100,000	225,000
Interest and Fiscal Charges	340,800	340,800	340,275	376,873
Total Expenditures	440,800	440,800	440,275	601,873
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	45,638	(601,873)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	388,328
Bonds Issued, at Par	-	-	-	8,975,000
Payment to Escrow Agent	-	-	-	(9,673,407)
Premium on Bonds Issued	-	-	-	866,916
Total Other Financing Sources (Uses)	-	-	-	556,837
NET CHANGE IN FUND BALANCE	\$ -	\$ -	45,638	(45,036)
FUND BALANCE (DEFICIT), JANUARY 1			(45,036)	-
FUND BALANCE (DEFICIT), DECEMBER 31			\$ 602	\$ (45,036)

(See independent auditor's report.)

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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.

2015/2017 Capital Projects Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2015B and 2017A General Obligation Bonds.

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

NONMAJOR CAPITAL PROJECTS FUNDS (Continued)

Stormwater Management Fund - to account for revenues from stormwater utility fees and to support the costs of improving and maintaining stormwater drainage facilities.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2017

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement	Capital Improvements
ASSETS						
Cash and Investments	\$ -	\$ 50,000	\$ 15,000	\$ 1,605,974	\$ -	\$ 435,654
Receivables						
Accounts	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-
Other	-	-	-	-	-	185,371
Prepaid Items	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ 50,000	\$ 15,000	\$ 1,605,974	\$ -	\$ 621,025
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,048	\$ -	\$ 2,535
Deposits Payable	-	-	-	-	-	202,072
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	-	-	-	2,048	-	204,607
FUND BALANCES						
Nonspendable						
Prepaid Items	-	-	-	-	-	-
Restricted						
Capital Projects	-	-	-	-	-	-
Assigned						
Capital Projects	-	50,000	15,000	1,603,926	-	416,418
Total Fund Balances	-	50,000	15,000	1,603,926	-	416,418
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 50,000	\$ 15,000	\$ 1,605,974	\$ -	\$ 621,025

Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2015/2017 Capital Projects	Road Improvement	Stormwater Management	Total
\$ -	\$ 413,826	\$ 333,510	\$ 1,220,796	\$ 2,613,807	\$ 578,537	\$ 1,891,244	\$ 530,571	\$ 9,688,919
-	-	-	-	-	-	-	47,588	47,588
-	-	1,727	3,190	27,440	-	1,997	-	34,354
-	-	-	-	-	-	313,786	-	499,157
-	30,080	-	-	-	-	-	-	30,080
-	-	-	-	-	-	146,948	-	146,948
\$ -	\$ 443,906	\$ 335,237	\$ 1,223,986	\$ 2,641,247	\$ 578,537	\$ 2,353,975	\$ 578,159	\$ 10,447,046
\$ -	\$ 5,031	\$ 38,904	\$ -	\$ -	\$ -	\$ 1,923,058	\$ 182,726	\$ 2,154,302
-	-	-	-	2,162,981	-	-	-	2,365,053
-	-	-	-	-	-	65,834	-	65,834
-	5,031	38,904	-	2,162,981	-	1,988,892	182,726	4,585,189
-	30,080	-	-	-	-	-	-	30,080
-	-	-	-	-	578,537	-	-	578,537
-	408,795	296,333	1,223,986	478,266	-	365,083	395,433	5,253,240
-	438,875	296,333	1,223,986	478,266	578,537	365,083	395,433	5,861,857
\$ -	\$ 443,906	\$ 335,237	\$ 1,223,986	\$ 2,641,247	\$ 578,537	\$ 2,353,975	\$ 578,159	\$ 10,447,046

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2017

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	EDA Series 1991 Project	Western Area Traffic Improvement	Capital Improvements
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,439,546
Intergovernmental	-	-	-	-	-	-
Charges for Services	405,684	-	-	73,426	-	-
Investment Income	2,432	1,063	455	12,593	292	3,952
Miscellaneous	-	-	-	-	-	132,100
Total Revenues	408,116	1,063	455	86,019	292	1,575,598
EXPENDITURES						
Capital Outlay	-	-	(32,585)	266,949	-	146,708
Debt Service						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	(32,585)	266,949	-	146,708
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	408,116	1,063	33,040	(180,930)	292	1,428,890
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	100,516
Transfers (Out)	(408,400)	(199,364)	(297,188)	(217,848)	(158,840)	(1,543,900)
Bonds Issued	-	-	-	-	-	-
Premium on Bond	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(408,400)	(199,364)	(297,188)	(217,848)	(158,840)	(1,443,384)
NET CHANGE IN FUND BALANCES	(284)	(198,301)	(264,148)	(398,778)	(158,548)	(14,494)
FUND BALANCES, JANUARY 1	284	248,301	279,148	2,002,704	158,548	430,912
FUND BALANCES, DECEMBER 31	\$ -	\$ 50,000	\$ 15,000	\$ 1,603,926	\$ -	\$ 416,418

Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2015/2017 Capital Projects	Road Improvement	Stormwater Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,182,756	\$ -	\$ 3,622,302
-	-	-	-	-	-	1,104,197	-	1,104,197
66,330	-	-	-	-	-	-	535,954	1,081,394
323	1,578	2,418	7,153	29,665	2,089	13,107	939	78,059
-	-	-	-	-	-	-	-	132,100
66,653	1,578	2,418	7,153	29,665	2,089	3,300,060	536,893	6,018,052
331	896,085	38,904	62,602	-	4,457	7,649,905	915,864	9,949,220
-	-	-	-	-	-	-	30,000	30,000
-	-	-	-	-	8,318	-	16,250	24,568
331	896,085	38,904	62,602	-	12,775	7,649,905	962,114	10,003,788
66,322	(894,507)	(36,486)	(55,449)	29,665	(10,686)	(4,349,845)	(425,221)	(3,985,736)
-	936,593	-	320,700	-	-	4,581,016	60,000	5,998,825
(231,726)	-	-	(10,000)	-	(21,980)	-	(3,426)	(3,092,672)
-	-	-	-	-	550,000	-	-	550,000
-	-	-	-	-	34,918	-	-	34,918
(231,726)	936,593	-	310,700	-	562,938	4,581,016	56,574	3,491,071
(165,404)	42,086	(36,486)	255,251	29,665	552,252	231,171	(368,647)	(494,665)
165,404	396,789	332,819	968,735	448,601	26,285	133,912	764,080	6,356,522
\$ -	\$ 438,875	\$ 296,333	\$ 1,223,986	\$ 478,266	\$ 578,537	\$ 365,083	\$ 395,433	\$ 5,861,857

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CENTRAL AREA ROAD IMPROVEMENT IMPACT FEE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ 405,684	\$ -
Investment Income	-	-	2,432	284
Total Revenues	-	-	408,116	284
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	408,116	284
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(408,500)	(408,400)	-
Total Other Financing Sources (Uses)	-	(408,500)	(408,400)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (408,500)	(284)	284
FUND BALANCE, JANUARY 1			284	-
FUND BALANCE, DECEMBER 31			\$ -	\$ 284

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CENTRAL ROAD CORRIDOR IMPROVEMENT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 600	\$ 600	\$ 1,063	\$ 615
Total Revenues	600	600	1,063	615
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	600	600	1,063	615
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(100,000)	(199,500)	(199,364)	-
Total Other Financing Sources (Uses)	(100,000)	(199,500)	(199,364)	-
NET CHANGE IN FUND BALANCE	\$ (99,400)	\$ (198,900)	(198,301)	615
FUND BALANCE, JANUARY 1			248,301	247,686
FUND BALANCE, DECEMBER 31			\$ 50,000	\$ 248,301

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 300	\$ 300	\$ 455	\$ 837
Total Revenues	300	300	455	837
EXPENDITURES				
Capital Outlay	-	-	(32,585)	-
Total Expenditures	-	-	(32,585)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	300	300	33,040	837
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(250,000)	(297,500)	(297,188)	-
Total Other Financing Sources (Uses)	(250,000)	(297,500)	(297,188)	-
NET CHANGE IN FUND BALANCE	<u>\$ (249,700)</u>	<u>\$ (297,200)</u>	(264,148)	837
FUND BALANCE, JANUARY 1			279,148	278,311
FUND BALANCE, DECEMBER 31			<u>\$ 15,000</u>	<u>\$ 279,148</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

EDA SERIES 1991 PROJECT FUND

For the Year Ended December 31, 2017

(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ -	\$ -	\$ 73,426	\$ 6,714
Investment Income	4,000	4,000	12,593	6,127
Total Revenues	4,000	4,000	86,019	12,841
EXPENDITURES				
Capital Outlay	639,630	639,630	266,949	20,000
Total Expenditures	639,630	639,630	266,949	20,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(635,630)	(635,630)	(180,930)	(7,159)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(577,000)	(577,000)	(217,848)	(900,000)
Total Other Financing Sources (Uses)	(577,000)	(577,000)	(217,848)	(900,000)
NET CHANGE IN FUND BALANCE	\$ (1,212,630)	\$ (1,212,630)	(398,778)	(907,159)
FUND BALANCE, JANUARY 1			2,002,704	2,909,863
FUND BALANCE, DECEMBER 31			\$ 1,603,926	\$ 2,002,704

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN AREA TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 200	\$ 200	\$ 292	\$ 400
Total Revenues	<u>200</u>	<u>200</u>	<u>292</u>	<u>400</u>
EXPENDITURES				
None	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>200</u>	<u>200</u>	<u>292</u>	<u>400</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(150,000)	(159,000)	(158,840)	-
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(159,000)</u>	<u>(158,840)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (149,800)</u>	<u>\$ (158,800)</u>	<u>(158,548)</u>	<u>400</u>
FUND BALANCE, JANUARY 1			<u>158,548</u>	<u>158,148</u>
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	<u>\$ 158,548</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,515,000	\$ 1,515,000	\$ 1,439,546	\$ 1,386,328
Intergovernmental	-	-	-	48,000
Investment Income	1,000	1,000	3,952	1,642
Miscellaneous	-	-	132,100	-
	<hr/>			
Total Revenues	1,516,000	1,516,000	1,575,598	1,435,970
	<hr/>			
EXPENDITURES				
Capital Outlay	114,800	114,800	146,708	165,032
	<hr/>			
Total Expenditures	114,800	114,800	146,708	165,032
	<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,401,200	1,401,200	1,428,890	1,270,938
	<hr/>			
OTHER FINANCING SOURCES (USES)				
Transfers In	162,800	162,800	100,516	57,610
Transfers (Out)	(1,543,900)	(1,543,900)	(1,543,900)	(1,444,670)
	<hr/>			
Total Other Financing Sources (Uses)	(1,381,100)	(1,381,100)	(1,443,384)	(1,387,060)
	<hr/>			
NET CHANGE IN FUND BALANCE	\$ 20,100	\$ 20,100	(14,494)	(116,122)
	<hr/>			
FUND BALANCE, JANUARY 1			430,912	547,034
	<hr/>			
FUND BALANCE, DECEMBER 31			\$ 416,418	\$ 430,912
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(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN AREA ROAD IMPROVEMENT IMPACT FEE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 870,000	\$ 870,000	\$ 66,330	\$ -
Investment Income	200	200	323	419
Total Revenues	870,200	870,200	66,653	419
EXPENDITURES				
Capital Outlay	-	-	331	223
Total Expenditures	-	-	331	223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	870,200	870,200	66,322	196
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(870,000)	(870,000)	(231,726)	-
Total Other Financing Sources (Uses)	(870,000)	(870,000)	(231,726)	-
NET CHANGE IN FUND BALANCE	\$ 200	\$ 200	(165,404)	196
FUND BALANCE, JANUARY 1			165,404	165,208
FUND BALANCE, DECEMBER 31			\$ -	\$ 165,404

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL VEHICLE AND EQUIPMENT FUND

For the Year Ended December 31, 2017

(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 1,578	\$ 1,052
Total Revenues	500	500	1,578	1,052
EXPENDITURES				
Capital Outlay	1,509,800	1,301,800	896,085	593,477
Total Expenditures	1,509,800	1,301,800	896,085	593,477
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,509,300)	(1,301,300)	(894,507)	(592,425)
OTHER FINANCING SOURCES (USES)				
Transfers In	933,200	933,200	936,593	900,870
Bonds Issued, at Par	576,600	576,600	-	-
Total Other Financing Sources (Uses)	1,509,800	1,509,800	936,593	900,870
NET CHANGE IN FUND BALANCE	\$ 500	\$ 208,500	42,086	308,445
FUND BALANCE, JANUARY 1			396,789	88,344
FUND BALANCE, DECEMBER 31			\$ 438,875	\$ 396,789

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

HOFFMAN BOULEVARD BRIDGE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 1,400	\$ 1,400	\$ 2,418	\$ 1,343
Total Revenues	<u>1,400</u>	<u>1,400</u>	<u>2,418</u>	<u>1,343</u>
EXPENDITURES				
Capital Outlay	<u>320,000</u>	<u>320,000</u>	<u>38,904</u>	<u>3,000</u>
Total Expenditures	<u>320,000</u>	<u>320,000</u>	<u>38,904</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (318,600)</u>	<u>\$ (318,600)</u>	(36,486)	(1,657)
FUND BALANCE, JANUARY 1			<u>332,819</u>	<u>334,476</u>
FUND BALANCE, DECEMBER 31			<u>\$ 296,333</u>	<u>\$ 332,819</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL REPLACEMENT FUND

For the Year Ended December 31, 2017

(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 4,000	\$ 4,000	\$ 7,153	\$ 4,859
Total Revenues	4,000	4,000	7,153	4,859
EXPENDITURES				
Capital Outlay	328,120	328,120	62,602	153,940
Total Expenditures	328,120	328,120	62,602	153,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(324,120)	(324,120)	(55,449)	(149,081)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	320,700	320,700	-
Transfers (Out)	-	-	(10,000)	-
Total Other Financing Sources (Uses)	-	320,700	310,700	-
NET CHANGE IN FUND BALANCE	\$ (324,120)	\$ (3,420)	255,251	(149,081)
FUND BALANCE, JANUARY 1			968,735	1,117,816
FUND BALANCE, DECEMBER 31			\$ 1,223,986	\$ 968,735

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN CORRIDOR FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 5,000	\$ 5,000	\$ 29,665	\$ 14,313
Total Revenues	5,000	5,000	29,665	14,313
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	29,665	14,313
FUND BALANCE, JANUARY 1			448,601	434,288
FUND BALANCE, DECEMBER 31			<u>\$ 478,266</u>	<u>\$ 448,601</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2015/2017 CAPITAL PROJECTS FUND

For the Year Ended December 31, 2017

(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 200	\$ 200	\$ 2,089	\$ 136
Total Revenues	200	200	2,089	136
EXPENDITURES				
Capital Outlay	-	4,500	4,457	1,174,887
Debt Service				
Interest and Fiscal Charges	-	8,400	8,318	-
Total Expenditures	-	12,900	12,775	1,174,887
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	200	(12,700)	(10,686)	(1,174,751)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(22,000)	(21,980)	-
Bonds Issued	-	-	550,000	-
Premium on Bond	-	550,000	34,918	-
Total Other Financing Sources (Uses)	-	528,000	562,938	-
NET CHANGE IN FUND BALANCE	\$ 200	\$ 515,300	552,252	(1,174,751)
FUND BALANCE, JANUARY 1			26,285	1,201,036
FUND BALANCE, DECEMBER 31			\$ 578,537	\$ 26,285

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ROAD IMPROVEMENT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 2,270,000	\$ 2,270,000	\$ 2,182,756	\$ 2,310,534
Intergovernmental	2,006,000	2,006,000	1,104,197	777,347
Investment Income	1,000	1,000	13,107	2,393
Total Revenues	4,277,000	4,277,000	3,300,060	3,090,274
EXPENDITURES				
Capital Outlay	9,164,030	9,164,030	7,649,905	5,736,169
Total Expenditures	9,164,030	9,164,030	7,649,905	5,736,169
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,887,030)	(4,887,030)	(4,349,845)	(2,645,895)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,788,030	5,352,530	4,581,016	2,752,831
Total Other Financing Sources (Uses)	4,788,030	5,352,530	4,581,016	2,752,831
NET CHANGE IN FUND BALANCE	\$ (99,000)	\$ 465,500	231,171	106,936
FUND BALANCE, JANUARY 1			133,912	26,976
FUND BALANCE, DECEMBER 31			\$ 365,083	\$ 133,912

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

STORMWATER MANAGEMENT FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 514,000	\$ 514,000	\$ 535,954	\$ 521,927
Investment Income	800	800	939	616
Miscellaneous	-	-	-	10,112
Total Revenues	514,800	514,800	536,893	532,655
EXPENDITURES				
Capital Outlay	1,230,000	1,230,000	915,864	481,768
Debt Service				
Principal Retirement	30,000	30,000	30,000	25,000
Interest and Fiscal Charges	16,250	16,250	16,250	21,822
Total Expenditures	1,276,250	1,276,250	962,114	528,590
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(761,450)	(761,450)	(425,221)	4,065
OTHER FINANCING SOURCES (USES)				
Transfers In	60,000	60,000	60,000	-
Transfers (Out)	-	-	(3,426)	-
Total Other Financing Sources (Uses)	60,000	60,000	56,574	-
NET CHANGE IN FUND BALANCE				
	\$ (701,450)	\$ (701,450)	(368,647)	4,065
FUND BALANCE, JANUARY 1				
			764,080	760,015
FUND BALANCE, DECEMBER 31				
			\$ 395,433	\$ 764,080

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND

December 31, 2017
(with comparative totals for 2016)

	2017	2016
CURRENT ASSETS		
Cash and Investments	\$ 10,119,022	\$ 4,079,870
Receivables		
Accounts - Billed	1,452,784	1,439,044
Accounts - Unbilled	1,462,927	1,500,755
Accounts - Other Invoices	609	16,869
Accrued Interest	27,613	2,261
Due from Other Governments	-	391
Inventories	231,926	210,858
	13,294,881	7,250,048
CAPITAL ASSETS		
Not Depreciated	585,433	597,203
Depreciated	60,496,428	59,753,306
Accumulated Depreciation	(31,729,167)	(30,362,016)
	29,352,694	29,988,493
Net Capital Assets	29,352,694	29,988,493
	42,647,575	37,238,541
DEFERRED OUTFLOWS OF RESOURCES		
Pension Items - IMRF	1,307,933	1,655,335
Unamortized Loss on Refunding	32,643	-
	1,340,576	1,655,335
Total Deferred Outflows of Resources	1,340,576	1,655,335
Total Assets and Deferred Outflows of Resources	43,988,151	38,893,876
CURRENT LIABILITIES		
Accounts Payable	1,155,407	895,721
Accrued Payroll	110,743	111,759
Accrued Interest Payable	57,751	40,314
Deposits Payable	34,784	44,465
General Obligation Bonds Payable	275,000	270,000
Compensated Absences Payable	163,343	158,287
	1,797,028	1,520,546
Total Current Liabilities	1,797,028	1,520,546
LONG-TERM LIABILITIES		
General Obligation Bonds Payable	16,322,245	10,824,946
Other Postemployment Benefit Obligations	289,688	245,442
Net Pension Liability	2,848,883	2,882,208
Compensated Absences Payable	223,026	193,186
	19,683,842	14,145,782
Total Long-Term Liabilities	19,683,842	14,145,782
Total Liabilities	21,480,870	15,666,328

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND (Continued)

December 31, 2017
(with comparative total for 2016)

	<u>2017</u>	<u>2016</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Items - IMRF	\$ 298,503	\$ 331,239
Total Deferred Inflows of Resources	<u>298,503</u>	<u>331,239</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,779,373</u>	<u>15,997,567</u>
NET POSITION		
Net Investment in Capital Assets	19,437,950	21,491,127
Unrestricted	<u>2,770,828</u>	<u>1,405,182</u>
TOTAL NET POSITION	<u>\$ 22,208,778</u>	<u>\$ 22,896,309</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS

WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 18,236,250	\$ 18,236,250	\$ 18,260,298	\$ 17,460,743
Total Operating Revenues	18,236,250	18,236,250	18,260,298	17,460,743
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	14,975,170	15,256,670	14,282,270	14,783,464
Sewer Division	3,725,340	3,725,340	3,692,306	2,105,605
Total Operating Expenses Excluding Depreciation	18,700,510	18,982,010	17,974,576	16,889,069
OPERATING INCOME (LOSS)	(464,260)	(745,760)	285,722	571,674
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	30,500	30,500	49,683	28,015
Interest Expense	(483,770)	(483,770)	(482,569)	(516,097)
Principal Expense	(270,000)	(270,000)	(270,000)	(220,000)
Gain on Sale of Capital Assets	-	-	18,100	28,600
Miscellaneous Revenue	30,000	30,000	140,012	61,515
Bonds Issued, at Par	2,410,000	2,410,000	-	-
Total Non-Operating Revenues (Expenses)	1,716,730	1,716,730	(544,774)	(617,967)
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,252,470	970,970	(259,052)	(46,293)
TRANSFERS				
Transfers In	327,000	349,000	125,785	40,260
Transfers (Out)	(126,800)	(126,800)	(126,800)	(54,961)
Total Transfers	200,200	222,200	(1,015)	(14,701)
CONTRIBUTIONS				
Intergovernmental	384,130	384,130	-	-
Contribution of Assets	-	-	219,676	-
Total Contributions	384,130	384,130	219,676	-
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ 1,836,800	\$ 1,577,300	(40,391)	(60,994)
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			795,852	855,212
Depreciation			(1,431,651)	(1,391,275)
Pension Expense			(281,341)	(320,562)
Principal Retirement			270,000	220,000
Total Adjustments to GAAP Basis			(647,140)	(636,625)
CHANGE IN NET POSITION (GAAP BASIS)			(687,531)	(697,619)
NET POSITION, JANUARY 1			22,896,309	22,855,045
Change in Accounting Principle			-	738,883
NET POSITION, JANUARY 1, RESTATED			22,896,309	23,593,928
NET POSITION, DECEMBER 31			\$ 22,208,778	\$ 22,896,309

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

SEARS CENTRE OPERATING FUND

December 31, 2017
(with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and Investments	\$ 3,048,986	\$ 2,359,200
Receivables (Net, Where Applicable, of Allowances)		
Accounts	500,609	579,162
Other	413,924	281,683
Prepaid Items	62,836	28,925
	<hr/>	<hr/>
Total Current Assets	4,026,355	3,248,970
CAPITAL ASSETS		
Not Depreciated	6,000,000	6,000,000
Depreciated	78,717,115	78,365,184
Accumulated Depreciation	(17,931,095)	(15,543,330)
	<hr/>	<hr/>
Net Capital Assets	66,786,020	68,821,854
	<hr/>	<hr/>
Total Assets	70,812,375	72,070,824
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Refunding	1,026,318	1,114,300
	<hr/>	<hr/>
Total Deferred Outflows of Resources	1,026,318	1,114,300
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	71,838,693	73,185,124
CURRENT LIABILITIES		
Accounts Payable	1,030,303	726,390
Accrued Interest Payable	138,526	140,656
Unearned Revenue	1,490,779	1,191,280
Deposits Payable	-	117,314
General Obligation Bonds Payable	1,740,000	1,705,000
	<hr/>	<hr/>
Total Current Liabilities	4,399,608	3,880,640
LONG-TERM LIABILITIES		
General Obligation Bonds Payable, Net of Premium	39,224,577	40,939,234
	<hr/>	<hr/>
Total Long-Term Liabilities	39,224,577	40,939,234
	<hr/>	<hr/>
Total Liabilities	43,624,185	44,819,874
NET POSITION		
Net Investment in Capital Assets	26,847,761	27,291,920
Unrestricted	1,366,747	1,073,330
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 28,214,508</u>	<u>\$ 28,365,250</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS

SEARS CENTRE OPERATING FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 5,682,080	\$ 9,342,280	\$ 9,584,200	\$ 6,884,230
Total Operating Revenues	5,682,080	9,342,280	9,584,200	6,884,230
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Sears Centre	6,274,460	9,934,660	10,425,701	9,168,746
Total Operating Expenses Excluding Depreciation	6,274,460	9,934,660	10,425,701	9,168,746
OPERATING INCOME (LOSS)	(592,380)	(592,380)	(841,501)	(2,284,516)
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	2,096,900	2,096,900	2,357,087	2,260,278
Charges for Services	64,170	64,170	64,171	62,302
Investment Income	250	250	6,933	1,016
Principal Retirement	(1,705,000)	(1,705,000)	(1,705,000)	(2,040,000)
Interest Expense	(1,687,880)	(1,687,880)	(1,799,062)	(1,819,891)
Sale of Fixed Assets	-	-	-	(504,669)
Miscellaneous Revenue	650,000	650,000	873,439	805,054
Total Non-Operating Revenues (Expenses)	(581,560)	(581,560)	(202,432)	(1,235,910)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,173,940)	(1,173,940)	(1,043,933)	(3,520,426)
TRANSFERS				
Transfers In	1,000,000	1,000,000	1,084,077	2,067,727
Total Transfers	1,000,000	1,000,000	1,084,077	2,067,727
CONTRIBUTIONS				
Intergovernmental	30,000	30,000	139,947	24,767
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (143,940)	\$ (143,940)	180,091	(1,427,932)
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			351,932	1,431,234
Depreciation			(2,387,765)	(2,396,401)
Principal Retirement			1,705,000	2,040,000
Total Adjustments to GAAP Basis			(330,833)	1,074,833
CHANGE IN NET POSITION (GAAP BASIS)			(150,742)	(353,099)
NET POSITION, JANUARY 1			28,365,250	28,718,349
NET POSITION, DECEMBER 31			\$ 28,214,508	\$ 28,365,250

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Information Systems Fund - to account for the operations of the information systems division of the Village. Financing is provided through billings to various village departments.

Insurance Fund - to account for the servicing and payment of claims for all village insurance programs including Health, Workers' Compensation and Liability. Financing is provided through billings to the various village departments.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2017

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 1,112,292	\$ 2,913,510	\$ 4,025,802
Receivables			
Accounts	-	1,864	1,864
Accrued Interest	2,806	23,280	26,086
Deposits	-	50,000	50,000
Total Current Assets	<u>1,115,098</u>	<u>2,988,654</u>	<u>4,103,752</u>
CAPITAL ASSETS			
Depreciated	651,520	-	651,520
Accumulated Depreciation	(280,927)	-	(280,927)
Net Capital Assets	<u>370,593</u>	<u>-</u>	<u>370,593</u>
Total Assets	<u>1,485,691</u>	<u>2,988,654</u>	<u>4,474,345</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	217,989	-	217,989
Total Deferred Outflows of Resources	<u>217,989</u>	<u>-</u>	<u>217,989</u>
Total Assets and Deferred Outflows of Resources	<u>1,703,680</u>	<u>2,988,654</u>	<u>4,692,334</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	192,061	46,167	238,228
Accrued Payroll	21,806	-	21,806
Claims Payable	-	663,790	663,790
Benefits Payable	-	542,420	542,420
Compensated Absences Payable	31,953	-	31,953
Total Current Liabilities	<u>245,820</u>	<u>1,252,377</u>	<u>1,498,197</u>
Long-Term Liabilities			
Net Pension Obligation	474,814	-	474,814
Other Postemployment Benefit Obligation	45,740	-	45,740
Total Long-Term Liabilities	<u>520,554</u>	<u>-</u>	<u>520,554</u>
Total Liabilities	<u>766,374</u>	<u>1,252,377</u>	<u>2,018,751</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	49,751	-	49,751
Total Deferred Inflows of Resources	<u>49,751</u>	<u>-</u>	<u>49,751</u>
Total Liabilities and Deferred Inflows of Resources	<u>816,125</u>	<u>1,252,377</u>	<u>2,068,502</u>
NET POSITION			
Net Investment in Capital Assets	370,593	-	370,593
Unrestricted	516,962	1,736,277	2,253,239
TOTAL NET POSITION	<u>\$ 887,555</u>	<u>\$ 1,736,277</u>	<u>\$ 2,623,832</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,522,660	\$ 1,527,453	\$ 3,050,113
Total Operating Revenues	1,522,660	1,527,453	3,050,113
OPERATING EXPENSES			
Operations	1,677,244	-	1,677,244
Claims and Insurance	-	1,434,812	1,434,812
Depreciation	29,587	-	29,587
Total Operating Expenses	1,706,831	1,434,812	3,141,643
OPERATING INCOME (LOSS)	(184,171)	92,641	(91,530)
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous	2,165	159,533	161,698
Investment Income	7,198	27,615	34,813
Total Non-Operating Revenues (Expenses)	9,363	187,148	196,511
INCOME (LOSS) BEFORE TRANSFERS	(174,808)	279,789	104,981
TRANSFERS			
Transfers In	122,768	-	122,768
Total Transfers	122,768	-	122,768
CHANGE IN NET POSITION	(52,040)	279,789	227,749
NET POSITION, JANUARY 1	939,595	1,456,488	2,396,083
NET POSITION, DECEMBER 31	\$ 887,555	\$ 1,736,277	\$ 2,623,832

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 1,522,660	\$ 1,526,195	\$ 3,048,855
Payments to Suppliers	(980,023)	(1,627,321)	(2,607,344)
Payments to Employees	(505,528)	-	(505,528)
Net Cash from Operating Activities	37,109	(101,126)	(64,017)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	122,768	-	122,768
Reimbursements and Recoveries	2,165	159,533	161,698
Net Cash from Noncapital Financing Activities	124,933	159,533	284,466
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(187,514)	-	(187,514)
Net Cash from Capital and Related Financing Activities	(187,514)	-	(187,514)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	4,392	12,600	16,992
Net Cash from Investing Activities	4,392	12,600	16,992
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(21,080)	71,007	49,927
CASH AND CASH EQUIVALENTS, JANUARY 1			
	1,133,372	2,842,503	3,975,875
CASH AND CASH EQUIVALENTS, DECEMBER 31			
	\$ 1,112,292	\$ 2,913,510	\$ 4,025,802

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Information Systems	Insurance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (184,171)	\$ 92,641	\$ (91,530)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	29,587	-	29,587
Changes in Assets and Liabilities			
Pension Related Items	46,891	-	46,891
Receivables	-	(1,864)	(1,864)
Other Receivables	-	606	606
Accounts Payable	124,439	(45,852)	78,587
Accrued Payroll	3,492	-	3,492
Claims Payable	-	(107,528)	(107,528)
Benefits Payable	-	(39,129)	(39,129)
Compensated Absences Payable	7,225	-	7,225
Other Postemployment Benefits Payable	9,646	-	9,646
NET CASH FROM OPERATING ACTIVITIES	\$ 37,109	\$ (101,126)	\$ (64,017)

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS

INFORMATION SYSTEMS FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,522,660	\$ 1,522,660	\$ 1,522,660	\$ 1,301,240
Total Operating Revenues	1,522,660	1,522,660	1,522,660	1,301,240
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Operations	1,976,780	1,866,780	1,817,868	1,313,172
Total Operating Expenses Excluding Depreciation	1,976,780	1,866,780	1,817,868	1,313,172
OPERATING INCOME (LOSS)	(454,120)	(344,120)	(295,208)	(11,932)
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	2,165	34,659
Investment Income	2,000	2,000	7,198	2,253
Total Non-Operating Revenues (Expenses)	2,000	2,000	9,363	36,912
INCOME (LOSS) BEFORE TRANSFERS	(452,120)	(342,120)	(285,845)	24,980
TRANSFERS				
Transfers In	127,120	127,120	122,768	64,966
Total Transfers	127,120	127,120	122,768	64,966
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (325,000)	\$ (215,000)	(163,077)	89,946
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			187,514	95,635
Depreciation			(29,587)	(25,588)
Pension Expense			(46,890)	(56,158)
Total Adjustments to GAAP Basis			111,037	13,889
CHANGE IN NET POSITION (GAAP BASIS)			(52,040)	103,835
NET POSITION, JANUARY 1			939,595	712,613
Change in Accounting Principle			-	123,147
NET POSITION, JANUARY 1, RESTATED			939,595	835,760
NET POSITION, DECEMBER 31			\$ 887,555	\$ 939,595

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF NET POSITION - BY PROGRAM

INSURANCE FUND

December 31, 2017
(with comparative totals for 2016)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2017	2016
ASSETS						
Cash and Investments	\$ 735	\$ 560,114	\$ 1,342,004	\$ 1,010,657	\$ 2,913,510	\$ 2,842,503
Receivables						
Accounts	-	1,864	-	-	1,864	-
Accrued Interest	7	6,094	10,664	6,515	23,280	8,265
Other Receivables	-	-	-	-	-	606
Deposits	-	-	45,000	5,000	50,000	50,000
Total Assets	742	568,072	1,397,668	1,022,172	2,988,654	2,901,374
LIABILITIES						
Accounts Payable	-	25,652	-	20,515	46,167	92,019
Claims Payable	-	-	459,969	203,821	663,790	771,318
Benefits Payable	-	542,420	-	-	542,420	581,549
Total Liabilities	-	568,072	459,969	224,336	1,252,377	1,444,886
NET POSITION						
Unrestricted	742	-	937,699	797,836	1,736,277	1,456,488
TOTAL NET POSITION	\$ 742	\$ -	\$ 937,699	\$ 797,836	\$ 1,736,277	\$ 1,456,488

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

INSURANCE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,527,460	\$ 1,527,460	\$ 1,527,453	\$ 1,461,060
Total Operating Revenues	1,527,460	1,527,460	1,527,453	1,461,060
OPERATING EXPENSES				
Claims and Insurance	1,656,300	1,656,300	1,434,812	1,783,323
Total Operating Expenses	1,656,300	1,656,300	1,434,812	1,783,323
OPERATING INCOME (LOSS)	(128,840)	(128,840)	92,641	(322,263)
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	86,840	86,840	159,533	146,783
Investment Income	10,000	10,000	27,615	11,373
Total Non-Operating Revenues (Expenses)	96,840	96,840	187,148	158,156
CHANGE IN NET POSITION	\$ (32,000)	\$ (32,000)	279,789	(164,107)
NET POSITION, JANUARY 1			1,456,488	1,620,595
NET POSITION, DECEMBER 31			\$ 1,736,277	\$ 1,456,488

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY PROGRAM

INSURANCE FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Eliminations	Totals	
						2017	2016
OPERATING REVENUES							
Charges for Services	\$ 22,137	\$ -	\$ 712,434	\$ 792,882	\$ -	\$ 1,527,453	\$ 1,461,060
Total Operating Revenues	22,137	-	712,434	792,882	-	1,527,453	1,461,060
OPERATING EXPENSES							
Claims and Insurance	22,144	194,155	472,125	746,388	-	1,434,812	1,783,323
Total Operating Expenses	22,144	194,155	472,125	746,388	-	1,434,812	1,783,323
OPERATING INCOME (LOSS)	(7)	(194,155)	240,309	46,494	-	92,641	(322,263)
NON-OPERATING REVENUES (EXPENSES)							
Miscellaneous	-	159,533	-	-	-	159,533	146,783
Investment Income	7	7,229	12,651	7,728	-	27,615	11,373
Total Non-Operating Revenues (Expenses)	7	166,762	12,651	7,728	-	187,148	158,156
INCOME (LOSS) BEFORE TRANSFERS	-	(27,393)	252,960	54,222	-	279,789	(164,107)
TRANSFERS							
Transfers In	-	(118,212)	-	-	118,212	-	-
Transfers (Out)	-	-	-	118,212	(118,212)	-	-
Total Transfers	-	(118,212)	-	118,212	-	-	-
CHANGE IN NET POSITION	-	(145,605)	252,960	172,434	-	279,789	(164,107)
NET POSITION, JANUARY 1	742	145,605	684,739	625,402	-	1,456,488	1,620,595
NET POSITION, DECEMBER 31	\$ 742	\$ -	\$ 937,699	\$ 797,836	\$ -	\$ 1,736,277	\$ 1,456,488

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUND

Police Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy.

Firefighters' Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by fire personnel members at rates fixed by state statutes and by the government through an annual property tax levy.

AGENCY FUNDS

EDA Special Tax Allocation Fund - to account for the collection of incremental taxes and other financial resources received to retire certain tax increment revenue notes and to pay certain qualified project costs, all pertaining to the Village's EDA.

Flexible Spending Account Fund - to account for salary deductions held by the Village and payments to certain employees for eligible medical and dependent care expenses. The fund is operated pursuant to Section 125 of the Internal Revenue Code.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

December 31, 2017

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,279,008	\$ 1,286,276	\$ 2,565,284
Investments, at Fair Value			
U.S. Treasury Securities	7,523,968	7,577,070	15,101,038
U.S. Agency Securities	7,913,988	12,129,805	20,043,793
Corporate Bonds	6,914,661	10,043,343	16,958,004
Municipal Bonds	1,171,026	-	1,171,026
Mutual Funds	54,223,356	42,891,336	97,114,692
Money Market Mutual Funds	172,312	1,104,235	1,276,547
Equities	-	8,354,733	8,354,733
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	157,930	170,635	328,565
Prepaid Expenses	4,766	6,151	10,917
Due from General Fund	4,920	4,426	9,346
Total Assets	79,365,935	83,568,010	162,933,945
LIABILITIES			
Accounts Payable	14,055	24,121	38,176
Total Liabilities	14,055	24,121	38,176
NET POSITION RESTRICTED FOR PENSIONS	\$ 79,351,880	\$ 83,543,889	\$ 162,895,769

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

For the Year Ended December 31, 2017

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 3,407,918	\$ 3,121,335	\$ 6,529,253
Employee Contributions	865,157	863,963	1,729,120
Total Contributions	4,273,075	3,985,298	8,258,373
Investment Income			
Net Appreciation in Fair Value of Investments	6,512,476	7,730,789	14,243,265
Interest	2,787,167	2,316,822	5,103,989
Total Investment Income	9,299,643	10,047,611	19,347,254
Less Investment Expense	(99,027)	(230,169)	(329,196)
Net Investment Income	9,200,616	9,817,442	19,018,058
Total Additions	13,473,691	13,802,740	27,276,431
DEDUCTIONS			
Benefits and Refunds	5,341,609	4,800,989	10,142,598
Miscellaneous	39,392	53,790	93,182
Total Deductions	5,381,001	4,854,779	10,235,780
NET INCREASE	8,092,690	8,947,961	17,040,651
NET POSITION RESTRICTED FOR PENSIONS			
January 1	71,259,190	74,595,928	145,855,118
December 31	\$ 79,351,880	\$ 83,543,889	\$ 162,895,769

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

POLICE PENSION FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 3,394,390	\$ 3,394,390	\$ 3,392,919	\$ 3,214,284
Intergovernmental	13,400	13,400	14,999	14,187
Employee Contributions	861,840	861,840	865,157	813,215
Total Contributions	4,269,630	4,269,630	4,273,075	4,041,686
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	6,512,476	3,855,637
Interest	1,275,000	1,652,900	2,787,167	2,297,517
Total Investment Income	1,275,000	1,652,900	9,299,643	6,153,154
Less Investment Expense	(50,000)	(100,000)	(99,027)	(89,950)
Net Investment Income	1,225,000	1,552,900	9,200,616	6,063,204
Total Additions	5,494,630	5,822,530	13,473,691	10,104,890
DEDUCTIONS				
Benefits and Refunds	5,014,250	5,342,150	5,341,609	4,822,503
Miscellaneous	46,250	46,250	39,392	38,109
Total Deductions	5,060,500	5,388,400	5,381,001	4,860,612
NET INCREASE	\$ 434,130	\$ 434,130	8,092,690	5,244,278
NET POSITION RESTRICTED FOR PENSIONS				
January 1			71,259,190	66,014,912
December 31			\$ 79,351,880	\$ 71,259,190

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017			2016 Actual
	Original Budget	Final Budget	Actual	
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 3,111,350	\$ 3,111,350	\$ 3,106,336	\$ 2,853,086
Intergovernmental	13,400	13,400	14,999	14,186
Employee Contributions	881,330	881,330	863,963	973,790
Total Contributions	<u>4,006,080</u>	<u>4,006,080</u>	<u>3,985,298</u>	<u>3,841,062</u>
Investment Income				
Net Appreciation in Fair Value of Investments	-	-	7,730,789	2,070,358
Interest	1,250,000	1,454,900	2,316,822	2,050,951
Total Investment Income	1,250,000	1,454,900	10,047,611	4,121,309
Less Investment Expense	(215,000)	(230,200)	(230,169)	(221,975)
Net Investment Income	<u>1,035,000</u>	<u>1,224,700</u>	<u>9,817,442</u>	<u>3,899,334</u>
Total Additions	<u>5,041,080</u>	<u>5,230,780</u>	<u>13,802,740</u>	<u>7,740,396</u>
DEDUCTIONS				
Benefits and Refunds	4,611,900	4,741,800	4,800,989	4,072,544
Miscellaneous	56,880	116,680	53,790	71,449
Total Deductions	<u>4,668,780</u>	<u>4,858,480</u>	<u>4,854,779</u>	<u>4,143,993</u>
NET INCREASE	<u>\$ 372,300</u>	<u>\$ 372,300</u>	8,947,961	3,596,403
NET POSITION RESTRICTED FOR PENSIONS				
January 1			<u>74,595,928</u>	<u>70,999,525</u>
December 31			<u>\$ 83,543,889</u>	<u>\$ 74,595,928</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended December 31, 2017

	Balances				Balances
	January 1	Additions	Deletions		December 31
All Funds					
ASSETS					
Cash and Investments	\$ 4,152	\$ 21,611,038	\$ 21,612,664	\$	2,526
Assets Held by Agents	88,771	210,728	202,304	\$	97,195
TOTAL ASSETS	\$ 92,923	\$ 21,821,766	\$ 21,814,968	\$	99,721
LIABILITIES					
Due to Participants	\$ 57,671	\$ 210,728	\$ 202,304	\$	66,095
Advances from Other Funds	31,100	-	-	\$	31,100
Due to Other Governments	4,152	21,611,038	21,612,664	\$	2,526
TOTAL LIABILITIES	\$ 92,923	\$ 21,821,766	\$ 21,814,968	\$	99,721
EDA Special Tax Allocation Fund					
ASSETS					
Cash and Investments	\$ 4,152	\$ 21,611,038	\$ 21,612,664	\$	2,526
TOTAL ASSETS	\$ 4,152	\$ 21,611,038	\$ 21,612,664	\$	2,526
LIABILITIES					
Due to Other Governments	\$ 4,152	\$ 21,611,038	\$ 21,612,664	\$	2,526
TOTAL LIABILITIES	\$ 4,152	\$ 21,611,038	\$ 21,612,664	\$	2,526

(This statement is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)

AGENCY FUNDS

For the Year Ended December 31, 2017

	Balances				Balances
	January 1	Additions	Deletions		December 31
Flexible Spending Account Fund					
ASSETS					
Assets Held by Agents	\$ 88,771	\$ 210,728	\$ 202,304	\$	97,195
TOTAL ASSETS	\$ 88,771	\$ 210,728	\$ 202,304	\$	97,195
LIABILITIES					
Due to Participants	\$ 57,671	\$ 210,728	\$ 202,304	\$	66,095
Advances from Other Funds	31,100	-	-		31,100
TOTAL LIABILITIES	\$ 88,771	\$ 210,728	\$ 202,304	\$	97,195

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2017

Type of Coverage	SIR or Deductibles	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
All Village Property Including Sears Centre					
Building and Personal Property	\$ 100,000	\$ 182,500,000	N/A	Affiliated FM	1/1/2019
Mobile Equipment	100,000	1,711,854	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	1/1/2019
Employee Benefit Liability	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2019
Damages to Premises Rented	*	100,000	100,000	"	"
Failure to Supply	100,000 *	2,000,000	4,000,000	"	"
Sexual Abuse	100,000 *	2,000,000	2,000,000	"	"
Law Enforcement	100,000 *	2,000,000	4,000,000	Alteris Public Risk	1/1/2019
Auto Liability	100,000 *	2,000,000	N/A	Alteris Public Risk	1/1/2019
Auto Physical Damage	100,000	ACV + RCV	N/A	"	"
Auto - Hired and Non-Owned Liability	100,000 *	2,000,000	N/A	"	"
Employee Dishonesty, Crime	5,000	500,000	N/A	Hanover Insurance Company	1/1/2019
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)	1/1/2019
Boiler and Machinery	100,000	182,500,000	N/A	Affiliated FM Insurance Co.	1/1/2019
Employment Related Practices	50,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2019
Public Officials' Liability	50,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2019
Healthcare/EMT	100,000	2,000,000	4,000,000	Alteris Public Risk	1/1/2019
Liquor Liability (Primary)	N/A	N/A	300,000	Lloyds	1/1/2019
Liquor Liability (Excess)					
Pollution Legal Liability				Ace	
Underground Storage Tanks	25,000	1,000,000	2,000,000	Insurance Company	1/1/2019
Terrorism Property and Liability					
Property - TIV	100,000	182,500,000	N/A	Hiscox Ins Co.	1/1/2019
General Liability	100,000	1,000,000	5,000,000	"	1/1/2019
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2018
Dan O'Malley, Deputy Village Manager	N/A	3,000	3,000	"	"
Bev Romanoff, Village Clerk	N/A	3,000	3,000	"	"
James Norris, Village Manager	N/A	50,000	50,000	"	"
Stan Helgerson, Treasurer	N/A	150,000	150,000	"	"
Rachel Musiala, Assistant Treasurer	N/A	150,000	150,000	"	"
Anthony Fashoda, Assistant Finance Director	N/A	150,000	150,000	"	"
Police and Fire Commission/Member	N/A	500	2,500	"	"
Excess Workers' Compensation	650,000	Statutory	2,000,000	Safety National	12/31/2018

* Alteris Public Risk - All casualty lines retentions subject to a maximum \$350,000 aggregate loss fund.

N/A - Not Applicable

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2008A

December 31, 2017

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%

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
2017	\$ -	\$ 1,170,500	\$ 1,170,500	2018	\$ 585,250	2018	\$ 585,250
2018	-	1,170,500	1,170,500	2019	585,250	2019	585,250
2019	-	1,170,500	1,170,500	2020	585,250	2020	585,250
2020	-	1,170,500	1,170,500	2021	585,250	2021	585,250
2021	-	1,170,500	1,170,500	2022	585,250	2022	585,250
2022	-	1,170,500	1,170,500	2023	585,250	2023	585,250
2023	-	1,170,500	1,170,500	2024	585,250	2024	585,250
2024	-	1,170,500	1,170,500	2025	585,250	2025	585,250
2025	-	1,170,500	1,170,500	2026	585,250	2026	585,250
2026	-	1,170,500	1,170,500	2027	585,250	2027	585,250
2027	-	1,170,500	1,170,500	2028	585,250	2028	585,250
2028	-	1,170,500	1,170,500	2029	585,250	2029	585,250
2029	2,415,000	1,170,500	3,585,500	2030	585,250	2030	585,250
2030	2,540,000	1,049,750	3,589,750	2031	524,875	2031	524,875
2031	2,665,000	922,750	3,587,750	2032	461,375	2032	461,375
2032	2,795,000	789,500	3,584,500	2033	394,750	2033	394,750
2033	2,350,000	649,750	2,999,750	2034	324,875	2034	324,875
2034	2,470,000	532,250	3,002,250	2035	266,125	2035	266,125
2035	2,595,000	408,750	3,003,750	2036	204,375	2036	204,375
2036	2,720,000	279,000	2,999,000	2037	139,500	2037	139,500
2037	2,860,000	143,000	3,003,000	2038	71,500	2038	71,500
	<u>\$ 23,410,000</u>	<u>\$ 19,991,250</u>	<u>\$ 43,401,250</u>		<u>\$ 9,995,625</u>		<u>\$ 9,995,625</u>

Note: \$3,235,000 of bonds were refunded by the General Obligation Bond Series 2017B

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2009A

December 31, 2017

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 3.000%
 2014 4.750%
 2016 4.000%
 2017 5.000%
 2019 5.250%
 2026 4.950%
 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
2017	\$ 1,485,000	\$ 791,812	\$ 2,276,812	2018	\$ 395,906	2018	\$ 395,906
2018	1,555,000	717,562	2,272,562	2019	358,781	2019	358,781
2019	1,640,000	635,926	2,275,926	2020	317,963	2020	317,963
2020	1,725,000	549,826	2,274,826	2021	274,913	2021	274,913
2021	1,815,000	459,262	2,274,262	2022	229,631	2022	229,631
2022	1,910,000	363,976	2,273,976	2023	181,988	2023	181,988
2023	2,010,000	263,700	2,273,700	2024	131,850	2024	131,850
2024	915,000	158,176	1,073,176	2025	79,088	2025	79,088
2025	2,225,000	110,138	2,335,138	2026	55,069	2026	55,069
	<u>\$ 15,280,000</u>	<u>\$ 4,050,378</u>	<u>\$ 19,330,378</u>		<u>\$ 2,025,189</u>		<u>\$ 2,025,189</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015A

December 31, 2017

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ 1,740,000	\$ 650,498	\$ 2,390,498	2018	\$ 325,249	2018	\$ 325,249
2018	1,825,000	615,698	2,440,698	2019	307,849	2019	307,849
2019	1,915,000	576,918	2,491,918	2020	288,459	2020	288,459
2020	1,955,000	533,830	2,488,830	2021	266,915	2021	266,915
2021	2,165,000	475,180	2,640,180	2022	237,590	2022	237,590
2022	2,335,000	404,818	2,739,818	2023	202,409	2023	202,409
2023	2,425,000	317,256	2,742,256	2024	158,628	2024	158,628
2024	2,515,000	220,254	2,735,254	2025	110,127	2025	110,127
2025	2,620,000	114,626	2,734,626	2026	57,313	2026	57,313
	<u>\$ 19,495,000</u>	<u>\$ 3,909,078</u>	<u>\$ 23,404,078</u>		<u>\$ 1,954,539</u>		<u>\$ 1,954,539</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2015B

December 31, 2017

Date of Issue	August 12, 2015
Date of Maturity	December 1, 2029
Authorized Issue	\$ 6,125,000
Denomination of Bonds	\$ 5,000
Interest Rates	2016 2%
	2017 2%
	2018 2%
	2019 3%
	2020 3%
	2021 4%
	2022 4%
	2023 3%
	2024 4%
	2025 4%
	2026 4%
	2027 4%
	2028 4%
	2029 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ 390,000	\$ 196,450	\$ 586,450	2018	\$ 98,225	2018	\$ 98,225
2018	405,000	188,650	593,650	2019	94,325	2019	94,325
2019	410,000	176,500	586,500	2020	88,250	2020	88,250
2020	425,000	164,200	589,200	2021	82,100	2021	82,100
2021	440,000	147,200	587,200	2022	73,600	2022	73,600
2022	460,000	129,600	589,600	2023	64,800	2023	64,800
2023	475,000	115,800	590,800	2024	57,900	2024	57,900
2024	495,000	96,800	591,800	2025	48,400	2025	48,400
2025	515,000	77,000	592,000	2026	38,500	2026	38,500
2026	530,000	56,400	586,400	2027	28,200	2027	28,200
2027	430,000	35,200	465,200	2028	17,600	2028	17,600
2028	450,000	18,000	468,000	2029	9,000	2029	9,000
	<u>\$ 5,425,000</u>	<u>\$ 1,401,800</u>	<u>\$ 6,826,800</u>		<u>\$ 700,900</u>		<u>\$ 700,900</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015C

December 31, 2017

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

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ -	\$ 1,011,812	\$ 1,011,812	2018	\$ 505,906	2018	\$ 505,906
2018	-	1,011,812	1,011,812	2019	505,906	2019	505,906
2019	-	1,011,812	1,011,812	2020	505,906	2020	505,906
2020	-	1,011,812	1,011,812	2021	505,906	2021	505,906
2021	-	1,011,812	1,011,812	2022	505,906	2022	505,906
2022	-	1,011,812	1,011,812	2023	505,906	2023	505,906
2023	-	1,011,812	1,011,812	2024	505,906	2024	505,906
2024	-	1,011,812	1,011,812	2025	505,906	2025	505,906
2025	110,000	1,011,812	1,121,812	2026	505,906	2026	505,906
2026	2,855,000	1,007,138	3,862,138	2027	503,569	2027	503,569
2027	2,975,000	885,800	3,860,800	2028	442,900	2028	442,900
2028	3,105,000	755,644	3,860,644	2029	377,822	2029	377,822
2029	3,240,000	619,800	3,859,800	2030	309,900	2030	309,900
2030	3,390,000	474,000	3,864,000	2031	237,000	2031	237,000
2031	3,555,000	304,500	3,859,500	2032	152,250	2032	152,250
2032	2,535,000	126,750	2,661,750	2033	63,375	2033	63,375
	<u>\$ 21,765,000</u>	<u>\$ 13,279,940</u>	<u>\$ 35,044,940</u>		<u>\$ 6,639,970</u>		<u>\$ 6,639,970</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2016

December 31, 2017

Date of Issue	April 21, 2016
Date of Maturity	December 1, 2029
Authorized Issue	\$ 8,975,000
Denomination of Bonds	\$ 5,000
Interest Rates	2016-2021 2%
	2022-2024 0%
	2025-2029 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ 100,000	\$ 337,800	\$ 437,800	2018	\$ 168,900	2018	\$ 168,900
2018	100,000	335,800	435,800	2019	167,900	2019	167,900
2019	105,000	333,800	438,800	2020	166,900	2020	166,900
2020	105,000	331,700	436,700	2021	165,850	2021	165,850
2021	-	329,600	329,600	2022	164,800	2022	164,800
2022	-	329,600	329,600	2023	164,800	2023	164,800
2023	-	329,600	329,600	2024	164,800	2024	164,800
2024	1,150,000	329,600	1,479,600	2025	164,800	2025	164,800
2025	-	283,600	283,600	2026	141,800	2026	141,800
2026	2,270,000	283,600	2,553,600	2027	141,800	2027	141,800
2027	2,355,000	192,800	2,547,800	2028	96,400	2028	96,400
2028	2,465,000	98,600	2,563,600	2029	49,300	2029	49,300
	<u>\$ 8,650,000</u>	<u>\$ 3,516,100</u>	<u>\$ 12,166,100</u>		<u>\$ 1,758,050</u>		<u>\$ 1,758,050</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2017A

December 31, 2017

Date of Issue September 12, 2017
 Date of Maturity December 1, 2038
 Authorized Issue \$ 6,080,000
 Denomination of Bonds \$ 5,000
 Interest Rates
 2017-2019 2.000%
 2020-2026 3.000%
 2027-2030 4.000%
 2031-2033 3.000%
 2034-2036 3.125%
 2037-2038 3.250%

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ 35,000	\$ 238,234	\$ 273,234	2018	\$ 140,553	2018	\$ 97,681
2018	310,000	194,662	504,662	2019	97,331	2019	97,331
2019	320,000	188,462	508,462	2020	94,231	2020	94,231
2020	325,000	178,862	503,862	2021	89,431	2021	89,431
2021	340,000	169,112	509,112	2022	84,556	2022	84,556
2022	345,000	158,912	503,912	2023	79,456	2023	79,456
2023	355,000	148,562	503,562	2024	74,281	2024	74,281
2024	375,000	137,912	512,912	2025	68,956	2025	68,956
2025	380,000	126,662	506,662	2026	63,331	2026	63,331
2026	390,000	115,262	505,262	2027	57,631	2027	57,631
2027	410,000	99,662	509,662	2028	49,831	2028	49,831
2028	425,000	83,262	508,262	2029	41,631	2029	41,631
2029	200,000	66,262	266,262	2030	33,131	2030	33,131
2030	210,000	58,262	268,262	2031	29,131	2031	29,131
2031	215,000	51,962	266,962	2032	25,981	2032	25,981
2032	225,000	45,512	270,512	2033	22,756	2033	22,756
2033	230,000	38,762	268,762	2034	19,381	2034	19,381
2034	235,000	31,576	266,576	2035	15,788	2035	15,788
2035	245,000	24,232	269,232	2036	12,116	2036	12,116
2036	250,000	16,576	266,576	2037	8,288	2037	8,288
2037	260,000	8,450	268,450	2038	4,225	2038	4,225
	<u>\$ 6,080,000</u>	<u>\$ 2,181,160</u>	<u>\$ 8,261,160</u>		<u>\$ 1,112,016</u>		<u>\$ 1,069,144</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B

December 31, 2017

Date of Issue	September 12, 2017
Date of Maturity	December 1, 2034
Authorized Issue	\$ 3,225,000
Denomination of Bonds	\$ 5,000
Interest Rates	2017-2022 2%
	2023-2026 3%
	2027-2038 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	Dec. 1	Amount
2017	\$ -	\$ 152,065	\$ 152,065	2018	\$ 89,715	2018	\$ 62,350
2018	35,000	124,700	159,700	2019	62,350	2019	62,350
2019	35,000	124,000	159,000	2020	62,000	2020	62,000
2020	35,000	123,300	158,300	2021	61,650	2021	61,650
2021	35,000	122,600	157,600	2022	61,300	2022	61,300
2022	35,000	121,900	156,900	2023	60,950	2023	60,950
2023	35,000	120,850	155,850	2024	60,425	2024	60,425
2024	40,000	119,800	159,800	2025	59,900	2025	59,900
2025	40,000	118,600	158,600	2026	59,300	2026	59,300
2026	40,000	117,400	157,400	2027	58,700	2027	58,700
2027	45,000	115,800	160,800	2028	57,900	2028	57,900
2028	45,000	114,000	159,000	2029	57,000	2029	57,000
2029	45,000	112,200	157,200	2030	56,100	2030	56,100
2030	50,000	110,400	160,400	2031	55,200	2031	55,200
2031	50,000	108,400	158,400	2032	54,200	2032	54,200
2032	50,000	106,400	156,400	2033	53,200	2033	53,200
2033	480,000	104,400	584,400	2034	52,200	2034	52,200
2034	500,000	85,200	585,200	2035	42,600	2035	42,600
2035	520,000	65,200	585,200	2036	32,600	2036	32,600
2036	545,000	44,400	589,400	2037	22,200	2037	22,200
2037	565,000	22,600	587,600	2038	11,300	2038	11,300
	<u>\$ 3,225,000</u>	<u>\$ 2,234,215</u>	<u>\$ 5,459,215</u>		<u>\$ 1,130,790</u>		<u>\$ 1,103,425</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

**HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE NOTES**

December 31, 2017

	Private Interest Financing Note #6	Developer Project Cost Note #38	Developer Project Cost Note #39	Developer Project Cost Note #40
Date of Issue	Feb. 1, 2007	Sept. 1, 2006	March 1, 2007	Sept. 1, 2007
Date of Maturity	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027
Original Amount of Note	\$ 13,147,485	\$ 1,351,407	\$ 120,659	\$ 69,366
Interest Rate	None	4.00%	4.00%	4.00%
Interest Dates	None	March 1 and September 1	March 1 and September 1	March 1 and September 1
Principal Maturity Dates	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1
Payable at	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL
Original Principal Balance	\$ 13,147,485	\$ 1,351,407	\$ 120,659	\$ 69,366
Accrued Interest	-	829,095	69,944	37,976
Subtotal	13,147,485	2,180,502	190,603	107,342
Previous Payments	-	-	-	-
ADJUSTED PRINCIPAL BALANCE	\$ 13,147,485	\$ 2,180,502	\$ 190,603	\$ 107,342

Developer Project Cost Note #41	Developer Project Cost Note #42	Developer Project Cost Note #43	Developer Project Cost Note #44	Developer Project Cost Note #45
Nov. 12, 2015 Sept. 10, 2027	Nov. 12, 2015 Sept. 10, 2027	Nov. 12, 2015 Sept. 10, 2027	Nov. 12, 2015 Sept. 10, 2027	Nov. 12, 2015 Sept. 10, 2027
\$ 2,988,808	\$ 3,255,687	\$ 3,174,515	\$ 2,936,050	\$ 3,108,160
4.00%	4.00%	4.00%	4.00%	4.00%
March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1
March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1
Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL
\$ 2,988,808	\$ 3,255,687	\$ 3,174,515	\$ 2,936,050	\$ 3,108,160
261,600	284,959	277,854	256,982	272,047
3,250,408	3,540,646	3,452,369	3,193,032	3,380,207
-	-	-	-	-
\$ 3,250,408	\$ 3,540,646	\$ 3,452,369	\$ 3,193,032	\$ 3,380,207

(This schedule is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

HOFFMAN ESTATES ECONOMIC DEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE NOTES (Continued)

December 31, 2017

	Developer Project Cost Note #46	Developer Project Cost Note #47	Developer Project Cost Note #48	Developer Project Cost Note #49
Date of Issue	Nov. 12, 2015	Nov. 12, 2015	Nov. 12, 2015	Nov. 12, 2015
Date of Maturity	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027	Sept. 10, 2027
Original Amount of Note	\$ 2,513,463	\$ 2,772,320	\$ 2,622,795	\$ 2,670,765
Interest Rate	4.00%	4.00%	4.00%	4.00%
Interest Dates	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1
Principal Maturity Dates	March 1 and September 1	March 1 and September 1	March 1 and September 1	March 1 and September 1
Payable at	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL	Sears Roebuck and Co. Hoffman Estates, IL
Original Principal Balance	\$ 2,513,463	\$ 2,772,320	\$ 2,622,795	\$ 2,670,765
Accrued Interest	219,995	242,652	229,564	233,763
Subtotal	2,733,458	3,014,972	2,852,359	2,904,528
Previous Payments	-	-	-	-
ADJUSTED PRINCIPAL BALANCE	\$ 2,733,458	\$ 3,014,972	\$ 2,852,359	\$ 2,904,528

VOHE Obligation #2	VOHE Obligation #3	VOHE Obligation #4	VOHE Obligation #5	VOHE Obligation #6	Total
May 31, 2003 Sept. 10, 2027	May 31, 2004 Sept. 10, 2027	May 31, 2005 Sept. 10, 2027	May 31, 2006 Sept. 10, 2027	May 31, 2007 Sept. 10, 2027	
\$ 9,702,632	\$ 10,439,098	\$ 12,051,446	\$ 18,173,967	\$ 16,699,691	
None	None	None	None	None	
None	None	None	None	None	
March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL	March 1 and September 2 Sears Roebuck and Co. Hoffman Estates, IL	
\$ 9,702,632	\$ 10,439,098	\$ 12,051,446	\$ 18,173,967	\$ 16,699,693	\$ 112,091,554
2,521,975	2,769,691	3,197,478	4,821,899	4,430,746	20,958,220
12,224,607	13,208,789	15,248,924	22,995,866	21,130,439	133,049,774
10,141,820	-	-	-	-	14,435,058
\$ 2,082,787	\$ 13,208,789	\$ 15,248,924	\$ 22,995,866	\$ 21,130,439	\$ 118,614,716

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	170-185
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	186-192
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	193-197
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.	198-200
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.	201-202

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 100,289,513	\$ 104,590,958	\$ 97,434,737	\$ 96,991,246
Restricted	37,276,155	25,487,777	11,808,484	12,287,308
Unrestricted	(182,324,268)	(118,128,995)	(84,178,176)	(68,641,607)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (44,758,600)	\$ 11,949,740	\$ 25,065,045	\$ 40,636,947
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 26,267,955	\$ 57,239,680	\$ 57,818,793	\$ 57,288,598
Restricted	-	-	-	-
Unrestricted	8,404,821	7,775,663	4,738,255	4,448,586
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 34,672,776	\$ 65,015,343	\$ 62,557,048	\$ 61,737,184
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 126,557,468	\$ 161,830,638	\$ 155,253,530	\$ 154,279,844
Restricted	37,276,155	25,487,777	11,808,484	12,287,308
Unrestricted	(173,919,447)	(110,353,332)	(79,439,921)	(64,193,021)
TOTAL PRIMARY GOVERNMENT	\$ (10,085,824)	\$ 76,965,083	\$ 87,622,093	\$ 102,374,131

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 97,300,601	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155	\$ 101,583,059	\$ 103,869,592
8,430,181	8,705,357	6,556,733	4,878,627	1,900,712	1,935,130
(52,629,530)	(40,661,610)	(98,826,179)	(191,469,562)	(187,342,519)	(189,957,186)
\$ 53,101,252	\$ 67,464,906	\$ 7,595,145	\$ (87,550,780)	\$ (83,858,748)	\$ (84,152,464)
\$ 56,288,010	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442	\$ 48,783,047	\$ 46,285,711
-	-	-	-	-	-
3,224,063	4,286,249	2,712,724	1,147,952	2,478,512	4,137,575
\$ 59,512,073	\$ 58,403,594	\$ 54,765,111	\$ 51,573,394	\$ 51,261,559	\$ 50,423,286
\$ 153,588,611	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597	\$ 150,366,106	\$ 150,155,303
8,430,181	8,705,357	6,556,733	4,878,627	1,900,712	1,935,130
(49,405,467)	(36,375,361)	(96,113,455)	(190,321,610)	(184,864,007)	(185,819,611)
\$ 112,613,325	\$ 125,868,500	\$ 62,360,256	\$ (35,977,386)	\$ (32,597,189)	\$ (33,729,178)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 100,289,513	\$ 104,590,958	\$ 97,434,737	\$ 96,991,246
Restricted	8,028,531	6,734,090	5,201,282	5,412,848
Unrestricted	(38,677,026)	7,684,075	11,536,691	14,898,200
TOTAL GOVERNMENTAL ACTIVITIES	\$ 69,641,018	\$ 119,009,123	\$ 114,172,710	\$ 117,302,294
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 26,267,955	\$ 57,239,680	\$ 57,838,788	\$ 57,288,598
Restricted	-	-	-	-
Unrestricted	8,404,821	7,775,663	4,718,260	4,448,586
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 34,672,776	\$ 65,015,343	\$ 62,557,048	\$ 61,737,184
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 126,557,468	\$ 161,830,638	\$ 155,273,525	\$ 154,279,844
Restricted	8,028,531	6,734,090	5,201,282	5,412,848
Unrestricted	(30,272,205)	15,459,738	16,254,951	19,346,786
TOTAL PRIMARY GOVERNMENT	\$ 104,313,794	\$ 184,024,466	\$ 176,729,758	\$ 179,039,478

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 97,300,601	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155	\$ 101,583,059	\$ 103,869,592
3,634,187	8,705,357	3,194,819	1,454,219	(101,992)	331,204
17,139,574	16,002,826	14,108,152	(60,752,384)	(64,180,197)	(71,342,472)
<u>\$ 118,074,362</u>	<u>\$ 124,129,342</u>	<u>\$ 117,167,562</u>	<u>\$ 39,741,990</u>	<u>\$ 37,300,870</u>	<u>\$ 32,858,324</u>
\$ 56,288,010	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442	\$ 48,783,047	\$ 46,285,711
-	-	-	-	-	-
3,224,063	4,286,249	2,712,724	1,147,952	2,478,512	4,137,575
<u>\$ 59,512,073</u>	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>	<u>\$ 51,573,394</u>	<u>\$ 51,261,559</u>	<u>\$ 50,423,286</u>
\$ 153,588,611	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597	\$ 150,366,106	\$ 150,155,303
3,634,187	8,705,357	3,194,819	1,454,219	(101,992)	331,204
20,363,637	20,289,075	16,820,876	(59,604,432)	(61,701,685)	(67,204,897)
<u>\$ 177,586,435</u>	<u>\$ 182,532,936</u>	<u>\$ 171,932,673</u>	<u>\$ 91,315,384</u>	<u>\$ 88,562,429</u>	<u>\$ 83,281,610</u>

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental Activities				
General Government	\$ 7,649,033	\$ 2,140,888	\$ 6,793,067	\$ 7,040,328
Public Safety	32,630,767	36,731,733	36,228,810	33,040,212
Highways and Streets	12,635,002	11,426,047	9,238,037	9,460,214
Sanitation	1,190,250	1,190,740	1,114,830	1,115,901
Health and Welfare	1,959,118	1,820,973	1,712,597	1,655,456
Culture and Recreation	277,806	234,883	237,733	241,334
Economic Development	2,156,338	4,948,669	1,989,694	2,009,349
Interest	9,560,104	6,776,076	6,721,799	5,503,426
Total Governmental Activities Expenses	<u>68,058,418</u>	<u>65,270,009</u>	<u>64,036,567</u>	<u>60,066,220</u>
Business-Type Activities				
Water/Sewer	12,364,630	12,965,546	11,981,864	13,204,142
Sears Centre	-	4,800,908	8,623,330	7,666,340
Total Business-Type Activities Expenses	<u>12,364,630</u>	<u>17,766,454</u>	<u>20,605,194</u>	<u>20,870,482</u>
TOTAL GOVERNMENT EXPENSES	<u>\$ 80,423,048</u>	<u>\$ 83,036,463</u>	<u>\$ 84,641,761</u>	<u>\$ 80,936,702</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,361,435	\$ 2,867,632	\$ 2,960,974	\$ 3,172,718
Public Safety	3,154,367	2,811,303	2,869,878	2,946,067
Highways and Streets	586,879	152,321	153,363	220,572
Sanitation	1,009,579	1,096,277	1,072,654	1,124,851
Health and Welfare	860,461	537,732	590,515	1,343,752
Culture and Recreation	579,111	530,737	521,449	548,461
Economic Development	4,036,017	165,424	173,414	231,994
Operating Grants and Contributions	1,959,997	2,436,373	2,566,593	3,581,885
Capital Grants and Contributions	7,097,285	4,040,726	899,366	4,322,051
Total Governmental Activities Program Revenues	<u>20,645,131</u>	<u>14,638,525</u>	<u>11,808,206</u>	<u>17,492,351</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	9,989,993	9,843,473	10,367,612	10,604,162
Sears Centre	-	-	2,090,426	2,450,294
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	2,146,311	1,397,019	145,117	1,529,016
Sears Centre	-	83,960,100	-	4,950
Total Business-Type Activities Program Revenues	<u>12,136,304</u>	<u>95,200,592</u>	<u>12,603,155</u>	<u>14,588,422</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 32,781,435</u>	<u>\$ 109,839,117</u>	<u>\$ 24,411,361</u>	<u>\$ 32,080,773</u>
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (47,413,287)	\$ (50,631,484)	\$ (52,228,361)	\$ (42,573,869)
Business-Type Activities	(228,326)	77,434,138	(8,002,039)	(6,282,060)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	<u>\$ (47,641,613)</u>	<u>\$ 26,802,654</u>	<u>\$ (60,230,400)</u>	<u>\$ (48,855,929)</u>

	2012	2013	2014	2015	2016	2017
\$	6,784,096	\$ 10,593,969	\$ 6,025,628	\$ 6,456,831	\$ 6,646,068	\$ 6,554,140
	33,240,928	34,713,320	35,325,151	40,952,859	41,446,709	39,733,471
	9,997,154	9,043,957	16,710,043	13,335,647	12,138,772	13,455,206
	1,213,277	1,211,351	1,638,771	3,647,121	3,325,231	3,833,464
	1,744,262	1,643,956	1,614,867	1,837,446	1,975,323	2,118,952
	339,529	360,479	355,894	331,264	356,009	298,721
	3,086,713	2,435,172	81,666,884	29,166,157	5,386,050	5,965,340
	4,974,048	3,866,269	6,427,621	6,356,004	6,836,905	6,670,096
	61,380,007	63,868,473	149,764,859	102,083,329	78,111,067	78,629,390
	14,419,572	15,096,017	16,505,476	17,565,501	18,261,791	19,374,285
	7,262,839	7,188,970	16,292,697	14,393,149	11,953,804	14,260,596
	21,682,411	22,284,987	32,798,173	31,958,650	30,215,595	33,634,881
\$	83,062,418	\$ 86,153,460	\$ 182,563,032	\$ 134,041,979	\$ 108,326,662	\$ 112,264,271
\$	3,162,569	\$ 3,450,495	\$ 3,645,798	\$ 3,604,847	\$ 3,637,561	\$ 3,672,654
	3,041,099	3,494,101	3,931,959	4,456,892	4,113,151	3,683,940
	113,699	1,801,285	307,528	587,515	138,882	738,598
	1,129,240	1,167,784	1,744,029	3,693,214	3,186,227	3,451,809
	953,523	738,546	507,061	1,263,886	948,703	892,563
	623,134	709,863	668,132	661,951	752,984	716,198
	147,275	149,861	161,943	216,237	170,416	279,512
	2,696,996	2,562,477	4,088,264	1,908,481	2,097,845	2,086,778
	3,219,627	3,525,568	266,395	991,147	297,581	108,344
	15,087,162	17,599,980	15,321,109	17,384,170	15,343,350	15,630,396
	13,480,853	13,792,658	13,980,643	16,361,314	17,460,743	18,260,298
	1,943,834	2,003,572	11,080,824	9,688,311	6,946,532	9,648,371
	-	-	-	-	-	-
	1,350,599	84,406	-	67,425	-	219,676
	-	20,490	114,980	33,273	24,767	139,947
	16,775,286	15,901,126	25,176,447	26,150,323	24,432,042	28,268,292
\$	31,862,448	\$ 33,501,106	\$ 40,497,556	\$ 43,534,493	\$ 39,775,392	\$ 43,898,688
\$	(46,292,845)	\$ (46,268,493)	\$ (134,443,750)	\$ (84,699,159)	\$ (62,767,717)	\$ (62,998,994)
	(4,907,125)	(6,383,861)	(7,621,726)	(5,808,327)	(5,783,553)	(5,366,589)
\$	(51,199,970)	\$ (52,652,354)	\$ (142,065,476)	\$ (90,507,486)	\$ (68,551,270)	\$ (68,365,583)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 36,232,247	\$ 33,379,672	\$ 44,460,848	\$ 38,455,279
Sales	6,990,526	5,993,252	6,023,007	5,951,289
Income and Local Use	5,529,993	5,314,607	4,305,515	4,913,556
Telecommunications	3,404,303	3,360,522	2,928,445	2,741,011
Real Estate Transfer	755,637	510,990	406,333	366,253
Home Rule Sales	3,938,726	3,472,774	3,397,574	3,312,721
Other	3,840,774	3,407,216	2,197,886	1,375,898
Investment Earnings	1,768,185	1,147,987	211,216	72,689
Miscellaneous	576,648	648,653	1,119,747	3,250,112
Gain on Sale of Capital Assets	-	167,872	-	-
Transfers In (Out)	(16,130)	49,936,278	293,095	(2,293,237)
Total Governmental Activities	63,020,909	107,339,823	65,343,666	58,145,571
Business-Type Activities				
Taxes				
Other	-	42,580	1,154,561	2,100,316
Investment Earnings	325,328	164,920	18,470	5,426
Miscellaneous	74,250	2,619,463	4,663,808	1,063,217
Gain on Sale of Capital Assets	7,600	17,744	-	-
Contributions	-	-	-	-
Transfers In (Out)	16,130	(49,936,278)	(293,095)	2,293,237
Total Business-Type Activities	423,308	(47,091,571)	5,543,744	5,462,196
TOTAL PRIMARY GOVERNMENT	\$ 63,444,217	\$ 60,248,252	\$ 70,887,410	\$ 63,607,767
CHANGE IN NET POSITION				
Governmental Activities	\$ 15,607,622	\$ 56,708,339	\$ 13,115,305	\$ 15,571,702
Business-Type Activities	194,982	30,342,567	(2,458,295)	(819,864)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 15,802,604	\$ 87,050,906	\$ 10,657,010	\$ 14,751,838

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	37,109,465	\$ 36,803,822	\$ 48,756,911	\$ 35,909,050	\$ 37,672,733	\$ 34,559,674
	6,432,977	7,306,806	7,980,411	8,220,338	7,887,857	8,252,713
	5,416,250	5,931,409	5,911,120	6,757,353	6,224,044	6,055,330
	2,896,031	2,441,097	2,296,238	2,052,086	2,172,136	1,808,685
	419,814	917,245	685,054	925,104	761,315	1,087,913
	3,547,063	3,777,094	3,835,430	3,883,502	3,627,746	3,637,260
	1,615,860	2,544,559	6,121,814	6,108,606	6,012,152	6,312,312
	44,671	32,737	(234,463)	64,493	119,737	280,937
	1,520,890	3,267,367	1,917,202	2,348,456	1,244,976	1,793,516
	-	-	-	-	-	-
	162,839	(2,389,989)	(746,684)	(772,518)	(1,602,741)	(1,083,062)
	59,165,860	60,632,147	76,523,033	65,496,470	64,119,955	62,705,278
	2,121,999	1,826,801	2,082,566	2,303,729	2,260,278	2,357,087
	3,866	912	(28,983)	5,198	29,031	56,616
	1,306,800	1,057,680	1,182,976	1,152,118	390,500	1,031,551
	-	-	-	-	-	-
	-	-	-	-	-	-
	(162,839)	2,389,989	746,684	772,518	2,053,026	1,083,062
	3,269,826	5,275,382	3,983,243	4,233,563	4,732,835	4,528,316
\$	62,435,686	\$ 65,907,529	\$ 80,506,276	\$ 69,730,033	\$ 68,852,790	\$ 67,233,594
\$	12,873,015	\$ 14,363,654	\$ (57,920,717)	\$ (19,202,689)	\$ 1,352,238	\$ (293,716)
	(1,637,299)	(1,108,479)	(3,638,483)	(1,574,764)	(1,050,718)	(838,273)
\$	11,235,716	\$ 13,255,175	\$ (61,559,200)	\$ (20,777,453)	\$ 301,520	\$ (1,131,989)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental Activities				
General Government	\$ 7,429,416	\$ 1,599,021	\$ 6,448,895	\$ 6,697,689
Public Safety	29,333,107	33,108,122	32,607,837	29,181,960
Highways and Streets	12,059,057	11,187,206	9,026,571	9,303,991
Sanitation	1,190,250	1,190,740	1,114,830	1,115,901
Health and Welfare	1,959,118	1,820,973	1,712,597	1,655,456
Culture and Recreation	277,806	234,883	237,733	241,334
Economic Development	1,991,344	4,334,569	1,989,694	1,918,198
Interest	4,322,420	2,318,891	2,807,720	2,994,525
Total Governmental Activities Expenses	<u>58,562,518</u>	<u>55,794,405</u>	<u>55,945,877</u>	<u>53,109,054</u>
Business-Type Activities				
Water/Sewer	12,364,630	12,965,546	11,981,864	13,204,142
Sears Centre	-	4,800,908	8,623,330	7,666,340
Total Business-Type Activities Expenses	<u>12,364,630</u>	<u>17,766,454</u>	<u>20,605,194</u>	<u>20,870,482</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 70,927,148</u>	<u>\$ 73,560,859</u>	<u>\$ 76,551,071</u>	<u>\$ 73,979,536</u>
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,361,435	\$ 2,867,632	\$ 2,960,974	\$ 3,172,718
Public Safety	3,154,367	2,811,303	2,869,878	2,946,067
Highways and Streets	537,754	152,321	153,363	220,572
Sanitation	1,009,579	1,096,277	1,072,654	1,124,851
Health and Welfare	860,461	537,732	590,515	1,343,752
Culture and Recreation	579,111	530,737	521,449	548,461
Economic Development	4,036,017	156,391	167,380	231,994
Operating Grants and Contributions	1,959,997	2,436,373	2,566,593	3,581,885
Capital Grants and Contributions	7,097,285	4,040,726	899,366	4,322,051
Total Governmental Activities Program Revenues	<u>20,596,006</u>	<u>14,629,492</u>	<u>11,802,172</u>	<u>17,492,351</u>
Business-Type Activities				
Charges for Services				
Water/Sewer	9,989,993	9,843,473	10,367,612	10,604,162
Sears Centre	-	-	2,090,426	2,450,294
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	2,146,311	1,397,019	145,117	1,529,016
Sears Centre	-	83,960,100	-	4,950
Total Business-Type Activities Program Revenues	<u>12,136,304</u>	<u>95,200,592</u>	<u>12,603,155</u>	<u>14,588,422</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 32,732,310</u>	<u>\$ 109,830,084</u>	<u>\$ 24,405,327</u>	<u>\$ 32,080,773</u>
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (37,966,512)	\$ (41,164,913)	\$ (44,143,705)	\$ (35,616,703)
Business-Type Activities	<u>(228,326)</u>	<u>77,434,138</u>	<u>(8,002,039)</u>	<u>(6,282,060)</u>
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	<u>\$ (38,194,838)</u>	<u>\$ 36,269,225</u>	<u>\$ (52,145,744)</u>	<u>\$ (41,898,763)</u>

	2012	2013	2014	2015	2016	2017
\$	6,434,941	\$ 10,273,677	\$ 6,025,628	\$ 6,456,831	\$ 6,646,068	\$ 6,554,140
	29,418,704	30,876,317	34,945,772	40,607,398	41,131,756	39,733,471
	9,799,549	8,892,032	16,710,043	13,335,647	12,138,772	13,455,206
	1,213,277	1,211,351	1,638,771	3,647,121	3,325,231	3,833,464
	1,744,262	1,643,956	1,614,867	1,837,446	1,975,323	2,118,952
	339,529	360,479	355,894	331,264	356,009	298,721
	2,633,690	2,290,749	2,901,575	3,100,630	841,211	5,698,391
	2,847,779	2,791,679	2,420,719	2,394,826	6,836,905	2,273,239
	54,431,731	58,340,240	66,613,269	71,711,163	73,251,275	73,965,584
	14,419,572	15,096,017	16,505,476	17,565,501	18,261,791	19,374,285
	7,262,839	7,188,970	16,292,697	14,393,149	11,953,804	14,260,596
	21,682,411	22,284,987	32,798,173	31,958,650	30,215,595	33,634,881
\$	76,114,142	\$ 80,625,227	\$ 99,411,442	\$ 103,669,813	\$ 103,466,870	\$ 107,600,465
\$	3,162,569	\$ 3,450,495	\$ 3,645,798	\$ 3,604,847	\$ 3,637,561	\$ 3,672,654
	3,041,099	3,494,101	3,931,959	4,456,892	4,113,151	3,683,940
	113,699	1,801,285	307,528	587,515	138,882	738,598
	1,129,240	1,167,784	1,744,029	3,693,214	3,186,227	3,451,809
	953,523	738,546	507,061	1,263,886	948,703	892,563
	623,134	709,863	668,132	661,951	752,984	716,198
	147,275	149,861	161,943	216,237	170,416	279,512
	2,696,996	2,562,477	4,088,264	1,908,481	2,097,845	2,086,778
	3,219,627	3,525,568	266,395	991,147	297,581	108,344
	15,087,162	17,599,980	15,321,109	17,384,170	15,343,350	15,630,396
	13,480,853	13,792,658	13,980,643	16,361,314	17,460,743	18,260,298
	1,943,834	2,003,572	11,080,824	9,688,311	6,946,532	9,648,371
	-	-	-	-	-	-
	1,350,599	84,406	-	67,425	-	219,676
	-	20,490	114,980	33,273	24,767	139,947
	16,775,286	15,901,126	25,176,447	26,150,323	24,432,042	28,268,292
\$	31,862,448	\$ 33,501,106	\$ 40,497,556	\$ 43,534,493	\$ 39,775,392	\$ 43,898,688
\$	(39,344,569)	\$ (40,740,260)	\$ (51,292,160)	\$ (54,326,993)	\$ (57,907,925)	\$ (58,335,188)
	(4,907,125)	(6,383,861)	(7,621,726)	(5,808,327)	(5,783,553)	(5,366,589)
\$	(44,251,694)	\$ (47,124,121)	\$ (58,913,886)	\$ (60,135,320)	\$ (63,691,478)	\$ (63,701,777)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 15,911,586	\$ 17,192,444	\$ 18,489,403	\$ 18,423,634
Sales	6,990,526	5,993,252	6,023,007	5,951,289
Income and Local Use	5,529,993	5,314,607	4,305,515	4,913,556
Telecommunications	3,404,303	3,360,522	2,928,445	2,741,011
Real Estate Transfer	755,637	510,990	406,333	366,253
Home Rule Sales	3,938,726	3,472,774	3,397,574	3,312,721
Other	3,840,774	3,407,216	2,197,886	1,375,898
Investment Earnings	1,141,282	539,884	154,620	67,938
Miscellaneous	556,431	637,178	1,079,364	3,229,174
Gain on Sale of Capital Assets	-	167,872	-	-
Contributions	-	-	-	-
Transfers In (Out)	(16,130)	49,936,278	325,145	(1,870,187)
Total Governmental Activities	42,053,128	90,533,017	39,307,292	38,511,287
Business-Type Activities				
Taxes				
Other	-	42,580	1,154,561	2,100,316
Investment Earnings	325,328	164,920	18,470	5,426
Miscellaneous	74,250	2,619,463	4,663,808	1,063,217
Gain on Sale of Capital Assets	7,600	17,744	-	-
Contributions	-	-	-	-
Transfers In (Out)	16,130	(49,936,278)	(293,095)	2,293,237
Total Business-Type Activities	423,308	(47,091,571)	5,543,744	5,462,196
TOTAL PRIMARY GOVERNMENT	\$ 42,476,436	\$ 43,441,446	\$ 44,851,036	\$ 43,973,483
CHANGE IN NET POSITION				
Governmental Activities	\$ 4,086,616	\$ 49,368,104	\$ (4,836,413)	\$ 2,894,584
Business-Type Activities	194,982	30,342,567	(2,458,295)	(819,864)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,281,598	\$ 79,710,671	\$ (7,294,708)	\$ 2,074,720

Note: GASB Statement No. 68 implemented in 2015.

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	18,274,812	\$ 18,169,718	\$ 23,237,428	\$ 23,688,156	\$ 25,593,040	\$ 25,615,209
	6,432,977	7,306,806	7,980,411	8,220,338	7,887,857	8,252,713
	5,416,250	5,931,409	5,911,120	6,757,353	6,224,044	6,055,330
	2,896,031	2,441,097	2,296,238	2,052,086	2,172,136	1,808,685
	419,814	917,245	685,054	925,104	761,315	1,087,913
	3,547,063	3,777,094	3,835,430	3,883,502	3,627,746	3,637,260
	1,615,860	2,544,559	6,121,814	6,108,606	6,012,152	6,226,293
	39,357	31,592	(169,486)	64,493	112,723	280,937
	1,520,751	3,264,517	1,870,656	1,833,048	1,238,262	1,793,516
	-	-	-	-	-	-
	-	-	-	-	-	-
	597,165	(2,305,477)	(772,494)	(688,029)	(502,262)	(1,083,062)
	40,760,080	42,078,560	50,996,171	52,844,657	53,127,013	53,674,794
	2,121,999	1,826,801	2,082,566	2,303,729	2,260,278	2,357,087
	3,866	912	(28,983)	5,198	29,031	56,616
	1,306,800	1,057,680	1,182,976	1,152,118	390,500	1,031,551
	-	-	-	-	-	-
	-	-	-	-	-	-
	(162,839)	2,389,989	746,684	772,518	2,053,026	1,083,062
	3,269,826	5,275,382	3,983,243	4,233,563	4,732,835	4,528,316
\$	44,029,906	\$ 47,353,942	\$ 54,979,414	\$ 57,078,220	\$ 57,859,848	\$ 58,203,110
\$	1,415,511	\$ 1,338,300	\$ (295,989)	\$ (1,482,336)	\$ (4,780,912)	\$ (4,660,394)
	(1,637,299)	(1,108,479)	(3,638,483)	(1,574,764)	(1,050,718)	(838,273)
\$	(221,788)	\$ 229,821	\$ (3,934,472)	\$ (3,057,100)	\$ (5,831,630)	\$ (5,498,667)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011*
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ 1,148,877
Restricted	469,637	1,182,766 ^a	934,184	177,139
Assigned	-	-	-	876,935
Unrestricted	12,370,115	9,886,577	10,455,842	-
Unassigned	-	-	-	10,739,736
TOTAL GENERAL FUND	\$ 12,839,752	\$ 11,069,343	\$ 11,390,026	\$ 12,942,687
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ 66,688
Restricted	39,988,262	39,570,177	16,639,130 ^b	12,110,169
Assigned	-	-	-	7,487,942
Unassigned	-	-	-	-
Unreserved, Reported in				
Special Revenue Funds	74,992	23,761	(2,976)	-
Debt Service Funds	-	(195,401)	(33,545)	-
Capital Project Funds	8,044,568	6,094,625	6,278,772	-
Permanent Funds	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 48,107,822	\$ 45,493,162	\$ 22,881,381	\$ 19,664,799

Notes

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

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

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

^d The decrease in restricted fund balance in the Other Governmental Funds for 2014 is due to the spending of MFT funds on road revitalization as well as an EDA note payment.

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

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

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

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

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

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	1,360,549	\$ 294,059	\$ 230,761	\$ 209,139	\$ 277,704	\$ 198,904
	186,289	183,933	181,216	173,576	172,034	183,232
	1,083,418	3,165,374	2,537,181	2,799,639	4,719,896	2,794,747
	-	-	-	-	-	-
	12,060,851	11,563,246	13,469,497 ^c	19,477,539 ^f	18,181,441	19,193,924
\$	14,691,107	\$ 15,206,612	\$ 16,418,655	\$ 22,659,893	\$ 23,351,075	\$ 22,370,807
\$	57,648	\$ 184,664	\$ 21,262	\$ 1,153,464	\$ 273,375	\$ 30,080
	8,243,892	8,521,424	6,375,517 ^d	4,705,051 ^g	1,728,678	2,330,435
	7,446,603	5,365,498	4,167,991 ^e	4,205,874 ^h	6,083,147	5,253,240
	(4,124)	(98,405)	(13,584)	(16,293)	(45,036)	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	15,744,019	\$ 13,973,181	\$ 10,551,186	\$ 10,048,096	\$ 8,040,164	\$ 7,613,755

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
REVENUES				
Taxes	\$ 47,532,198	\$ 43,308,604	\$ 52,737,336	\$ 45,643,831
Licenses and Permits	1,313,427	1,103,880	1,276,000	2,049,297
Intergovernmental	15,090,587	13,697,905	15,057,588	14,606,305
Charges for Services	5,641,614	5,906,749	6,125,486	6,703,490
Fines and Forfeitures	1,682,621	1,140,814	1,029,384	1,965,165
Investment Income	1,768,185	1,124,845	208,281	71,019
Miscellaneous	4,647,638	539,553	1,263,575	3,494,374
Total Revenues	77,676,270	66,822,350	77,697,650	74,533,481
EXPENDITURES				
General Government	6,037,060	6,165,984	5,603,242	5,638,169
Public Safety	30,904,952	30,847,281	32,010,274	32,067,394
Highways and Streets	7,657,433	6,806,901	5,125,998	5,200,961
Sanitation	1,190,250	1,190,740	1,114,830	1,115,901
Health and Welfare	1,945,636	1,783,070	1,680,372	1,661,144
Culture and Recreation	276,335	367,578	248,571	216,819
Economic Development	2,116,346	5,037,128	1,979,069	1,999,468
Capital Outlay	19,130,399	20,339,153	12,266,812	4,313,811
Debt Service				
Principal	19,445,496	25,081,363	37,301,764	18,598,968
Interest and Other Charges	5,884,186	3,238,030	2,892,464	3,015,117
Total Expenditures	94,588,093	100,857,228	100,223,396	73,827,752
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,911,823)	(34,034,878)	(22,525,746)	705,729
OTHER FINANCIAL SOURCES (USES)				
Transfers In	5,557,908	8,562,880	4,536,704	5,786,586
Transfers (Out)	(5,637,447)	(10,697,971)	(4,302,056)	(8,156,236)
Sale of Capital Assets	85,058	167,872	-	-
Bonds Issued, at Par	19,983,750	30,355,000	-	-
Notes Issued, At Par	69,366	-	-	-
Payment to Escrow Agent	-	-	-	-
Premium (Discount) on Issuance of Bonds	(237,739)	1,262,028	-	-
Total Other Financing Sources (Uses)	19,820,896	29,649,809	234,648	(2,369,650)
NET CHANGE IN FUND BALANCES	\$ 2,909,073	\$ (4,385,069)	\$ (22,291,098)	\$ (1,663,921)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	31.92%	46.95%	22.42%	31.92%

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	44,912,765	\$ 45,783,285	\$ 61,147,865	\$ 48,144,836	\$ 49,586,716	\$ 46,669,596
	1,682,898	1,493,182	1,291,098	2,080,207	1,774,407	1,707,137
	15,123,272	16,116,827	19,919,884	19,354,335	17,576,568	18,054,009
	6,538,068	8,481,038	7,479,744	10,034,296	9,435,945	10,168,721
	1,148,229	1,556,969	1,871,677	2,271,097	1,922,768	1,750,921
	42,287	30,060	(234,463)	64,493	119,737	280,937
	1,526,653	3,446,127	1,240,648	1,687,579	680,477	831,669
	70,974,172	76,907,488	92,716,453	83,636,843	81,096,618	79,462,990
	5,615,811	5,846,890	5,874,247	5,732,993	5,904,784	5,910,231
	32,290,740	33,487,343	33,816,834	33,838,561	34,703,000	36,098,087
	5,164,896	5,572,599	9,644,226	8,873,822	7,235,536	6,940,943
	1,213,277	1,211,351	1,332,980	2,437,875	2,843,463	2,917,600
	1,687,017	1,670,982	1,609,731	1,789,257	1,823,939	2,018,586
	319,509	336,655	336,225	297,900	321,265	310,459
	3,071,913	2,418,635	81,651,001	29,042,476	5,271,336	5,846,061
	4,865,388	6,928,824	8,396,097	7,173,225	8,328,496	9,949,220
	16,053,442	15,374,258	27,606,103	13,515,894	13,759,693	10,693,312
	2,911,079	2,852,106	2,479,036	2,452,802	2,368,908	2,322,815
	73,193,072	75,699,643	172,746,480	105,154,805	82,560,420	83,007,314
	(2,218,900)	1,207,845	(80,030,027)	(21,517,962)	(1,463,802)	(3,544,324)
	5,607,877	4,761,322	3,588,403	3,991,161	6,004,353	7,589,427
	(5,561,337)	(7,224,500)	(4,403,424)	(4,514,083)	(7,672,060)	(8,795,257)
	-	-	-	-	-	-
	-	-	-	1,640,000	8,975,000	2,970,000
	-	-	78,635,096	26,042,563	1,646,250	2,700,763
	-	-	-	-	(9,673,407)	(2,510,274)
	-	-	-	96,469	866,916	182,988
	46,540	(2,463,178)	77,820,075	27,256,110	147,052	2,137,647
\$	(2,172,360)	\$ (1,255,333)	\$ (2,209,952)	\$ 5,738,148	\$ (1,316,750)	\$ (1,406,677)
	28.08%	24.95%	17.88%	15.96%	21.19%	16.94%

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
2008	\$ 1,167,575,979	\$ 483,852,567	\$ 233,449,742	\$ 159,181	\$ 516,387,551	\$ 2,401,425,020	\$ 0.820	\$ 7,204,275,060	33.333%
2009	1,284,024,644	440,752,860	187,250,761	94,827	425,119,346	2,337,242,438	0.888	7,011,727,314	33.333%
2010	1,148,816,831	395,150,291	195,331,416	94,827	402,454,268	2,141,847,633	0.986	6,425,542,899	33.333%
2011	1,063,328,132	337,154,068	153,170,261	94,827	324,518,768	1,878,266,056	1.116	5,634,798,168	33.333%
2012	973,021,897	307,388,195	144,884,600	94,827	313,919,377	1,739,308,896	1.224	5,217,926,688	33.333%
2013	829,259,653	292,452,959	134,275,173	94,429	280,801,136	1,536,883,350	1.456	4,610,650,050	33.333%
2014	869,329,555	357,774,907	40,837,927	89,684	291,210,042	1,559,242,115	1.443	4,677,726,345	33.333%
2015	845,660,790	341,110,857	39,511,338	89,684	292,468,121	1,518,840,790	1.563	4,556,522,370	33.333%
2016	1,017,417,237	326,913,705	42,926,385	85,704	262,473,500	1,649,816,531	1.417	4,949,449,593	33.333%
2017	(B)								

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

(B) 2017 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VILLAGE DIRECT RATES (A)										
General	0.565	0.576	0.645	0.762	0.831	0.907	0.906	0.000	0.000	(B)
Police Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.462	0.408	
Fire Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.475	0.420	
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	0.084	0.083	0.091	0.102	0.111	0.126	0.125	0.129	0.114	
Police Pension	0.095	0.124	0.134	0.145	0.166	0.219	0.209	0.263	0.248	
Firefighters' Pension	0.075	0.105	0.116	0.107	0.116	0.204	0.203	0.233	0.227	
Total Direct Rates	0.819	0.888	0.986	1.116	1.224	1.456	1.443	1.563	1.417	
OVERLAPPING RATES										
School District #54	2.559	2.592	2.996	3.196	3.578	4.148	4.168	4.332	3.790	
Palatine Twp. H.S. #211	1.928	1.916	2.204	2.482	2.772	3.197	3.213	3.309	2.871	
Junior College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	
Forest Preserve District of Cook County	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Schaumburg Township Library District	0.254	0.258	0.295	0.321	0.331	0.384	0.386	0.402	0.352	
Township of Schaumburg (All Funds)	0.089	0.092	0.110	0.125	0.137	0.161	0.163	0.171	0.148	
Metropolitan Sanitary District of Greater Chicago	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	
Hoffman Estates Park District	0.414	0.413	0.465	0.521	0.585	0.669	0.673	0.701	0.622	
Consolidated Elections	0.000	0.021	0.000	0.025	0.000	0.031	0.000	0.034	0.000	
County of Cook	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	7.045	7.150	8.108	8.970	9.975	11.549	11.577	12.036	10.628	
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE	11.63%	12.42%	12.16%	12.44%	12.27%	12.61%	12.46%	13.00%	13.33%	

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

(B) 2017 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
BARRINGTON TOWNSHIP

Last Ten Levy Years

Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VILLAGE DIRECT RATES (A)										
General	0.565	0.576	0.645	0.762	0.831	0.907	0.906	0.000	0.000	(B)
Police Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.462	0.408	
Fire Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.475	0.420	
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	0.084	0.083	0.091	0.102	0.111	0.126	0.125	0.129	0.114	
Police Pension	0.095	0.124	0.134	0.145	0.166	0.219	0.209	0.263	0.248	
Firefighters' Pension	0.075	0.105	0.116	0.107	0.116	0.204	0.203	0.233	0.227	
Total Direct Rates	0.819	0.888	0.986	1.116	1.224	1.456	1.443	1.563	1.417	
OVERLAPPING RATES										
Unit School District #220	2.982	3.036	3.343	3.788	4.292	4.807	4.953	5.126	4.538	
Junior College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	
Forest Preserve District of Cook County	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.157	0.157	0.172	0.195	0.223	0.248	0.258	0.266	0.231	
Township of Barrington (All Funds)	0.022	0.022	0.023	0.026	0.029	0.033	0.033	0.034	0.031	
Metropolitan Sanitary District of Greater Chicago	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	
Hoffman Estates Park District	0.414	0.413	0.465	0.521	0.585	0.669	0.673	0.701	0.622	
Consolidated Elections	0.000	0.021	0.000	0.025	0.000	0.031	0.000	0.034	0.000	
County of Cook	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	
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	0.052	0.078	0.080	0.088	0.136	0.092	0.088	0.077	0.065	
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	5.428	5.585	6.121	6.943	7.837	8.839	8.979	9.325	8.332	
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE	15.09%	15.90%	16.11%	16.07%	15.62%	16.47%	16.07%	16.80%	17.01%	

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

(B) 2017 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VILLAGE DIRECT RATES (A)										
General	0.565	0.576	0.645	0.762	0.831	0.907	0.906	0.000	0.000	(B)
Police Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.462	0.408	
Fire Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.475	0.420	
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	0.084	0.083	0.091	0.102	0.111	0.126	0.125	0.129	0.114	
Police Pension	0.095	0.124	0.134	0.145	0.166	0.219	0.209	0.263	0.248	
Firefighters' Pension	0.075	0.105	0.116	0.107	0.116	0.204	0.203	0.233	0.227	
Total Direct Rates	0.819	0.888	0.986	1.116	1.224	1.456	1.443	1.562	1.417	
OVERLAPPING RATES										
School District #15	2.385	2.307	2.603	2.943	3.269	3.849	3.868	4.035	3.543	
Palatine Twp. H.S. #211	1.928	1.916	2.204	2.482	2.772	3.197	3.213	3.309	2.871	
Junior College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	
Forest Preserve District of Cook County	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Palatine Public Library	0.240	0.229	0.198	0.222	0.248	0.293	0.295	0.308	0.268	
Township of Palatine (All Funds)	0.106	0.103	0.119	0.135	0.145	0.167	0.166	0.173	0.145	
Metropolitan Sanitary District of Greater Chicago	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	
Hoffman Estates Park District	0.414	0.413	0.465	0.521	0.585	0.669	0.673	0.701	0.622	
Consolidated Elections	0.000	0.021	0.000	0.025	0.000	0.031	0.000	0.034	0.000	
County of Cook	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	
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	6.874	6.847	7.627	8.628	9.591	11.165	11.189	11.647	10.294	
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE	11.91%	12.97%	12.93%	12.93%	12.76%	13.04%	12.90%	13.40%	13.77%	

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

(B) 2017 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VILLAGE DIRECT RATES (A)										
General	0.565	0.576	0.645	0.762	0.831	0.907	0.906	0.000	0.000	(B)
Police Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.462	0.408	
Fire Protection Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.475	0.420	
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	0.084	0.083	0.091	0.102	0.111	0.126	0.125	0.129	0.114	
Police Pension	0.095	0.124	0.134	0.145	0.166	0.219	0.209	0.263	0.248	
Firefighters' Pension	0.075	0.105	0.116	0.107	0.116	0.204	0.203	0.233	0.227	
Total Direct Rates	0.820	0.888	0.987	1.116	1.224	1.456	1.443	1.562	1.417	
OVERLAPPING RATES										
Unit School District #220	2.982	3.036	3.343	3.788	4.292	4.807	4.953	5.126	4.538	
Junior College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	
Forest Preserve District of Cook County	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	
Sub. T.B. Sanitarium		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library District	0.357	0.350	0.394	0.449	0.515	0.631	0.632	0.663	0.580	
Township of Hanover (All Funds)	0.223	0.218	0.248	0.286	0.324	0.391	0.393	0.417	0.361	
Metropolitan Sanitary District of Greater Chicago	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	
Hoffman Estates Park District	0.414	0.413	0.465	0.521	0.585	0.669	0.673	0.701	0.622	
Consolidated Elections	0.000	0.021	0.000	0.025	0.000	0.031	0.000	0.034	0.000	
County of Cook	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	
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	0.033	0.033	0.038	0.044	0.050	0.061	0.061	0.058	0.057	
Lake County Tax Obj Ct Ord-220	0.052	0.078	0.080	0.088	0.136	0.092	0.088	0.077	0.065	
TOTAL TAX RATE PER \$100 OF ASSESSED VALUATION	5.863	6.007	6.607	7.501	8.474	9.641	9.774	10.162	9.068	
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE	13.99%	14.78%	14.94%	14.88%	14.44%	15.10%	14.76%	15.37%	15.63%	

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

(B) 2017 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2016 Tax Levy			2007 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Sears Roebuck & Co.	\$ 103,599,696	1	6.28%	\$ 272,061,625	1	12.15%
MB Hoffman Estates LLC	52,030,905	2	3.15%			
AT&T				174,727,922	2	7.80%
Property Tax Advisors				52,168,274	3	2.33%
Poplar Creek Crossing	\$ 19,470,503	3	1.18%			
Cabelas	15,561,847	4	0.94%			
American Heritage	15,428,112	5	0.94%	21,561,506	7	0.96%
Wells Fargo Bank	13,438,844	6	0.81%			
BVF II PK PL LLC	12,290,058	7	0.74%			
Alexian Brothers Health System	11,943,543	8	0.72%	39,454,457	4	1.76%
Lisa Philips				33,091,905	5	1.48%
Stonegate Properties	10,899,408	9	0.66%	23,910,129	6	1.07%
Siemens Corp Ste 300	10,738,709	10	0.65%			
Madkatstep Entertainment				21,290,081	8	0.95%
G.E. Commercial Finance				18,257,983	9	0.82%
Thompson Property Tax				17,813,490	10	0.80%
	<u>\$ 265,401,625</u>		<u>16.09%</u>	<u>\$ 674,337,372</u>		<u>30.10%</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
2008	\$ 15,441,283	\$ 14,652,075	94.89%	\$ 497,569	\$ 15,149,644	98.11%
2009	16,969,508	16,425,598	96.79%	206,544	16,632,142	98.01%
2010	17,136,948	16,498,732	96.28%	93,181	16,591,913	96.82%
2011	17,340,949	17,020,527	98.15%	65,019	17,085,546	98.53%
2012	17,442,448	16,907,162	96.93%	84,629	16,991,791	97.42%
2013	18,286,478	17,680,341	96.69%	258,738	17,939,079	98.10%
2014	18,286,479	17,926,138	98.03%	160,070	18,086,208	98.90%
2015	19,161,057	18,794,772	98.09%	83,967	18,878,739	98.53%
2016	19,651,575	19,217,229	97.79%	-	19,217,229	97.79%
2017		(A)				

(A) Collections for the 2017 tax levy year will not be received until fiscal year 2018.

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

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Unamortized Premium (Discount)**	TIF Bonds Payable	TIF Notes Payable	General Obligation Bonds	Unamortized Premium (Discount)**	Capital Leases			
2008	\$ 84,043,750	\$ -	\$ 34,900,000	\$ 112,976,570	\$ 6,661,250	\$ -	\$ -	\$ 238,581,570	13.8%	\$ 4,718
2009	57,768,750	-	23,800,000	105,882,371	58,371,250	-	-	245,822,371	14.3%	4,861
2010	54,413,750	-	-	99,304,684	57,196,250	-	-	210,914,684	12.5%	4,064
2011	51,803,750	-	-	85,819,617	55,966,250	-	-	193,589,617	11.1%	3,730
2012	50,338,750	-	-	73,353,944	54,681,250	-	-	178,373,944	10.2%	3,437
2013	49,138,750	717,393	-	60,249,276	53,336,250	(214,231)	7,283	163,234,721	9.4%	3,145
2014	47,903,750	717,393	-	118,365,117	51,921,250	(181,610)	2,683	218,728,583	12.6%	4,215
2015	48,248,750	755,003	-	136,147,964	56,151,250	(162,667)	-	241,140,300	12.9%	4,647
2016	46,968,750	1,249,522	-	130,239,360	53,891,250	(152,070)	-	232,196,812	12.2%	4,474
2017	45,887,500	1,347,732	-	128,268,668	57,442,500	119,322	-	233,065,722	12.0%	4,491

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

* See the schedule of Demographic and Economic Information Statistics on page 198 for personal income and population data.

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2008	\$ 90,705,000	\$ 2,886,519	\$ 87,818,481	1.31%	\$ 1,736.47
2009	116,140,000	4,206,373	111,933,627	1.60%	2,213.31
2010	111,610,000	4,354,605	107,255,395	1.67%	2,120.80
2011	107,770,000	2,581,577	105,188,423	1.87%	2,026.95
2012	105,020,000	1,542,308	103,477,692	1.98%	1,993.98
2013	102,978,162	853,148	102,125,014	2.21%	1,967.92
2014	100,360,783	633,706	99,727,077	2.13%	1,921.71
2015	104,992,336	439,080	104,553,256	2.29%	2,014.71
2016	101,957,452	228,267	101,729,185	2.06%	1,960.29
2017	104,797,056	39,469	104,757,587	2.00%	2,018.65

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

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 186 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village (A)	The Village's Share of Debt
Village of Hoffman Estates	\$ 175,503,900	100.000%	\$ 175,503,900
Dundee Township	-	0.101%	-
Dundee Township Park District	1,925,585	0.101%	1,945
Hoffman Estates Park District	14,798,000	93.259%	13,800,467
Palatine Park District	7,605,000	3.008%	228,758
South Barrington Park District	-	0.026%	-
Schools			
District No. 211	-	0.000%	-
District No. 15	36,508,432	8.973%	3,275,902
District No. 220	30,010,000	7.395%	2,219,240
District No. 300	265,369,674	1.083%	2,873,954
District No. 46	281,093,328	3.020%	8,489,019
Junior College District No. 512	141,280,000	6.155%	8,695,784
Junior College District No. 509	173,388,754	1.998%	3,464,307
Metropolitan Water Reclamation District	2,480,560,091	0.988%	24,507,934
Cook County including Forest Preserve District	3,243,006,750	0.968%	31,392,305
Kane County including Forest Preserve District	149,300,000	0.012%	17,916
Gail Borden Library District	9,715,000	5.140%	499,351
Poplar Creek Library District	16,730,000	6.108%	1,021,868
	<u>6,851,290,614</u>		<u>100,488,749</u>
	<u>\$ 7,026,794,514</u>		<u>\$ 275,992,649</u>

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2017

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds							Tax Increment Financing Notes				
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Debt Service		Coverage ^a	Incremental Property Taxes	Debt Service		Coverage	
					Principal	Interest			Principal	Interest		
2008	\$ 25,642,341	\$ (7,441,624)	\$ (349,379)	\$ 17,851,338	\$ 10,700,000	\$ 1,143,544	1.51	\$ 4,135,496	\$ 4,135,496	\$ -	1.00	
2009	18,518,043	(4,960,636)	(215,309)	13,342,098	11,100,000	789,964	1.12	10,181,363	10,181,363	-	1.00	
2010	14,685,323	(11,312,353)	(22,052)	3,350,918	23,800,000	63,368	0.14 ^b	10,146,764	10,146,764	-	1.00	
2011	10,634,233	(14,500,872)	(5,000)	(3,871,639)	-	-	N/A	15,988,968	15,988,968	-	1.00	
2012	8,421,354	(9,558,246)	(3,500)	(1,140,392)	-	-	N/A	14,588,442	14,588,442	-	1.00	
2013	9,802,210	(9,385,159)	(1,500)	415,551	-	-	N/A	14,174,258	14,174,258	-	1.00	
2014	14,412,963	(14,328,247)	(84,716)	-	-	-	N/A	10,973,414	10,973,414	-	1.00	
2015	14,608,387	(14,539,087)	(69,300)	-	-	-	N/A	12,220,894	12,220,894	-	1.00	
2016	14,432,790	(14,409,116)	(23,674)	-	-	-	N/A	12,079,693	12,079,693	-	1.00	
2017	12,668,198	(12,646,577)	(21,621)	-	-	-	N/A	8,944,465	8,944,465	-	1.00	

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

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

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
2008	50,573	\$ 1,722,718,672	\$ 34,064	5.5
2009	50,573	1,722,718,672	34,064	8.8
2010	51,895	1,690,894,785	32,583	8.2
2011	51,895	1,655,761,870	31,906	7.9
2012	51,895	1,746,941,385	33,663	6.8
2013	51,895	1,736,199,120	33,456	6.1
2014	51,895	1,742,322,730	33,574	4.1
2015	51,895	1,868,998,425	36,015	4.4
2016	51,895	1,898,370,995	36,581	4.8
2017	51,895	1,934,386,125	27,275	3.8

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	2017			2008		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings	4,300	1	8.3%	6,000	1	11.9%
AT&T (Ameritech)				2,700	2	5.3%
St. Alexius Medical Center	1,900	2	3.7%	2,045	3	4.0%
CDK Global	800	3	1.5%			
Alexian Brothers Behavioral Health Hospital	650	4	1.3%			
GE Commercial Finance				800	4	1.6%
Wells Fargo	500	5	1.0%			
Siemens Medical Systems	500	5	1.0%	586	7	1.2%
Automated Data Processing				700	5	1.4%
Career Education Corporation				650	6	1.3%
Liberty Mutual	400	6	0.8%	400	9	
FANUC America	370	7	0.7%			
Village of Hoffman Estates	362	8	0.7%	412	8	0.8%
Claire's	350	9	0.7%	400	9	0.8%
Leopardo Companies, Inc.	300	10	0.6%	400	9	0.8%
Township Community School District 211				323	10	0.6%
TOTAL	<u>10,432</u>			<u>15,416</u>		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Administration										
Management Services	29	27	25	24	25	24	25	26	26	29
Finance	16	15	14	14	14	14	15	15	16	16
Public Safety										
Police										
Officers	101	96	92	92	91	92	89	89	90	90
Civilians	25	23	23	20	20	20	20	20	20	20
Fire										
Firefighters and Officers	113	102	101	94	94	99	96	96	96	96
Civilians	3	3	3	3	3	3	3	4	4	3
Highways and Streets										
Administration	3	3	3	3	3	3	2	2	2	2
Engineering	11	9	8	9	9	9	10	9	9	10
Street Maintenance	75	71	71	66	66	66	71	72	71	70
Sanitation	-	-	-	-	-	-	-	-	-	1
Health and Welfare	25	19	19	18	18	18	18	20	21	23
Culture and Recreation	2	2	2	2	2	2	1	1	1	1
Economic Development	9	8	7	7	7	8	8	8	7	6
TOTAL FULL-TIME EQUIVALENT EMPLOYEES	413	377	368	350	350	357	358	362	363	367

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PUBLIC SAFETY										
Police										
Physical Arrests	2,360	2,259	1,985	1,661	1,407	1,713	1,666	1,413	1,422	1,366
Parking Violations	9,608	8,336	3,138	2,262	2,613	4,147	4,023	2,549	1,911	2,090
Traffic Violations	18,700	18,111	20,638	17,614	15,175	19,186	19,673	14,606	10,387	11,049
Fire										
Emergency Responses	5,414	5,272	5,653	5,419	5,415	4,012	4,161	4,186	4,372	4,186
Fire/Miscellaneous Responses	1,956	1,670	1,678	1,802	1,645	1,372	1,588	1,615	1,676	1,618
Inspections	3,282	2,006	1,835	2,130	2,844	2,283	1,879	1,904	1,497	2,115
PUBLIC WORKS										
Vehicles Maintained by Department	230	223	227	225	225	225	225	228	243	239
Street Reconstruction (Miles)	0.5	0.3	0.3	1.0	1.4	1.4	2.8	2.4	2.2	1.5
Street Resurfacing (Miles)	4.3	4.8	1.3	1.6	2.4	-	4.3	3.5	5.2	5.5
WATER										
New Connections	54	16	12	12	10	16	5	42	37	67
Water Main Breaks	53	42	63	65	112	65	61	75	77	73
Average Daily Consumption	5,082,000	5,258,000	4,984,000	4,907,000	5,143,000	4,778,000	4,653,000	4,451,000	4,345,000	4,311,000
Peak Daily Consumption	8,417,000	10,388,000	7,481,000	8,554,000	8,377,000	7,458,000	6,523,000	6,362,000	6,699,000	6,341,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	51	51	53	54	53	56	54	51	57	57
Fire										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire Engines	12	11	11	11	11	11	12	11	12	11
PUBLIC WORKS										
Miles of Streets	158	158	158	158	158	158	160	160	160	152
Streetlights	2,261	2,388	2,388	2,464	2,512	2,512	2,529	2,529	2,529	2,533
Traffic Signals	3	3	3	3	3	3	3	3	3	3
WATER										
Water Mains (Miles)	232	232	233	235	247	257	243	243	247	255
Fire Hydrants	2,926	2,827	2,827	3,076	3,084	3,092	3,091	3,091	3,093	3,129
Storage Capacity (Gallons)	9,820,000	9,820,000	11,720,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000
WATERWASTE										
Sanitary Sewers (Miles)	179	176	179	201	201	201	205	205	205	205
Storm Sewers (Miles)	10	11	11	145	145	156	161	161	226	226

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, 2017

"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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assets						
Cash and Investments	\$11,370,920	\$15,278,521	\$13,028,953	\$18,376,003	\$19,443,123	\$20,170,755
Receivables:						
Property Taxes	15,625,569	16,481,760	16,492,676	17,472,029	17,798,039	18,229,735
Accounts	157,192	168,009	169,360	403,893	454,640	396,905
Accrued Interest	5,431	1,769	8,745	10,199	33,043	82,303
Other	1,904,501	2,441,989	2,473,565	2,817,140	2,874,009	2,785,069
Prepaid Items	129,796	122,778	63,473	53,471	121,943	50,851
Inventory	147,335	140,181	136,188	124,568	124,661	116,953
Due from Other Governments	4,939,041	4,926,237	4,866,541	5,105,238	4,838,202	4,183,443
Due from Other Funds	365,152	189,746	90,459	406,727	99,795	60,269
Due from Fiduciary Funds	630,223	-	184,209	-	-	-
Advance to Fiduciary Funds	31,100	31,100	31,100	31,100	31,100	31,100
Total Assets	<u>\$35,306,260</u>	<u>\$39,782,090</u>	<u>\$37,545,269</u>	<u>\$44,800,368</u>	<u>\$45,818,555</u>	<u>\$46,107,383</u>
Liabilities						
Accounts Payable	\$1,597,577	\$1,641,295	\$1,587,540	\$1,286,761	\$1,023,336	\$1,624,566
Accrued Payroll	537,830	866,017	816,559	921,669	1,048,744	1,139,346
Unearned Revenues	78,156	78,641	122,237	115,098	389,950	368,407
Due to Other Funds	444,434	20,700	86,666	62,756	-	-
Due to Fiduciary Funds	130,597	3,069,764	1,319	47,360	8,104	9,346
Deposits Payable	1,065,823	1,056,312	802,816	1,123,953	967,471	1,155,449
Deferred Inflows of Resources	16,760,736	17,842,749	17,709,477	18,582,878	19,029,875	19,439,462
Total Liabilities	<u>\$20,615,153</u>	<u>\$24,575,478</u>	<u>\$21,126,614</u>	<u>\$22,140,475</u>	<u>\$22,467,480</u>	<u>\$23,736,576</u>
Fund Balances						
Nonspendable for Prepaid Items	\$129,796	\$122,778	\$63,473	\$53,471	\$121,943	\$50,851
Nonspendable for Inventory	147,335	140,181	136,188	124,568	124,661	116,953
Nonspendable for Insurance Deposits	1,083,418	1,582,687	-	-	-	-
Nonspendable for Noncurrent Receivables	-	-	31,100	31,100	31,100	31,100
Restricted for Public Safety	99,590	98,179	116,197	107,404	122,524	127,381
Restricted for Employee Loan Program	86,699	85,754	65,019	66,172	49,510	55,851
Assigned for Employee Health	-	-	1,502,681	2,207,549	2,328,466	2,268,417
Assigned for Subsequent Budget	-	-	1,034,500	592,090	2,391,430	526,330
Unassigned	13,144,269	13,177,033	13,469,497	19,477,539	18,181,441	19,193,924
Total Equity and Credits	<u>\$14,691,107</u>	<u>\$15,206,612</u>	<u>\$16,418,655</u>	<u>\$22,659,893</u>	<u>\$23,351,075</u>	<u>\$22,370,807</u>
 Total Liabilities, Equity and Other Credits	 <u>\$35,306,260</u>	 <u>\$39,782,090</u>	 <u>\$37,545,269</u>	 <u>\$44,800,368</u>	 <u>\$45,818,555</u>	 <u>\$46,107,383</u>

Sources Comprehensive Annual Financial Reports, FY 2012 - 2017

Village of Hoffman Estates
General Fund Revenues & Expenditures

Fiscal Years Ended December 31

	2012	2013	2014	2015	2016	2017	Budget 2018
Revenues:							
Taxes	\$24,231,961	\$24,417,385	\$29,447,436	\$30,056,223	\$30,563,005	\$30,928,418	\$31,913,170
Licenses and Permits	1,682,898	1,493,182	1,291,098	2,080,207	1,774,407	1,707,137	1,313,500
Intergovernmental	12,856,322	14,386,548	15,207,160	15,796,499	14,853,986	15,085,809	14,833,100
Charges for Services	6,329,978	6,460,905	6,846,808	9,010,169	8,907,304	9,087,327	8,945,030
Fines and Forfeits	905,297	1,323,962	1,709,421	2,035,952	1,496,652	1,279,213	1,326,000
Investment Income	16,089	15,720	(110,607)	29,996	76,807	188,872	190,000
Miscellaneous	788,354	1,282,025	1,019,777	1,652,542	640,818	635,776	463,010
Total Revenues	<u>\$46,810,899</u>	<u>\$49,379,727</u>	<u>\$55,411,093</u>	<u>\$60,661,588</u>	<u>\$58,312,979</u>	<u>\$58,912,552</u>	<u>\$58,983,810</u>
Expenditures:							
General Government	\$5,432,808	\$5,526,598	\$5,874,247	\$5,732,993	\$5,904,784	\$5,910,231	\$6,285,250
Public Safety	27,926,905	29,391,729	33,248,630	33,300,683	34,229,399	35,385,440	36,349,240
Highways and Streets	4,903,380	5,349,853	7,362,411	6,628,993	5,984,915	5,677,957	6,282,350
Sanitation	1,213,277	1,211,351	1,332,980	2,437,875	2,843,463	2,917,600	2,986,580
Health and Welfare	1,687,017	1,670,982	1,609,731	1,789,257	1,823,939	2,018,586	2,226,230
Culture and Recreation	319,509	336,655	336,225	297,900	321,265	310,459	344,560
Economic Development	1,850,716	2,167,472	2,462,040	2,060,375	2,065,058	2,037,077	2,332,190
Miscellaneous	-	-	-	-	-	-	-
Total Expenditures	<u>\$43,333,612</u>	<u>\$45,654,640</u>	<u>\$52,226,264</u>	<u>\$52,248,076</u>	<u>\$53,172,823</u>	<u>\$54,257,350</u>	<u>\$56,806,400</u>
Excess (Deficiency) of Revenues Over Exp	\$3,477,287	\$3,725,087	\$3,184,829	\$8,413,512	\$5,140,156	\$4,655,202	\$2,177,410
Other Financing Sources (Uses)	<u>(\$1,728,867)</u>	<u>(\$3,209,582)</u>	<u>(\$1,972,786)</u>	<u>(\$2,172,274)</u>	<u>(\$4,448,974)</u>	<u>(\$5,635,470)</u>	<u>(\$2,801,320)</u>
Net Change in Fund Balance	1,748,420	515,505	1,212,043	6,241,238	691,182	(980,268)	(623,910)
Fund Balance, January 1	<u>\$12,942,687</u>	<u>\$14,691,107</u>	<u>\$15,206,612</u>	<u>\$16,418,655</u>	<u>\$22,659,893</u>	<u>\$23,351,075</u>	<u>\$22,370,807</u>
Ending Fund Balance	<u><u>\$14,691,107</u></u>	<u><u>\$15,206,612</u></u>	<u><u>\$16,418,655</u></u>	<u><u>\$22,659,893</u></u>	<u><u>\$23,351,075</u></u>	<u><u>\$22,370,807</u></u>	<u><u>\$21,746,897</u></u>

Sources Comprehensive Annual Financial Reports, Fiscal Years 2012 - 2017; Budget, Fiscal Year 2018

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

	2012	2013	2014	2015	2016	2017
Governmental Fund Types:						
General Fund	\$14,691,107	\$15,206,612	\$16,418,655	\$22,659,893	\$23,351,075	\$22,370,807
Special Revenue Funds:						
Motor Fuel Tax Fund	1,386,956	1,984,638	1,468,693	531,906	642,655	726,902
Com. Development Block Grant Fund	1	1	2,281	1	1	17,773
Asset Seizure Fund	110,857	128,855	126,185	127,915	310,988	479,551
Econ. Dev. Area Admin.	1,136,075	1,200,413	822,188	514,545	-	-
E911	81,780	78,141	72,006	66,792	66,979	-
Roselle Rd TIF	994,710	982,195	936,782	325,762	145,377	273,649
Barrington Higgins TIF	-	-	-	-	281,861	204,886
Higgins/Hassell Road TIF	-	(9,924)	(13,584)	(16,293)	170,672	9,668
Total Special Revenue	\$3,710,379	\$4,364,319	\$3,414,551	\$1,550,628	\$1,618,533	\$1,712,429
Debt Service Funds	\$853,148	\$633,706	\$439,080	\$228,267	\$65,109	\$39,469
Capital Project Funds	11,180,492	8,975,156	6,697,555	8,269,201	6,356,522	5,861,857
Total Governmental	\$30,435,126	\$29,179,793	\$26,969,841	\$32,707,989	\$31,391,239	\$29,984,562
Proprietary Fund Types:						
Waterworks and Sewerage	\$29,828,640	\$28,209,568	\$25,556,850	\$22,855,045	\$22,896,309	\$22,208,778
Sears Centre	29,683,433	30,194,026	29,208,261	28,718,349	28,365,250	28,214,508
Insurance	1,303,876	1,694,670	1,743,297	1,620,595	1,456,488	1,736,277
Information Systems	698,037	639,878	858,730	712,613	939,595	887,555
Total Proprietary	\$61,513,986	\$60,738,142	\$57,367,138	\$53,906,602	\$53,657,642	\$53,047,118
Fiduciary Fund Types:						
Expendable Trust Funds	-	-	-	-	-	-
Pension Trust:						
Police Pension	\$58,167,708	\$66,577,819	\$68,082,883	\$66,014,912	\$71,259,190	\$79,351,880
Firefighters' Pension	59,649,651	67,949,911	71,215,546	70,999,525	74,595,928	83,543,889
Total Fiduciary	\$117,817,359	\$134,527,730	\$139,298,429	\$137,014,437	\$145,855,118	\$162,895,769
<i>Total All Funds (Memo Only)</i>	\$209,766,471	\$224,445,665	\$223,635,408	\$223,629,028	\$230,903,999	\$245,927,449

Sources Comprehensive Annual Financial Reports, FY 2012 - 2017

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

As of December 31

	2012	2013	2014	2015	2016	2017
General Fund	\$11,370,920	\$15,278,521	\$13,028,953	\$18,376,003	\$19,443,123	\$20,170,755
Special Revenue Funds	4,251,158	4,503,811	3,569,749	2,025,586	1,722,087	1,642,752
Debt Service - GO Bonds	816,498	548,560	352,759	216,330	111,194	35,318
Debt Service - EDA Related	36,861	36,876	35,344	-	-	-
Total Debt Service Funds	<u>\$853,359</u>	<u>\$585,436</u>	<u>\$388,103</u>	<u>\$216,330</u>	<u>\$111,194</u>	<u>\$35,318</u>
Capital Project Funds	\$9,163,928	\$10,105,115	\$6,207,585	\$6,440,008	\$7,576,171	\$8,082,945
Capital Projects - EDA, Series 1991	3,451,564	3,480,334	2,504,382	2,909,863	2,002,704	1,605,974
Total Capital Project Funds	<u>\$12,615,492</u>	<u>\$13,585,449</u>	<u>\$8,711,967</u>	<u>\$9,349,871</u>	<u>\$9,578,875</u>	<u>\$9,688,919</u>
Waterworks and Sewerage	\$1,315,923	\$1,268,610	\$245,294	\$4,503,642	\$4,079,870	\$10,119,022
Sears Centre	2,281,964	2,735,416	2,731,259	2,989,202	2,359,200	3,048,986
Total Enterprise Funds	<u>\$3,597,887</u>	<u>\$4,004,026</u>	<u>\$2,976,553</u>	<u>\$7,492,844</u>	<u>\$6,439,070</u>	<u>\$13,168,008</u>
Insurance	\$2,131,445	\$2,496,362	\$2,674,921	\$2,615,565	\$2,842,503	\$2,913,510
Information Systems	589,363	664,825	732,623	906,601	1,133,372	1,112,292
Total Internal Service Funds	<u>\$2,720,808</u>	<u>\$3,161,187</u>	<u>\$3,407,544</u>	<u>\$3,522,166</u>	<u>\$3,975,875</u>	<u>\$4,025,802</u>
Pension Funds	\$1,588,874	\$1,691,146	\$1,059,541	\$2,085,757	\$1,767,053	\$2,565,284
All Other Funds	15,213,746	12,306,468	401,999	458,539	4,152	2,526
Total	<u>\$52,212,244</u>	<u>\$55,116,044</u>	<u>\$33,544,409</u>	<u>\$43,527,096</u>	<u>\$43,041,429</u>	<u>\$51,299,364</u>

Sources Comprehensive Annual Financial Reports, FY 2012 - 2017

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

Revenues	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Property Taxes	\$11,645,093	\$11,518,518	\$16,062,567	\$16,393,056	\$16,355,691	\$16,278,379
Sales Tax	6,396,370	7,131,620	7,980,411	8,220,338	7,887,857	8,252,713
Home Rule Sales tax	3,529,589	3,694,907	3,835,430	3,883,502	3,627,746	3,637,260
Local Use Tax	810,403	877,758	996,557	1,145,993	1,238,450	1,340,692
State Income Tax	4,600,918	5,004,310	4,914,563	5,611,360	4,985,594	4,714,638
Licenses and Permits	1,605,297	1,416,469	1,209,617	1,996,964	1,693,448	1,630,591
Charges for Services	6,213,449	6,515,916	6,906,562	8,503,649	8,229,658	8,589,632
Fines and Forfeits	877,407	1,297,773	1,679,421	2,005,951	1,467,105	1,279,212
Investment Income	16,089	15,722	-110,607	29,996	76,807	188,873
Hotel Tax	1,209,627	1,161,494	1,306,995	1,426,413	1,372,586	1,274,499
Real Estate Transfer Tax	419,814	917,245	685,054	925,104	761,315	1,087,913
Telecommunications Tax	2,885,633	2,495,732	2,296,238	2,052,086	2,172,136	1,808,685
All Other	6,688,350	7,524,680	7,822,281	8,771,100	8,645,060	8,829,465
Total Revenue.....	<u>\$46,898,039</u>	<u>\$49,572,144</u>	<u>\$55,585,089</u>	<u>\$60,965,512</u>	<u>\$58,513,453</u>	<u>\$58,912,552</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2017

	<u>Outstanding</u> <u>Bonds</u>	<u>Applicable to Village</u> <u>Percentage</u>	<u>Amount</u>
Direct Debt			
General Obligation Bonds Outstanding	\$175,503,900	100.000%	\$175,503,900
Overlapping Debt			
Cook County	3,243,006,750	0.968%	\$31,392,305
Metropolitan Water Reclamation District	2,480,560,091	0.988%	24,507,934
Kane County	149,300,000	0.012%	17,916
Dundee Township Park District	1,925,585	0.101%	1,945
Hoffman Estates Park District	14,798,000	93.259%	13,800,467
Palatine Park District	7,605,000	3.008%	228,758
Gail Borden Public Library District	9,715,000	5.140%	499,351
Poplar Creek Library District	16,730,000	6.108%	1,021,868
School District #15	36,508,432	8.973%	3,275,902
Community Unit School District #46	281,093,328	3.020%	8,489,019
Community Unit School District #220	30,010,000	7.395%	2,219,240
Community Unit School District #300	265,369,674	1.083%	2,873,954
Community College #509	173,388,754	1.998%	3,464,307
Community College #512	141,280,000	6.155%	<u>8,695,784</u>
			\$100,488,749
Total Direct and Overlapping General Obligation Bonded Debt			\$275,992,649

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2017

Year Ended (December 1)	Series 2008A & 2009A Bonds			Series 2015A Bonds			Series 2015B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2018	1,485,000	1,962,313	3,447,313	1,740,000	650,499	2,390,499	390,000	196,450	586,450
2019	1,555,000	1,888,063	3,443,063	1,825,000	615,699	2,440,699	405,000	188,650	593,650
2020	1,640,000	1,806,425	3,446,425	1,915,000	576,918	2,491,918	410,000	176,500	586,500
2021	1,725,000	1,720,325	3,445,325	1,955,000	533,830	2,488,830	425,000	164,200	589,200
2022	1,815,000	1,629,763	3,444,763	2,165,000	475,180	2,640,180	440,000	147,200	587,200
2023	1,910,000	1,534,475	3,444,475	2,335,000	404,818	2,739,818	460,000	129,600	589,600
2024	2,010,000	1,434,200	3,444,200	2,425,000	317,255	2,742,255	475,000	115,800	590,800
2025	915,000	1,328,675	2,243,675	2,515,000	220,255	2,735,255	495,000	96,800	591,800
2026	2,225,000	1,280,638	3,505,638	2,620,000	114,625	2,734,625	515,000	77,000	592,000
2027	-	1,170,500	1,170,500	-	-	-	530,000	56,400	586,400
2028	-	1,170,500	1,170,500	-	-	-	430,000	35,200	465,200
2029	-	1,170,500	1,170,500	-	-	-	450,000	18,000	468,000
2030	2,415,000	1,170,500	3,585,500	-	-	-	-	-	-
2031	2,540,000	1,049,750	3,589,750	-	-	-	-	-	-
2032	2,665,000	922,750	3,587,750	-	-	-	-	-	-
2033	2,795,000	789,500	3,584,500	-	-	-	-	-	-
2034	2,350,000	649,750	2,999,750	-	-	-	-	-	-
2035	2,470,000	532,250	3,002,250	-	-	-	-	-	-
2036	2,595,000	408,750	3,003,750	-	-	-	-	-	-
2037	2,720,000	279,000	2,999,000	-	-	-	-	-	-
2038	2,860,000	143,000	3,003,000	-	-	-	-	-	-
	<u>\$38,690,000</u>	<u>\$24,041,627</u>	<u>\$62,731,627</u>	<u>\$19,495,000</u>	<u>\$3,909,079</u>	<u>\$23,404,079</u>	<u>\$5,425,000</u>	<u>\$1,401,800</u>	<u>\$6,826,800</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2017

Year Ended (December 1)	Series 2015C Bonds			Series 2016 Bonds			Series 2017A Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2018	-	1,011,812	1,011,812	100,000.00	337,800.00	437,800	35,000	238,234	273,234
2019	-	1,011,812	1,011,812	100,000.00	335,800.00	435,800	310,000	194,663	504,663
2020	-	1,011,812	1,011,812	105,000.00	333,800.00	438,800	320,000	188,463	508,463
2021	-	1,011,812	1,011,812	105,000.00	331,700.00	436,700	325,000	178,863	503,863
2022	-	1,011,812	1,011,812	-	329,600.00	329,600	340,000	169,113	509,113
2023	-	1,011,812	1,011,812	-	329,600.00	329,600	345,000	158,913	503,913
2024	-	1,011,813	1,011,813	-	329,600.00	329,600	355,000	148,563	503,563
2025	-	1,011,813	1,011,813	1,150,000.00	329,600.00	1,479,600	375,000	137,913	512,913
2026	110,000	1,011,813	1,121,813	-	283,600.00	283,600	380,000	126,663	506,663
2027	2,855,000	1,007,138	3,862,138	2,270,000.00	283,600.00	2,553,600	390,000	115,263	505,263
2028	2,975,000	885,800	3,860,800	2,355,000.00	192,800.00	2,547,800	410,000	99,663	509,663
2029	3,105,000	755,644	3,860,644	2,465,000.00	98,600.00	2,563,600	425,000	83,263	508,263
2030	3,240,000	619,800	3,859,800	-	-	-	200,000	66,263	266,263
2031	3,390,000	474,000	3,864,000	-	-	-	210,000	58,263	268,263
2032	3,555,000	304,500	3,859,500	-	-	-	215,000	51,963	266,963
2033	2,535,000	126,750	2,661,750	-	-	-	225,000	45,513	270,513
2034	-	-	-	-	-	-	230,000	38,763	268,763
2035	-	-	-	-	-	-	235,000	31,575	266,575
2036	-	-	-	-	-	-	245,000	24,231	269,231
2037	-	-	-	-	-	-	250,000	16,575	266,575
2038	-	-	-	-	-	-	260,000	8,450	268,450
	<u>\$21,765,000</u>	<u>\$13,279,943</u>	<u>35,044,943</u>	<u>8,650,000</u>	<u>3,516,100</u>	<u>12,166,100</u>	<u>\$6,080,000</u>	<u>\$2,181,173</u>	<u>8,261,173</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2017

Year Ended (December 1)	Series 2017B Bonds			Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2018	-	152,065	152,065	3,750,000	4,549,173	8,299,173
2019	35,000	124,700	159,700	4,230,000	4,359,387	8,589,387
2020	35,000	124,000	159,000	4,425,000	4,217,918	8,642,918
2021	35,000	123,300	158,300	4,570,000	4,064,030	8,634,030
2022	35,000	122,600	157,600	4,795,000	3,885,268	8,680,268
2023	35,000	121,900	156,900	5,085,000	3,691,118	8,776,118
2024	35,000	120,850	155,850	5,300,000	3,478,081	8,778,081
2025	40,000	119,800	159,800	5,490,000	3,244,856	8,734,856
2026	40,000	118,600	158,600	5,890,000	3,012,939	8,902,939
2027	40,000	117,400	157,400	6,085,000	2,750,301	8,835,301
2028	45,000	115,800	160,800	6,215,000	2,499,763	8,714,763
2029	45,000	114,000	159,000	6,490,000	2,240,007	8,730,007
2030	45,000	112,200	157,200	5,900,000	1,968,763	7,868,763
2031	50,000	110,400	160,400	6,190,000	1,692,413	7,882,413
2032	50,000	108,400	158,400	6,485,000	1,387,613	7,872,613
2033	50,000	106,400	156,400	5,605,000	1,068,163	6,673,163
2034	480,000	104,400	584,400	3,060,000	792,913	3,852,913
2035	500,000	85,200	585,200	3,205,000	649,025	3,854,025
2036	520,000	65,200	585,200	3,360,000	498,181	3,858,181
2037	545,000	44,400	589,400	3,515,000	339,975	3,854,975
2038	565,000	22,600	587,600	3,685,000	174,050	3,859,050
	<u>\$3,225,000</u>	<u>\$2,234,215</u>	<u>5,459,215</u>	<u>\$103,330,000</u>	<u>\$50,563,937</u>	<u>153,893,937</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2015 v.</u> <u>2016</u>	<u>2016 v.</u> <u>2017</u>
January	October	\$ 488,836	\$ 567,170	\$ 619,702	\$ 690,471	\$ 692,442	\$ 651,611	0%	-6%
February	November	519,381	543,698	637,364	703,304	677,641	733,723	-4%	8%
March	December	610,243	660,488	708,217	759,870	765,188	797,913	1%	4%
April	January	446,201	511,352	552,833	625,945	588,417	627,003	-6%	7%
May	February	481,233	491,260	564,731	636,691	891,044	913,135	40%	2%
June	March	511,652	601,655	696,379	696,765	665,715	681,271	-4%	2%
July	April	544,604	562,580	658,113	660,897	578,366	632,481	-12%	9%
August	May	535,285	582,458	696,080	689,914	666,792	671,704	-3%	1%
September	June	522,335	559,356	669,646	739,532	709,821	683,359	-4%	-4%
October	July	529,665	619,615	666,102	694,684	625,010	632,394	-10%	1%
November	August	545,005	672,434	702,393	676,143	650,999	655,097	-4%	1%
December	September	559,279	613,356	687,533	686,451	652,270	649,630	-5%	0%
Year Totals		<u>\$ 6,293,719</u>	<u>\$ 6,985,422</u>	<u>\$ 7,859,093</u>	<u>\$ 8,260,667</u>	<u>\$ 8,163,705</u>	<u>\$ 8,329,321</u>	<u>5%</u>	<u>-1%</u>

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2015 v.</u> <u>2016</u>	<u>2016 v.</u> <u>2017</u>
January	October	\$ 291,338	\$ 295,032	\$ 307,526	\$ 322,359	\$ 325,328	\$ 294,622	1%	-9%
February	November	268,583	305,988	317,362	338,435	338,938	293,827	0%	-13%
March	December	355,945	383,623	376,319	381,857	399,214	362,163	5%	-9%
April	January	252,071	266,407	262,216	305,139	282,498	256,181	-7%	-9%
May	February	273,430	272,471	282,254	300,617	281,360	261,040	-6%	-7%
June	March	282,686	318,355	322,997	322,770	310,833	336,913	-4%	8%
July	April	332,830	282,979	309,399	290,790	258,906	270,068	-11%	4%
August	May	286,100	304,288	323,203	317,104	308,936	298,333	-3%	-3%
September	June	287,149	311,744	350,513	367,835	347,470	314,356	-6%	-10%
October	July	279,815	295,042	313,422	313,928	282,606	289,669	-10%	2%
November	August	286,293	322,952	319,890	316,948	283,174	315,203	-11%	11%
December	September	292,250	312,158	329,814	318,883	294,039	313,498	-8%	7%
Year Totals		<u>\$ 3,488,490</u>	<u>\$ 3,671,039</u>	<u>\$ 3,814,915</u>	<u>\$ 3,896,665</u>	<u>\$ 3,713,302</u>	<u>\$ 3,605,873</u>	<u>2%</u>	<u>-5%</u>

Source: Village Finance Department