

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT  
FISCAL YEAR ENDED  
DECEMBER 31, 2020**



**VILLAGE OF HOFFMAN ESTATES,  
ILLINOIS**

# **Village of Hoffman Estates, Illinois**

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2020

Prepared by Finance Department

Rachel Musiala  
Director of Finance

# Village of Hoffman Estates

## December 31, 2020

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## **Introductory Section**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

PRINCIPAL OFFICIALS

December 31, 2020

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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

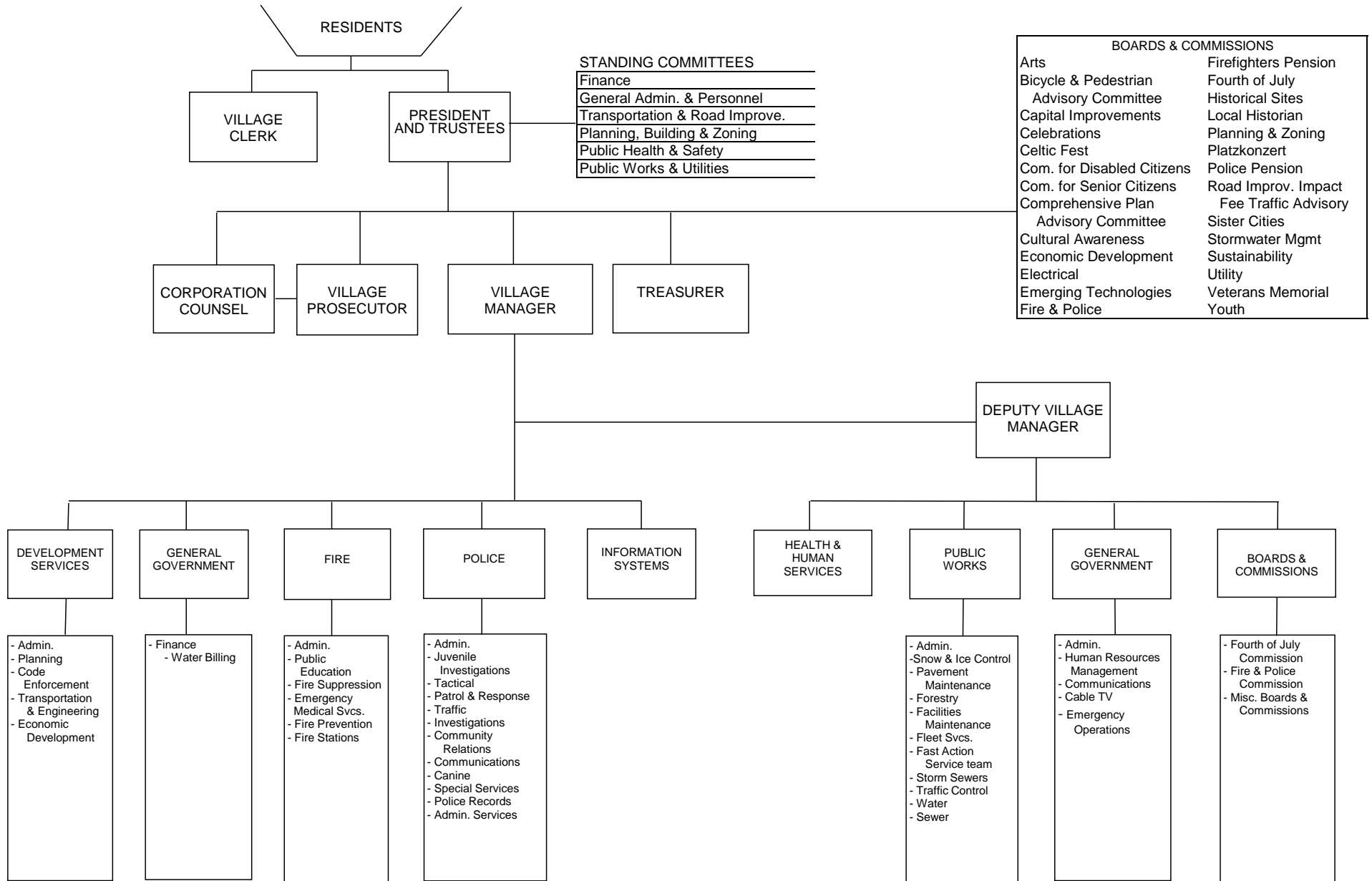
ADMINISTRATIVE

Eric Palm, 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, 2019

*Christopher P. Morill*

Executive Director/CEO



# HOFFMAN ESTATES

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June 21, 2021

The Honorable William McLeod, President  
Board of Trustees  
Village Manager Eric Palm  
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, 2020.

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 BKD, CPAs & Advisors 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, 2020, 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. Results of the 2020 Census should be available late-2021.

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**

During the first two months of FY2020, the national economy appeared to be on solid footing. The stock market hit 29,551 in mid-February, with a nationwide unemployment rate of just 3.5%. However, in March 2020, the COVID-19 pandemic began to significantly affect the global, national, and local economy. In mid-March, the Dow Jones Industrial Average plummeted to 18,592, nearly a 37% drop in a five-week span. Due to massive nationwide shutdowns, businesses were forced to temporarily close or reduce staffing, which resulted in a 14.7% unemployment rate in April. However, come December 2020, the economy started to rebound as the COVID-19 vaccinations started to become available to the public and COVID-19 cases continued to decline. The stock market reached over 30,000 and the local unemployment rate fell to 5.7% as of December 30.

In Illinois, the pandemic resulted in a state-wide shutdown that began in March 2020 and lasted until the end of May. During this period, non-essential businesses were closed, and residents were ordered to remain at home. A slow "reopening" of businesses and workplaces followed. With the majority of businesses shut down or operating at a reduced level, staff began to plan for any negative impacts from the pandemic upon Village revenues, especially General Fund revenues. An average drop of 25% was initially predicted for consumer-based revenues (e.g., state-shared and home rule sales taxes, income tax, building permits, etc.), which totaled an estimated \$4.7 million loss in General Fund revenues.

In order to mitigate the impact of revenue losses, it was also necessary to reduce some planned expenditures. In May 2020, the Finance Committee and Village Board approved a budget reduction plan in the amount of \$3.5 million to address these losses. Expenditure reductions included both operational and capital items. Operational expenditure reductions primarily included freezing vacant positions, eliminating most travel and training, and cancellation of public events. Capital expenditure reductions included vehicles, technology upgrades, and building improvements.

Unfortunately, the Village saw a number of businesses close while several others scaled back the number of employees working in the offices during the COVID-19 pandemic, which negatively impacted the state of the economy. Despite all of this, the Village was still able to experience some positive economic growth in 2020.

**Office/Light Industrial:** In early 2020, Swiss company, Bystronic, moved into a new 163,000 square foot North American headquarters in the Village just east of Barrington Road, along I-90. The facility features offices, manufacturing space, a showroom, and warehouses. Recognizing the impact of industrial on the tax base, Hoffman Estates rezoned a 15-acre parcel east of the Fountain Crossing Shopping Center along Barrington Road to manufacturing and subsequently approved a 250,000 square foot speculative industrial project which should attract hundreds of employees to the area. This followed on the heels of Microsoft purchasing 53 acres north of Bell Works along Lakewood Boulevard to build a new data center site. Construction started on the data center in May 2021.

Taking an important step in long-range planning, the Village continued to conceptualize a new vision for the Barrington Road Interchange with an area plan developed in conjunction with Farr Associates. In October 2020, the Village held a 3-day charrette with public open houses, individual meetings with stakeholders and a public presentation to the Planning, Building, and Zoning Committee of the Village. The study is anticipated to be complete in mid-2021.

**Retail/Restaurants:** While all retailers and restaurants were forced to temporarily cease indoor dining in 2020 due to the Governor's pandemic orders, most were able to continue partially operating with outdoor seating, delivery, and take-out. While a few restaurants permanently closed, several new businesses opened their doors in 2020, including the Holiday Inn Express and Suites, 7-Eleven gas station, Billy Doe Meats, Code Ninjas, BMO Harris Bank, Zeigler Automotive Group, El Taurino Mexican Grill, Mindful Medispa & Mediclinic, Honey Berry Pancakes & Café, Pure Barre, and Wingstop. Finally, the Village again leased space at the Village Green for Levy Food Service to operate the Hideaway Brew Garden. These businesses offer services for Village residents and produce tax revenue for Village operations.

***Village TIF Districts:***

***Lakewood Center TIF District:***

The Village continued to promote the Bell Works Chicagoland (formerly the AT&T headquarters) as an area for reuse and redevelopment. Throughout the year, Somerset Development continued the construction remodel of the 1.6 million square foot former office building in route to creating a new Metroburb ultimately consisting of office, residential, retail, service, hotel, fitness and conference center uses, and where residents can live, work, explore and play. In December 2020, the first two tenants, a CPA office and a coffee shop, moved into the building with several additional small tenants taking occupancy in 1<sup>st</sup> quarter of 2021. Several additional office tenants ranging in size from 20,000 to 100,000 square feet are close to signing build-out leases for occupancy later in 2021. Additionally, a few small retailers are considering space in the building. Plans for the new Bell Works residential units directly adjacent to the TIF are currently under review by the Village.

***Roselle Road TIF District:***

In 2020, the Village continued to focus on the promotion and improvement of the Hoffman Plaza Shopping Center while seeking redevelopment on key parcels. By the end of 2020, Golf Center was nearly fully leased, as Robin Realty, the center owner, worked to retain and attract tenants. Sterling Organization, the owner of Hoffman Plaza, worked to redevelop the center by finishing construction on a two-unit outlot on the south side of the center including a Dairy Queen drive-thru food tenant. Sterling also received approval for another outlot for a veterinary clinic along Roselle Road with the hope of beginning construction in 2021. The Village also entered into a redevelopment agreement with a property owner to replace and improve much of the storm sewer along Higgins Road, which should improve nearby flood plain conditions. Lastly, the Village entered into an agreement for the sale of 75-85 East Golf Road to a developer to build a Popeye's Louisiana Kitchen fast food restaurant. The developer is on track to receive approvals in mid-2021 and begin construction immediately thereafter.

***Higgins Hassell TIF District:***

Construction completed on the rebuild of the Buona Beef on the same site, but in a new, smaller and more efficient format. The remaining outlot was marketed in 2020 with some interest already being expressed. Additionally, a 7-Eleven convenience store and gas station on the former McDonald's outlot site at the corner of Higgins Road and Governors Lane completed construction.

***Barrington Higgins TIF District:***

Activity in this TIF was minimal during 2020 in large part due to many of the properties being restaurant or banquet center in nature. Still, the former Macaroni Grill location was purchased by Ala Carte Entertainment and they began plans to redevelop the site to a gas station with a restaurant and convenience store. Additionally, the Stonegate Banquet and Conference Centre went through the foreclosure process and was purchased by a new buyer in 2021 with plans to remodel and reuse it as an event space similar to the prior user.

***Higgins-Old Sutton TIF District:***

This TIF was created in January 2020 but due to the pandemic did not have any development activity. The



current property owner did submit plans to bring utilities to the site and it is expected the plans could be approved in 2021.

**Residential:** Lennar Homes' completed their 108 single-family lot subdivision, Amber Meadows, with all homes sold by the end of 2020. The first permits were issued for new homes in a 21-lot Walnut Ponds subdivision. Other subdivisions continued through planning stages while several interested parties considered sites in Hoffman Estates but did not finalize contracts by the end of 2020.

### **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 FY2022. 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, 2020, General Fund unassigned fund balance is 28.7% 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:*

- *Sustainability* - Continue to provide green programs and an enhanced sustainability/recycling program through an updated Sustainability Plan and by exploring new environmentally-friendly programs and recycling efforts such as LED streetlight conversion, alternative fuels, and textile recycling.
- *Transportation* - Partner with local, regional, and state agencies to improve and promote transportation facilities and opportunities within the Village through initiatives with PACE, including the new Park & Ride/Kiss & Ride and the Bus Rapid Transit plan; with Cook County, regarding expanded/improved bike paths along Central and Beverly Roads; and locally, through the Subsidized Taxi Program.
- *Infrastructure* - Enhance the quality of neighborhoods by continuing the annual Street Revitalization Program and reviewing maintenance of the utility infrastructure through engineering studies, including water/sewer mains; evaluation of public facilities/building; and a storm water utility capital plan.
- *Public Safety* - Continue contingency planning for the provision of reliable police, fire, and emergency services in disasters and extreme events. Promote awareness of the Village's Emergency Operations Plan/disaster preparedness by increasing outreach efforts to inform and educate residents and the business community.
- *Public Safety* - Maintain high-quality public safety services, including emergency medical services, fire, police, and health services. Collaborate with Northwest Central Dispatch on implementation of new computer-aided dispatch system for emergency 911 operations. Research expanding the

Administrative Service Officer program to augment law enforcement efforts. Evaluate opportunities for improving Fire Stations 21 and 22. Explore increased collaboration with neighboring agencies on public safety services. Increase awareness of the affordable health and wellness services available to residents and businesses.

- *Fiscal Responsibility* - Remain fiscally responsible through operational efficiencies and protecting revenue streams. Examine refinancing of existing debt to capture interest savings; explore performance contracting options; evaluate fleet leasing; continue debt collection efforts through the State Comptroller program; promote intergovernmental collaborations such as equipment/personnel sharing to reduce cost of services; and develop a contingency plan to address continued revenue reductions by the State.
- *Economic Development* - Promote the development of available properties to create a thriving local economy; update the Comprehensive Plan; undertake area plans for the Entertainment District and the I-90/Barrington Road Interchange area; support the redevelopment of the AT&T campus into a "Metroburb". Continue the redevelopment of Hoffman Plaza and encourage continued investment in other shopping centers.
- *Technology* - Investigate and analyze technology options and alternatives to improve operational efficiencies, service delivery, and convenience for residents and businesses. Implement file storage/management systems; integrate tablets into field reporting, locating, and inspections; and automate the employment application process. Pilot an offsite kiosk program to enhance resident payment options. Evaluate a new or improved mobile application. Research and explore the differing components of the Smart City Initiative, including fillable online forms, outward facing GIS, and online document retrieval.
- *Organizational Development* - Continue to advance a progressive work environment through employee training and organizational development programs and initiatives. Prepare for organizational succession by providing a leadership training program and advanced workforce planning. Conduct specific training for Time Management, Crisis Intervention, and Ethics education, and budget for position specific and technology training.

#### *Ongoing Goals:*

- *Sustainability* - 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.
- *Transportation* - Collaborate with local, regional, state, and national agencies to identify and implement initiatives to improve all modes of public transportation, including bicycle and pedestrian travel, throughout the Village.
- *Infrastructure* - Maintain and improve the Village's infrastructure, including designing, funding, and implementing a comprehensive and continuing revitalization program for Village streets, water, sanitary sewer, sidewalks, and storm water management projects.
- *Public Safety* - 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 physical and mental health and wellness services.
- *Fiscal Responsibility* - Provide municipal services in a fiscally sustainable manner given current economic conditions, and continue to be a leader in legislative advocacy to protect local governmental revenue streams and oppose unfunded mandates.
- *Economic Development* - Create a thriving and vital local economy with a strong blend of retail, clean-industrial, commercial, and residential properties.

- *Technology* - 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.
- *Organizational Development* – Enhance the Village’s operations through employee development and training in core skill sets that will develop our employees and create a cadre of future leaders for the organization.

### **Awards and Acknowledgements**

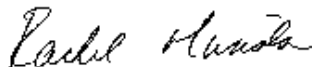
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the thirty-seventh consecutive year the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Village of Hoffman Estates received the GFOA’s Distinguished Budget Presentation Award for its annual budget for the 2020 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 twelfth 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

## **Financial Section**

## **Independent Auditor's Report**

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois (Village) as of and for the year ended December 31, 2020, 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 did not audit the financial statements of the EDA Special Tax Allocation Fund, which represent 5%, 5% and 19%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the EDA Special Tax Allocation Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the EDA Special Tax Allocation Fund were not audited in accordance with *Government Auditing Standards*.

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

The Honorable Village President  
Members of the Board of Trustees  
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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, based on our audit and the report of the other auditors, 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, 2020, 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.

### ***Emphasis of Matter***

As described in Note 14, the Village adopted Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, pension and other postemployment benefit information, as listed in the 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.



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Members of the Board of Trustees  
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## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hoffman Estates, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplemental information, supplemental data, statistical section and the continuing disclosure – annual financial information – annual report as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2020 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 2020 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 2020 basic financial statements or to the 2020 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 as of and for the year ended December 31, 2020, are fairly stated, in all material respects, in relation to the 2020 basic financial statements as a whole. We have previously audited the Village of Hoffman Estates 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 19, 2020. We also gave an in-relation-to opinion on the combining and individual fund financial statements and schedules as of and for the year ended December 31, 2019 in that report.

The introductory, other supplemental information, supplemental data, statistical section and continuing disclosure – annual financial information – annual report 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 *Government Auditing Standards*, we have also issued our report dated June 21, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*BKD, LLP*

Oakbrook Terrace, Illinois  
June 21, 2021

## **Management's Discussion and Analysis**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2020**

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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, 2020. 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 NOW 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

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

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

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

The Village maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered a major fund. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund, Special Revenue Funds, Debt Service Funds, Capital 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 14 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 NOW Arena. Formerly known as the Sears Centre Arena, ownership of the NOW Arena was taken over by the Village in late 2009 and was renamed in 2019. 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 15 through 19 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 custodial funds.

The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

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

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 72 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 73 through 87 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 88 through 153 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, 2020.

**Net Position**

The table below reflects the condensed Statement of Net Position.

**Table 1**  
**Statement of Net Position**  
**As of December 31, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 74,185.9	\$ 76,017.6	\$ 17,836.1	\$ 26,611.7	\$ 92,022.0	\$ 102,629.3
Capital Assets	150,347.9	147,808.4	89,554.9	89,293.6	239,902.8	237,102.0
<i>Total Assets</i>	<u>224,533.8</u>	<u>223,826.0</u>	<u>107,391.0</u>	<u>115,905.3</u>	<u>331,924.8</u>	<u>339,731.3</u>
Deferred Outflows of Resources	22,944.9	26,700.2	2,716.4	3,590.7	25,661.3	30,290.9
<b>Total Assets and Deferred Outflows</b>	<b>247,478.7</b>	<b>250,526.2</b>	<b>110,107.4</b>	<b>119,496.0</b>	<b>357,586.1</b>	<b>370,022.2</b>
Long-Term Liabilities	298,974.7	304,718.8	62,872.2	67,071.5	361,846.9	371,790.3
Other Liabilities	12,133.7	12,864.3	2,653.5	3,815.0	14,787.2	16,679.3
<i>Total Liabilities</i>	<u>311,108.4</u>	<u>317,583.1</u>	<u>65,525.7</u>	<u>70,886.5</u>	<u>376,634.1</u>	<u>388,469.6</u>
Deferred Inflows of Resources	44,834.5	35,833.9	1,388.4	433.5	46,222.9	36,267.4
<b>Total Liabilities and Deferred Inflows</b>	<b>355,942.9</b>	<b>353,417.0</b>	<b>66,914.1</b>	<b>71,320.0</b>	<b>422,857.0</b>	<b>424,737.0</b>
Net Position:						
Net Investment in Capital Assets	106,863.4	104,398.5	35,887.3	41,205.1	142,750.7	145,603.6
Restricted	4,609.6	4,499.2	4,278.2	12,204.4	8,887.8	16,703.6
Unrestricted	(219,937.1)	(211,788.4)	3,027.8	(5,233.5)	(216,909.3)	(217,021.9)
<b>Total Net Position</b>	<b>\$ (108,464.1)</b>	<b>\$ (102,890.7)</b>	<b>\$ 43,193.3</b>	<b>\$ 48,176.0</b>	<b>\$ (65,270.8)</b>	<b>\$ (54,714.7)</b>

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

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The Village's combined Net Position deficit increased \$10,556,084, from \$54,714,730 to \$65,270,814, during the fiscal year. Net Position decreased for governmental activities by \$5,573,463 and net position for business-type activities decreased by \$4,982,621.

The Village's combined unrestricted net position decreased by \$112,596, from \$217,021,916 to \$216,909,320, during this fiscal year. Net pension and total Other Post-Employment Benefits (OPEB) liabilities decreased \$11,010,359, from \$113,549,877 as of December 31, 2019 to \$105,646,494 as of December 31, 2020. 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. Additionally, the Village made a determination to report information from the December 31, 2019 actuarial valuation from the Illinois Municipal Retirement Fund in order to continue its dedication to timely financial reporting. Additionally, however, changes in deferred inflows and outflows of resources related the pension & OPEB plans offset the aforementioned decrease.

Finally, 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 \$123,255,618 (as of December 31, 2020). 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, 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.

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

**Table 1-a**  
**Statement of Net Position Excluding EDA TIF Activity**  
**As of December 31, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Current and Other Assets	\$ 73,115.6	\$ 73,722.4	\$ 17,836.1	\$ 26,611.7	\$ 90,951.7	\$ 100,334.1
Capital Assets	150,347.9	147,808.4	89,554.9	89,293.6	239,902.8	237,102.0
<i>Total Assets</i>	223,463.5	221,530.8	107,391.0	115,905.3	330,854.5	337,436.1
Deferred Outflows of Resources	22,944.9	26,700.2	2,716.4	3,590.7	25,661.30	30,290.9
<b>Total Assets and Deferred Outflows</b>	<b>246,408.4</b>	<b>248,231.0</b>	<b>110,107.4</b>	<b>119,496.0</b>	<b>356,515.8</b>	<b>367,727.0</b>
Long-Term Liabilities	175,719.1	185,532.3	62,872.2	67,071.5	238,591.3	252,603.8
Other Liabilities	11,955.4	12,855.9	2,653.5	3,815.0	14,608.9	16,670.9
<i>Total Liabilities</i>	187,674.5	198,388.2	65,525.7	70,886.5	253,200.2	269,274.7
Deferred Inflows of Resources	44,834.5	35,833.9	1,388.4	433.5	46,222.9	36,267.4
<b>Total Liabilities and Deferred Inflows</b>	<b>232,509.0</b>	<b>234,222.1</b>	<b>66,914.1</b>	<b>71,320.0</b>	<b>299,423.1</b>	<b>305,542.1</b>
Net Position:						
Net Investment in Capital Assets	106,863.4	104,398.5	35,887.3	41,205.1	142,750.7	145,603.6
Restricted	3,717.4	2,212.3	4,278.2	12,204.4	7,995.6	14,416.7
Unrestricted	(96,681.5)	(92,601.9)	3,027.8	(5,233.5)	(93,653.7)	(97,835.4)
<b>Total Net Position</b>	<b>\$ 13,899.3</b>	<b>\$ 14,008.9</b>	<b>\$ 43,193.3</b>	<b>\$ 48,176.0</b>	<b>\$ 57,092.6</b>	<b>\$ 62,184.9</b>

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 \$57,092,691 as of December 31, 2020. The Village's combined net position decreased by \$5,092,177 from 2019 which is primarily attributable to the aforementioned net pension liabilities and total OPEB liability decreases. Also, spending down of fund balances decreased the net position. Fund balances were spent for unexpected revenue losses and incurred expenses due to the COVID-19 pandemic emergency. Additionally, bond proceeds that were received in 2019 were spent in 2020.

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

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

**Table 2**  
**Net Position: Net Investment in Capital Assets**  
**As of December 31, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Capital Assets	\$ 150,347.9	\$ 147,808.4	\$ 89,554.9	\$ 86,293.6	\$ 239,902.8	\$ 234,102.0
Less Outstanding Related Debt:						
2015A G.O. Bonds	-	-	(14,015.0)	(15,930.0)	(14,015.0)	(15,930.0)
2015B G.O. Bonds	(1,075.0)	(1,195.0)	(3,145.0)	(3,435.0)	(4,220.0)	(4,630.0)
2015C G.O. Bonds	-	-	(21,765.0)	(21,765.0)	(21,765.0)	(21,765.0)
2016 G.O. Bonds	(8,345.0)	(8,450.0)	-	-	(8,345.0)	(8,450.0)
2017A G.O. Bonds	(435.0)	(475.0)	(4,980.0)	(5,260.0)	(5,415.0)	(5,735.0)
2017B G.O. Bonds	(2,360.0)	(2,390.0)	(795.0)	(800.0)	(3,155.0)	(3,190.0)
2018 G.O. Bonds	(26,770.0)	(28,210.0)	(5,600.0)	(5,600.0)	(32,370.0)	(33,810.0)
2019 G.O. Bonds	(1,631.6)	(1,727.9)	(7,457.5)	(7,897.9)	(9,089.1)	(9,625.8)
IEPA Loan	-	-	(405.8)	-	(405.8)	-
Less Accounts Payable						
related to capital assets	(673.2)	-	(196.6)	-	(869.8)	-
Less Outstanding Premiums	(3,060.2)	(3,266.9)	(806.2)	(860.4)	(3,866.4)	(4,127.3)
Plus Outstanding Discounts	-	-	219.4	244.7	219.4	244.7
Plus Loss on Refunding	820.5	895.9	1,000.9	1,102.3	1,821.4	1,998.2
Plus Unspent Bond Proceeds	45.0	1,409.0	4,278.2	15,112.8	4,323.2	16,521.8
<b>Total</b>	<b>\$ 106,863.4</b>	<b>\$ 104,398.5</b>	<b>\$ 35,887.3</b>	<b>\$ 41,205.1</b>	<b>\$ 142,750.7</b>	<b>\$ 145,603.6</b>

The second portion of the Village's net position, excluding EDA TIF Activity, in the amount of \$7,995,652, represents resources that are subject to external restrictions on how they may be used (i.e. capital projects). The final portion of the Village's net position, excluding EDA TIF Activity, in the amount of (\$93,653,702), 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, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 12,911.0	\$ 13,973.4	\$ 22,000.9	\$ 30,262.2	\$ 34,911.9	\$ 44,235.6
Operating Grants	2,969.9	2,650.1	-	-	2,969.9	2,650.1
Capital Grants/Contributions	1,738.7	33.9	20.8	37.4	1,759.5	71.3
General Revenues:						
Property Taxes	27,955.5	34,449.0	-	-	27,955.5	34,449.0
Other Taxes	26,182.2	27,651.0	1,739.6	2,662.1	27,921.8	30,313.1
Other	958.0	2,103.0	3,583.4	1,420.0	4,541.4	3,523.0
<b>Total Revenues</b>	<b>72,715.3</b>	<b>80,860.4</b>	<b>27,344.7</b>	<b>34,381.7</b>	<b>100,060.0</b>	<b>115,242.1</b>
<b>EXPENSES</b>						
General Government	6,433.7	6,846.7	-	-	6,433.7	6,846.7
Public Safety	41,575.9	46,590.0	-	-	41,575.9	46,590.0
Highways and Streets	13,304.9	16,146.9	-	-	13,304.9	16,146.9
Sanitation	2,979.8	3,037.1	-	-	2,979.8	3,037.1
Health and Welfare	2,407.5	2,231.2	-	-	2,407.5	2,231.2
Culture and Recreation	168.4	299.2	-	-	168.4	299.2
Economic Development	4,023.4	3,052.6	-	-	4,023.4	3,052.6
Water and Sewer	-	-	25,641.2	19,131.5	25,641.2	19,131.5
NOW Arena	-	-	7,924.4	15,929.0	7,924.4	15,929.0
Interest on Long-Term Debt	6,156.9	6,164.0	-	-	6,156.9	6,164.0
<b>Total Expenses</b>	<b>77,050.5</b>	<b>84,367.7</b>	<b>33,565.6</b>	<b>35,060.5</b>	<b>110,616.1</b>	<b>119,428.2</b>
<b>Excess (Deficiency)</b>						
<b>Before Transfers</b>	(4,335.2)	(3,507.3)	(6,220.9)	(678.8)	(10,556.1)	(4,186.1)
Transfers In (Out)	(1,238.2)	(633.2)	1,238.2	633.2	-	-
<b>Change in Net Position</b>	<b>\$ (5,573.4)</b>	<b>\$ (4,140.5)</b>	<b>\$ (4,982.7)</b>	<b>\$ (45.6)</b>	<b>\$ (10,556.1)</b>	<b>\$ (4,186.1)</b>
<b>Net Position, January 1</b>	<b>\$ (102,890.7)</b>	<b>\$ (98,750.2)</b>	<b>\$ 48,176.0</b>	<b>\$ 48,221.6</b>	<b>\$ (54,714.7)</b>	<b>\$ (50,528.6)</b>
<b>Net Position, December 31</b>	<b>\$ (108,464.1)</b>	<b>\$ (102,890.7)</b>	<b>\$ 43,193.3</b>	<b>\$ 48,176.0</b>	<b>\$ (65,270.8)</b>	<b>\$ (54,714.7)</b>

For the fiscal year ended December 31, 2020, revenues from governmental activities totaled \$72,715,299. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to \$27,955,458. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

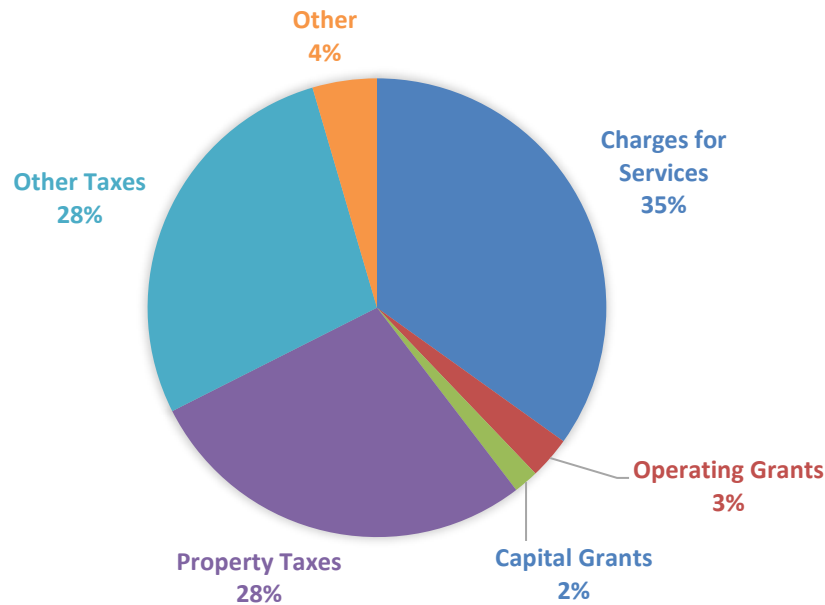
VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of

Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is currently at 9.00%, the equivalent of a 1.00% tax is remitted to Hoffman Estates, in addition to another 1.00% for the Village's home-rule sales tax portion.

In 2020, total sales tax revenues, both state-shared and home-rule, were \$10,461,893 compared to \$9,856,695 in 2019, an increase of \$605,198, or 6.1%. The Village anticipated a much larger increase in 2020 since there was a one-time adjustment in 2019 due to an adjustment made by Illinois Department of Revenue negatively effecting the sales tax revenues. However, due to the COVID-19 pandemic, the Village experienced a smaller increase of sales tax due to business closures and people staying home.

**Chart 1**  
**Revenues by Source – Primary Government**  
**For the Fiscal Year Ended December 31, 2020**



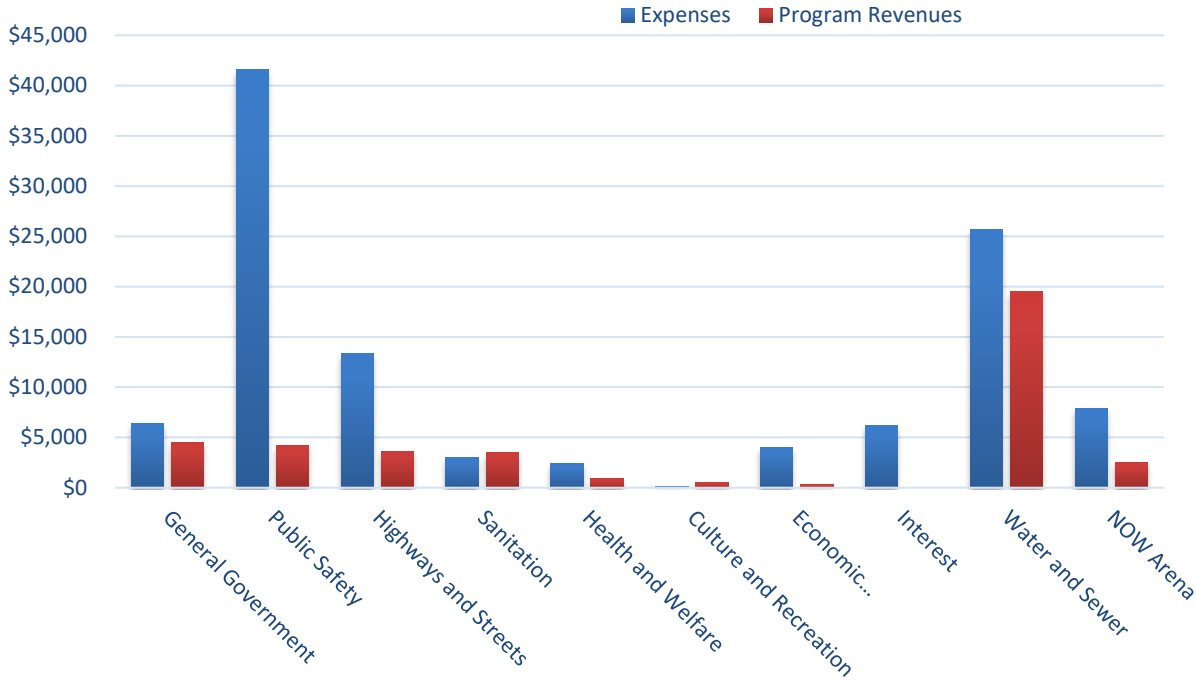
Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2019 and 2020, the Village's income and local use tax revenues increased from \$7,310,628 to \$7,960,622.

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 \$19,472,378 in 2020 compared to \$19,105,209 in 2019. A 5-year water rate study was conducted in 2019 to plan needed rate increases. The Village imposed a 3.5% water rate increase in January, 2020 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)

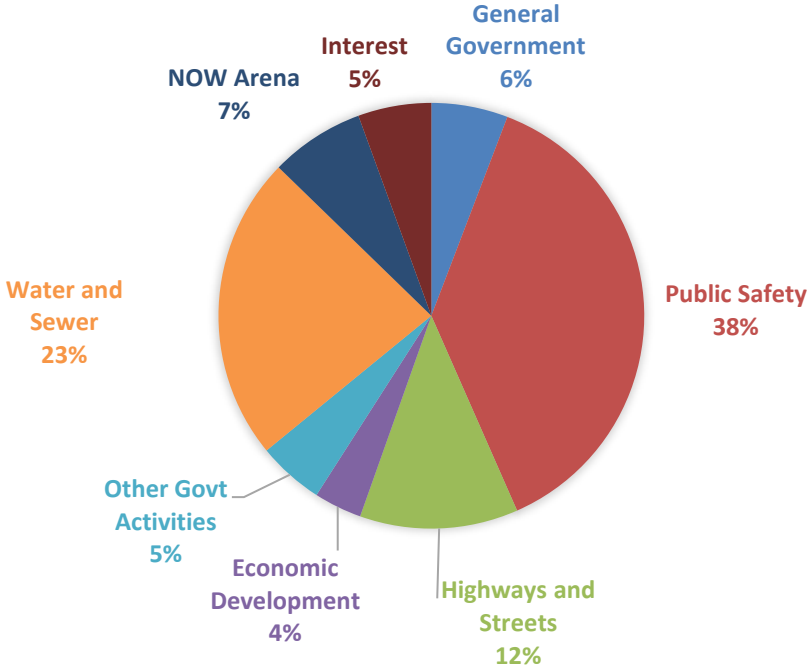
**Chart 2**  
**Expenses and Program Revenues**  
**For the Fiscal Year Ended December 31, 2020**  
**(Dollars in Thousands)**



Village expenses amounted to \$110,616,166 in 2020. The largest share is related to Public Safety in the amount of \$41,575,926.

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. After conducting an extensive salary comparison study in 2019 and discovering many salary disparities between Village salaries and those of surrounding communities, the annual funding of the Village's performance-based employee compensation package was budgeted at an average of 5.0% increase for non-union employees for 2020. 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, 2020**



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

Once again, it needs to be mentioned that the inclusion of the EDA activity distorts the results of operations of the governmental activities. Removing all EDA activity from the governmental activities results in the following:

**Table 3-a**  
**Changes in Net Position Excluding EDA TIF Activity**  
**For the Fiscal Year Ended December 31, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 12,908.1	\$ 13,926.5	\$ 22,000.9	\$ 30,262.2	\$ 34,909.0	\$ 44,188.7
Operating Grants	2,969.9	2,650.1	-	-	2,969.9	2,650.1
Capital Grants/Contributions	1,738.7	33.9	20.8	37.4	1,759.5	71.3
General Revenues:						
Property Taxes	27,955.5	26,787.0	-	-	27,955.5	26,787.0
Other Taxes	26,182.2	27,651.0	1,739.6	2,662.1	27,921.8	30,313.1
Other	950.3	1,162.4	3,583.4	1,420.0	4,533.7	2,582.4
<b>Total Revenues</b>	<b>72,704.7</b>	<b>72,210.9</b>	<b>27,344.7</b>	<b>34,381.7</b>	<b>100,049.4</b>	<b>106,592.6</b>
<b>EXPENSES</b>						
General Government	6,433.7	6,846.7	-	-	6,433.7	6,846.7
Public Safety	41,575.9	46,590.0	-	-	41,575.9	46,590.0
Highways and Streets	13,304.9	16,146.9	-	-	13,304.9	16,146.9
Sanitation	2,979.8	3,037.1	-	-	2,979.8	3,037.1
Health and Welfare	2,407.5	2,231.2	-	-	2,407.5	2,231.2
Culture and Recreation	168.4	299.2	-	-	168.4	299.2
Economic Development	2,101.6	2,966.7	-	-	2,101.6	2,966.7
Water and Sewer	-	-	25,641.2	19,131.5	25,641.2	19,131.5
NOW Arena	-	-	7,924.4	15,929.0	7,924.4	15,929.0
Interest on Long-Term Debt	2,087.8	1,998.0	-	-	2,087.8	1,998.0
<b>Total Expenses</b>	<b>71,059.6</b>	<b>80,115.8</b>	<b>33,565.6</b>	<b>35,060.5</b>	<b>104,625.2</b>	<b>115,176.3</b>
<b>Excess (Deficiency)</b>						
<b>Before Transfers</b>	<b>1,645.1</b>	<b>(7,904.9)</b>	<b>(6,220.9)</b>	<b>(678.8)</b>	<b>(4,575.8)</b>	<b>(8,583.7)</b>
Transfers In (Out)	(1,754.7)	(613.2)	1,238.2	633.2	(516.5)	20.0
<b>Change in Net Position</b>	<b>\$ (109.6)</b>	<b>\$ (8,518.1)</b>	<b>\$ (4,982.7)</b>	<b>\$ (45.6)</b>	<b>\$ (5,092.3)</b>	<b>\$ (8,563.7)</b>
<b>Net Position, January 1</b>	<b>\$ 14,008.9</b>	<b>\$ 22,527.0</b>	<b>\$ 48,176.0</b>	<b>\$ 48,221.6</b>	<b>\$ 62,184.9</b>	<b>\$ 70,748.6</b>
<b>Net Position, December 1</b>	<b>\$ 13,899.3</b>	<b>\$ 14,008.9</b>	<b>\$ 43,193.3</b>	<b>\$ 48,176.0</b>	<b>\$ 57,092.6</b>	<b>\$ 62,184.9</b>

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

The Village's combined net position decreased by \$5,092,177 from 2019 which is primarily attributable to the aforementioned net pension liabilities and total OPEB liability decreases. Also, spending down of fund balances decreased the net position. Fund balances were spent for unexpected revenue losses and incurred expenses due to the COVID-19 pandemic emergency. Additionally, bond proceeds that were received in 2019 were spent in 2020.

**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, 2020, the governmental funds reported combined ending fund balances of \$33,925,358. 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 \$19,047,434 while total fund balance equaled \$23,687,266. 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 28.74% of budgeted General Fund expenditures and transfers, while total fund balance represents 35.75% of that same amount.

**Table 4**  
**General Fund Budgetary Highlights**  
**For the Fiscal Year Ended December 31, 2020**  
**(in thousands)**

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			2020	2019
<i>REVENUES &amp; SALE OF CAPITAL ASSETS</i>				
Taxes	\$32,466.9	\$32,533.6	\$30,503.0	\$31,960.4
Inter-Governmental	15,686.0	16,120.2	16,649.7	15,191.2
Other	14,005.3	14,030.4	12,837.9	14,488.8
Transfers In	-	-	-	-
<b>Total Revenues</b>	<b>62,158.2</b>	<b>62,684.2</b>	<b>59,990.6</b>	<b>61,640.4</b>
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(60,296.8)	(60,822.8)	(57,099.4)	(57,116.9)
Transfers Out	(5,190.8)	(5,190.8)	(5,002.0)	(3,644.6)
<b>Total Expenditures and Transfers</b>	<b>(65,487.6)</b>	<b>(66,013.6)</b>	<b>(62,101.4)</b>	<b>(60,761.5)</b>
<b>Change in Fund Balance</b>	<b>(\$3,329.4)</b>	<b>(\$3,329.4)</b>	<b>(\$2,110.8)</b>	<b>\$878.9</b>

Originally, the Village was planning to use approximately \$3.3 million of fund balance to fund capital projects. However, when COVID-19 pandemic caused unexpected revenue losses, the Village decided to postpone the majority of those capital projects in hopes to preserve as much fund balance as possible to supplement the lost revenues. As a result, the fund balance of the Village's General Fund decreased by \$2,110,865 during the current fiscal year.

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 25.00% 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

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

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Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.

Actual General Fund revenues were less than originally budgeted revenues by \$2,167,677 during fiscal year 2019. These lower revenue levels, which are caused by the pandemic, can be attributed to decreased hotel tax, sales & home rule sales tax, engineering fees, police citations and investment income. Actual General Fund expenditures and transfers ended up being less than the amended budget by \$791,262 in 2020.

The EDA General Account Fund, typically a major fund in prior years (not a major fund in 2020) due to the amount of revenues and expenditures that are in this fund, accounts for EDA Revenue Note payments that are made when surplus revenues are available related to the EDA. There were no note payments made in 2020. There is no fund balance as of December 31, 2020.

With respect to the business-type activities, in 2020, the Waterworks and Sewerage Fund recorded a decrease in net position in the amount of \$3,908,922. This decrease in net position was from spending down of bond proceeds received in 2019 for capital projects. Restricted and unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$4,278,213 and \$2,623,274, respectively.

The NOW Arena 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 NOW Arena. As of December 31, 2020, this fund had an unrestricted net position in the amount of \$404,508

The Village Board amended the fiscal year 2020 budget once throughout the year. The budget amendment was primarily for the following purposes:

- Increase in Department Equipment (\$170,300), Motor Vehicles (\$110,420) and Fire Apparatus (\$35,530) in Capital Vehicle & Equipment Fund for the purchase of vehicle exhaust removal system, a rapid response fire vehicle, and replacement of fleet vehicles.
- Usage of Federal Asset seizure monies to aid the in coverage of police department personnel (\$181,950).
- Increase in Prairie Stone capital (\$494,350) for the construction of a new Village storage building.
- Increase in Other Contractual Services (\$1,685,440) for 2019 Capital Projects funds for the replacement of streetlights to LED in coordination with the Performance Contract.
- Increase in Meters (\$3,554,800) and Other Contractual Services (\$3,369,780) for Water & Sewer fund for the village-wide replacement of water meters in coordination with the Performance Contract.
- Increase in Professional Services (\$225,500), Other Capital Expenditures (\$1,411,190) and Principal Expense (\$224,350) in Higgins/Hassell TIF for issuance of new note and payment of Village & Developer distributions per TIF agreement.

## **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, 2020 amounted to \$239,902,816 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, and storm sewers. The total investment in capital assets for the current fiscal year increased by 1.18% from 2019.

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

Major capital asset events during 2020 included the following:

- The Village reconstructed three (3) streets and resurfaced 33 streets in 2020, resulting in the addition of \$754,627 in new streets.
- The Village purchased and took delivery of 21 new vehicles totaling \$1,456,923: eight for Public Works, 10 for Police Department, two for the Fire Department, and one for general government.
- The Village had various building improvements totaling \$1,176,475 located at Fire Stations, Village Hall, Public Works, and Prairie Stone.
- The Village purchased numerous pieces of equipment for departments totaling \$330,673 including replacing tornado siren, front-end loader, snow-clearance machine and brush chipper for public works.
- The Village assumed responsibility for infrastructure totaling \$3,721,143 including right-of-way, storm sewer and streets in Bergman Pointe subdivision, near Adesa Auctions, and around Holiday Inn Express.

The following schedule reflects the Village's capital asset balances as of December 31, 2020.

**Table 5**  
**Capital Assets**  
**As of December 31, 2020 and 2019**  
**(in thousands)**

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Land and Land Right of Way	\$ 49,918.0	\$ 49,261.6	\$ 6,499.0	\$ 6,499.0	\$ 56,417.0	\$ 55,760.6
Plant System and Equipment	-	-	58,532.1	56,340.2	58,532.1	56,340.2
Buildings and Improvements	50,268.0	49,167.6	75,495.1	75,249.9	125,763.1	124,417.5
Machinery, Vehicles and Equipment	16,083.9	16,211.7	8,190.0	8,099.4	24,273.9	24,311.1
Infrastructure	133,717.9	129,968.2	-	-	133,717.9	129,968.2
Construction in Progress	2,502.3	1,367.3	1,153.1	177.0	3,655.4	1,544.3
Less:						
Accumulated Depreciation	(102,142.2)	(98,168.0)	(60,314.4)	(57,071.9)	(162,456.6)	(155,239.9)
<b>Total</b>	<b>\$ 150,347.9</b>	<b>\$ 147,808.4</b>	<b>\$ 89,554.9</b>	<b>\$ 89,293.6</b>	<b>\$ 239,902.8</b>	<b>\$ 237,102.0</b>

Additional information on the Village's capital assets can be found in note 4 on pages 32 to 33 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, 2020 and 2019**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
General Obligation Bonds	\$ 40,616.6	\$ 42,447.9	\$ 57,757.5	\$ 60,687.9	\$ 98,374.1	\$ 103,135.8
IEPA Loans Payable	-	-	405.8	-	405.8	-
Unamortized Prem/(Discount)	3,060.2	3,266.9	586.8	615.6	3,647.0	3,882.5
TIF Revenue Notes	133,191.1	127,935.1	-	-	133,191.1	127,935.1
Compensated Absences	2,673.9	2,673.8	380.7	341.0	3,054.6	3,014.8
Total OPEB Liability	15,396.2	18,192.5	1,710.7	2,021.4	17,106.9	20,213.9
Net Pension Liability - IMRF	5,337.6	10,784.1	1,685.6	3,405.4	7,023.2	14,189.5
Net Pension Liability - Police	66,031.0	61,445.3	-	-	66,031.0	61,445.3
Net Pension Liability - Fire	32,592.3	37,915.1	-	-	32,592.3	37,915.1
Asset Retirement Obligation	-	-	339.5	-	339.5	-
Termination Benefit	75.8	58.1	5.6	-	81.4	58.1
<b>Total</b>	<b>\$ 298,974.7</b>	<b>\$ 304,718.8</b>	<b>\$ 62,872.2</b>	<b>\$ 67,071.3</b>	<b>\$ 361,846.9</b>	<b>\$ 371,790.1</b>

At the end of the current fiscal year, the Village had total debt outstanding of \$361,846,872. Of this amount, \$98,374,030 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 2019 figures, the Village's total long-term debt decreased by \$9,943,341, or 2.67%, in 2020. This decrease is primarily due to IMRF net pension liability totaling \$14,189,548 at December 31, 2019 and \$7,023,172 at December 31, 2020, a decrease of \$7,166,376. Also, total OPEB liability decreasing from \$20,213,865 in 2019 to \$17,106,889 in 2020 a decrease of \$3,106,976. However, tax increment financing note payables increased by \$5,256,016, or 4.1% in 2020.

The Village received some Illinois Environmental Protection Agency (IEPA) loans for projects that relate to our water towers and rehabilitating a lift station. Engineering for these projects started in 2019 and construction is anticipated to be complete in 2021. The amount of loan payable is \$405,747 as of December 31, 2020.

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 2018. 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 34 through 39 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 2020 (fiscal year 2021). Pension funding comes from three sources: employee contributions, employer contributions and investment returns. Since employee contributions are capped by the Illinois General Assembly, the fiscal burden falls upon Village contributions (local taxpayers) to keep these funds financially solvent. By law, Hoffman Estates is mandated to fund the pension benefits of police, firefighters and other municipal employees.

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

The 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. Results of the 2020 Census should be available late-2021.

The COVID-19 pandemic had a significant impact on the Village. Some major revenues were down 10-15% from budgeted, the Village temporarily froze multiple positions, major capital spending was put on hold to help preserve fund balance to make up for revenue losses, and department spending was reduced by \$3.5 million. During the current fiscal year, unassigned fund balance in the General Fund decreased to \$19,047,434 from \$20,242,741.

All of these factors were considered in preparing the Village's budget for the 2021 fiscal year. The Village anticipated the economy to start to rebound the second half of 2021. However, the Village is still planning on utilizing \$2,300,000 of fund balance in the 2021 fiscal year budget for more capital projects that were delayed from 2019.

A water & sewer rate study was completed & presented to the Village Board in 2019. 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 FY2019, the Village implemented a four and a quarter percent (4.25%) increase to water and sewer rates. In the 2020 budget, the Village proposed a three and a half percent (3.50%) 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, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 39,718,186	\$ 9,953,252	\$ 49,671,438
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	24,482,960	-	24,482,960
Accounts	489,996	3,153,195	3,643,191
Accrued interest	6,391	-	6,391
Other	3,468,059	701,079	4,169,138
Deposits	55,000	-	55,000
Prepaid expenses	619,081	163,019	782,100
Inventories	112,536	117,777	230,313
Restricted cash	-	4,278,213	4,278,213
Internal balances	530,435	(530,435)	-
Asset held by agents	139,138	-	139,138
Due from other governments	4,564,142	-	4,564,142
Capital assets			
Not depreciated	52,420,256	7,652,119	60,072,375
Depreciated (net of accumulated depreciation)	97,927,631	81,902,810	179,830,441
Total assets	<u>224,533,811</u>	<u>107,391,029</u>	<u>331,924,840</u>
<b>Deferred Outflows of Resources</b>			
Pension items			
IMRF	2,901,536	916,275	3,817,811
Firefighters' Pension	4,797,414	-	4,797,414
Police Pension	10,226,458	-	10,226,458
OPEB items	4,199,073	466,564	4,665,637
Asset retirement obligation	-	332,710	332,710
Unamortized loss on refunding	820,453	1,000,856	1,821,309
Total deferred outflows of resources	<u>22,944,934</u>	<u>2,716,405</u>	<u>25,661,339</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position**  
**December 31, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 4,293,412	\$ 1,642,035	\$ 5,935,447
Accrued payroll	453,505	42,277	495,782
Accrued interest payable	146,057	189,317	335,374
Claims payable	1,029,044	-	1,029,044
Benefits payable	628,440	-	628,440
Unearned revenues	416,115	779,922	1,196,037
Due to FSA participants	108,038	-	108,038
Deposits payable	5,059,038	-	5,059,038
Long-term liabilities			
Due within one year	4,679,380	3,258,064	7,937,444
Due in more than one year	294,295,364	59,614,064	353,909,428
	<u>311,108,393</u>	<u>65,525,679</u>	<u>376,634,072</u>
Total liabilities			
	<u>311,108,393</u>	<u>65,525,679</u>	<u>376,634,072</u>
<b>Deferred Inflows of Resources</b>			
Pension items			
IMRF	2,885,633	911,253	3,796,886
Firefighters' Pension	10,363,617	-	10,363,617
Police Pension	2,818,482	-	2,818,482
OPEB items	4,294,458	477,162	4,771,620
Property taxes	24,472,316	-	24,472,316
	<u>44,834,506</u>	<u>1,388,415</u>	<u>46,222,921</u>
Total deferred inflows of resources			
	<u>44,834,506</u>	<u>1,388,415</u>	<u>46,222,921</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	106,863,396	35,887,345	142,750,741
Restricted for			
Employee loan program	40,679	-	40,679
Highways and streets	1,369,793	-	1,369,793
Capital improvements	44,990	4,278,213	4,323,203
Public safety	872,345	-	872,345
Economic development	2,281,745	-	2,281,745
Unrestricted deficit	(219,937,102)	3,027,782	(216,909,320)
	<u>(219,937,102)</u>	<u>3,027,782</u>	<u>(216,909,320)</u>
Total net position (deficit)			
	<u>\$ (108,464,154)</u>	<u>\$ 43,193,340</u>	<u>\$ (65,270,814)</u>

**Village of Hoffman Estates, Illinois**  
**Statement of Activities**  
**Year Ended December 31, 2020**

Functions/Programs Primary Government	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 6,433,742	\$ 3,916,539	\$ 571,950	\$ -
Public safety	41,575,926	3,759,221	213,819	197,080
Highways and streets	13,304,909	128,024	1,978,663	1,541,640
Sanitation	2,979,804	3,528,587	-	-
Health and welfare	2,407,532	935,905	-	-
Culture and recreation	168,353	522,410	-	-
Economic development	4,023,365	120,302	205,451	-
Interest	6,156,942	-	-	-
Total governmental activities	<u>77,050,573</u>	<u>12,910,988</u>	<u>2,969,883</u>	<u>1,738,720</u>
<b>Business-Type Activities</b>				
Waterworks and sewerage	25,641,206	19,472,378	-	-
NOW Arena	7,924,387	2,528,510	-	20,846
Total business-type activities	<u>33,565,593</u>	<u>22,000,888</u>	<u>-</u>	<u>20,846</u>
Total primary government	<u>\$ 110,616,166</u>	<u>\$ 34,911,876</u>	<u>\$ 2,969,883</u>	<u>\$ 1,759,566</u>

**General Revenues**

Taxes

- Property
- Home rule sales (nonsales)
- Real estate transfer
- Hotel/motel
- Telecommunications
- Food and beverage
- Entertainment
- Replacement
- Other

Unrestricted intergovernmental revenues

- Sales tax
- Income and local use tax

Investment income

Miscellaneous

**Transfers in (out)**

Total general revenues

**Change in Net Position**

**Net Position, January 1**

**Net Position, December 31**

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,945,253)	\$ -	\$ (1,945,253)
(37,405,806)	-	(37,405,806)
(9,656,582)	-	(9,656,582)
548,783	-	548,783
(1,471,627)	-	(1,471,627)
354,057	-	354,057
(3,697,612)	-	(3,697,612)
(6,156,942)	-	(6,156,942)
<u>(59,430,982)</u>	<u>-</u>	<u>(59,430,982)</u>
-	(6,168,828)	(6,168,828)
-	<u>(5,375,031)</u>	<u>(5,375,031)</u>
-	<u>(11,543,859)</u>	<u>(11,543,859)</u>
<u>(59,430,982)</u>	<u>(11,543,859)</u>	<u>(70,974,841)</u>
27,955,458	-	27,955,458
3,074,487	-	3,074,487
1,042,874	-	1,042,874
490,502	-	490,502
1,118,040	-	1,118,040
410,194	-	410,194
47,377	1,739,637	1,787,014
292,082	-	292,082
4,358,629	-	4,358,629
7,387,406	-	7,387,406
7,960,622	-	7,960,622
301,014	69,232	370,246
657,023	3,514,180	4,171,203
<u>(1,238,189)</u>	<u>1,238,189</u>	<u>-</u>
<u>53,857,519</u>	<u>6,561,238</u>	<u>60,418,757</u>
(5,573,463)	(4,982,621)	(10,556,084)
<u>(102,890,691)</u>	<u>48,175,961</u>	<u>(54,714,730)</u>
<u>\$ (108,464,154)</u>	<u>\$ 43,193,340</u>	<u>\$ (65,270,814)</u>

**Village of Hoffman Estates, Illinois**  
**Balance Sheet – Governmental Funds**  
**December 31, 2020**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 20,495,371	\$ 15,103,228	\$ 35,598,599
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	21,039,359	3,443,601	24,482,960
Accounts	439,200	50,523	489,723
Accrued interest	6,391	-	6,391
Other	2,589,204	878,855	3,468,059
Prepaid items	70,911	548,170	619,081
Asset held by agents	139,138	-	139,138
Inventory	112,536	-	112,536
Due from other governments	4,391,870	172,272	4,564,142
Due from other funds	709,940	-	709,940
	<u>49,993,920</u>	<u>20,196,649</u>	<u>70,190,569</u>
Total assets	<u>\$ 49,993,920</u>	<u>\$ 20,196,649</u>	<u>\$ 70,190,569</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,721,527	\$ 2,433,926	\$ 4,155,453
Accrued payroll	426,546	-	426,546
Unearned revenues	367,595	48,520	416,115
Due to FSA participants	108,038	-	108,038
Due to other funds	-	179,505	179,505
Deposits payable	1,204,406	3,854,632	5,059,038
Total liabilities	<u>3,828,112</u>	<u>6,516,583</u>	<u>10,344,695</u>
<b>Deferred Inflows of Resources</b>			
Property taxes	21,030,342	3,441,974	24,472,316
Unavailable state taxes	1,448,200	-	1,448,200
Total deferred inflows of resources	<u>22,478,542</u>	<u>3,441,974</u>	<u>25,920,516</u>
	<u>26,306,654</u>	<u>9,958,557</u>	<u>36,265,211</u>
Total liabilities and deferred inflows of resources	<u>26,306,654</u>	<u>9,958,557</u>	<u>36,265,211</u>



**Village of Hoffman Estates, Illinois**  
**Balance Sheet – Governmental Funds**  
**December 31, 2020**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	\$ 70,911	\$ 548,170	\$ 619,081
Inventories	112,536	-	112,536
Restricted			
Employee loan program	40,679	-	40,679
Highways and streets	-	1,369,793	1,369,793
Public safety	-	872,345	872,345
Capital improvements	-	44,990	44,990
Economic development - state statute	-	2,281,745	2,281,745
Assigned			
Employee health	2,115,706	-	2,115,706
Subsequent budget	2,300,000	-	2,300,000
Capital improvements	-	5,275,433	5,275,433
Unassigned	19,047,434	(154,384)	18,893,050
Total fund balances	23,687,266	10,238,092	33,925,358
Total liabilities, deferred inflows of resources and fund balances	\$ 49,993,920	\$ 20,196,649	\$ 70,190,569

**Village of Hoffman Estates, Illinois**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Governmental Activities in the Statement of Net Position**  
**December 31, 2020**

**Fund Balances of Governmental Funds** \$ 33,925,358

Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital assets	150,347,887
Less capital assets of internal service funds included above	(272,729)

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 absence	(2,673,896)
Plus compensated absences of internal service funds included above	64,732
Unamortized bond premium	(3,060,173)
Loss on refundings	820,453
General obligation bonds payable	(40,616,580)
Tax increment financing notes payable	(133,191,109)

Total other postemployment benefit liabilities and related termination benefits	(15,472,053)
Plus total other postemployment benefit liabilities of internal service funds included above	342,139

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the total OPEB liabilities are recognized as deferred outflows and inflows of resources on the statement of net position

(95,385)	
Less OPEB related to deferred outflows and inflows of internal service funds included above	2,120

Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(5,337,611)
Less net pension liability of internal service funds included above	280,927

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

15,903	
Less IMRF related deferred outflows and inflows of resources of internal service funds included above	(837)

Net pension liability for the Police and Firefighters' Pension Funds is shown as a liability on the statement of net position	(98,623,322)
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**Village of Hoffman Estates, Illinois**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Governmental Activities in the Statement of Net Position**  
**December 31, 2020**

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	\$ 1,841,773
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(146,057)
Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position	1,448,200
The net position of the internal service funds is included in the governmental activities in the statement of net position	<u>1,936,106</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ (108,464,154)</u></u>

**Village of Hoffman Estates, Illinois**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Governmental Funds**  
**Year Ended December 31, 2020**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>			
Taxes	\$ 30,503,005	\$ 7,531,495	\$ 38,034,500
Licenses and permits	1,744,758	-	1,744,758
Intergovernmental	16,649,712	3,747,935	20,397,647
Charges for services	9,245,252	708,596	9,953,848
Fines and forfeits	1,110,521	213,819	1,324,340
Investment income	183,463	77,076	260,539
Miscellaneous	553,852	375,033	928,885
Total revenues	<u>59,990,563</u>	<u>12,653,954</u>	<u>72,644,517</u>
<b>Expenditures</b>			
Current			
General government	6,031,574	13,560	6,045,134
Public safety	37,555,497	440,711	37,996,208
Highways and streets	5,876,922	2,123,975	8,000,897
Sanitation	2,979,804	-	2,979,804
Health and welfare	2,379,164	-	2,379,164
Culture and recreation	152,351	-	152,351
Economic development	2,124,118	1,876,593	4,000,711
Capital outlay	-	9,625,363	9,625,363
Debt service			
Principal retirement	-	2,055,714	2,055,714
Interest and fiscal charges	-	2,226,102	2,226,102
Total expenditures	<u>57,099,430</u>	<u>18,362,018</u>	<u>75,461,448</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,891,133</u>	<u>(5,708,064)</u>	<u>(2,816,931)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	5,292,198	5,292,198
Transfers out	(5,001,998)	(1,613,500)	(6,615,498)
Issuance of debt	-	1,411,186	1,411,186
Total other financing sources (uses)	<u>(5,001,998)</u>	<u>5,089,884</u>	<u>87,886</u>
<b>Net Change in Fund Balances</b>	(2,110,865)	(618,180)	(2,729,045)
<b>Fund Balances</b>			
January 1	<u>25,798,131</u>	<u>10,856,272</u>	<u>36,654,403</u>
December 31	<u>\$ 23,687,266</u>	<u>\$ 10,238,092</u>	<u>\$ 33,925,358</u>

**Village of Hoffman Estates, Illinois**  
**Reconciliation of Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the**  
**Governmental Activities in the Statement of Activities**  
**Year Ended December 31, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ (2,729,045)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities 8,543,114  
Less capital outlay of internal service fund (25,756)

Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities (56,717)

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 on the statement of activities 2,055,714

Certain items are reported as interest expense on the statement of activities  
Accretion of interest on notes payable (4,069,177)  
Change in accrued interest payable 7,021  
Amortization of bond premiums 206,750  
Amortization of gain or loss on refunding (75,434)

Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds (5,972,635)  
Less depreciation expense of internal service fund 25,279

Certain revenues recognition is different on the full accrual basis than on the modified accrual basis 71,259

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 (1,411,186)

The change in the total other postemployment benefit liabilities and related termination benefits is shows as an increase in expense on the statement of activities 2,778,578  
Less change in the total other postemployment liabilities obligation and related termination of internal service fund (62,139)

The change in deferred inflows and outflows of resources for the other postemployment benefit Fund is reported only on the statement of activities (3,037,283)  
Less change in deferred inflows and outflows of resources for the other postemployment benefit of internal service fund 67,495

The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only on the statement of activities 5,446,445  
Less change in the net pension liability for the Illinois Municipal Retirement Fund of internal service fund (286,655)

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**Village of Hoffman Estates, Illinois**  
**Reconciliation of Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the**  
**Governmental Activities in the Statement of Activities**  
**Year Ended December 31, 2020**

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	\$ (5,455,977)
Less change in deferred inflows and outflows of resources for the Illinois Municipal Retirement of internal service fund	287,157
The change in the net pension liability for the Police and Firefighters' Pension Funds is reported only on the statement of activities	737,007
The change in deferred inflows and outflows for the Police and Firefighters' Pension Funds is reported only on the statement of activities	(2,541,403)
The change in compensated absences payable is shown as an expense on the statement of activities	(120)
Less change in compensated absences payable is shown as an expense on the statement of of internal service fund	19,456
The change in net position of certain activities of internal service funds	<u>(95,211)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (5,573,463)</u></u></b>

**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Net Position**  
**December 31, 2020**

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage Fund	NOW Arena Operating Fund		Internal Service Fund
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 8,700,093	\$ 1,253,159	\$ 9,953,252	\$ 4,119,587
Receivables				
Accounts	3,090,489	62,706	3,153,195	273
Accrued interest	-	-	-	-
Other	1,840	699,239	701,079	-
Deposits	-	-	-	55,000
Prepaid expenses	-	163,019	163,019	-
Inventories	117,777	-	117,777	-
Restricted cash	4,278,213	-	4,278,213	-
	<u>16,188,412</u>	<u>2,178,123</u>	<u>18,366,535</u>	<u>4,174,860</u>
<b>Capital Assets</b>				
Not depreciated	1,652,119	6,000,000	7,652,119	-
Depreciated	63,381,956	78,835,243	142,217,199	457,054
Accumulated depreciation	(35,932,384)	(24,382,005)	(60,314,389)	(184,325)
Net capital assets	<u>29,101,691</u>	<u>60,453,238</u>	<u>89,554,929</u>	<u>272,729</u>
Total assets	<u>45,290,103</u>	<u>62,631,361</u>	<u>107,921,464</u>	<u>4,447,589</u>
<b>Deferred Outflows of Resources</b>				
Pension items - IMRF	916,275	-	916,275	152,712
OPEB items	466,564	-	466,564	93,313
Asset retirement obligation	332,710	-	332,710	-
Unamortized loss on refunding	238,484	762,372	1,000,856	-
Total deferred outflows of resources	<u>1,954,033</u>	<u>762,372</u>	<u>2,716,405</u>	<u>246,025</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Net Position**  
**December 31, 2020**

	Business-Type Activities		Governmental Activities	
	Water Works and Sewerage Fund	NOW Arena Operating Fund	Total	Internal Service Fund
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,307,581	\$ 334,454	\$ 1,642,035	\$ 137,959
Accrued payroll	42,277	-	42,277	26,959
Accrued interest payable	60,513	128,804	189,317	-
Due from other funds	-	530,435	530,435	-
Unearned revenue	-	779,922	779,922	-
Claims payable	-	-	-	1,029,044
Benefits payable	-	-	-	628,440
General obligation bonds payable	1,052,185	1,955,000	3,007,185	-
Total OPEB liability	61,367	-	61,367	11,833
Compensated absences payable	183,912	-	183,912	64,732
Termination benefits payable	5,600	-	5,600	-
Total current liabilities	<u>2,713,435</u>	<u>3,728,615</u>	<u>6,442,050</u>	<u>1,898,967</u>
<b>Long-Term Liabilities</b>				
General obligation bonds payable	21,731,503	33,605,607	55,337,110	-
IEPA loans payable	405,747	-	405,747	-
Compensated absences payable	196,824	-	196,824	-
Net pension liability	1,685,561	-	1,685,561	280,927
Total OPEB liability	1,649,322	-	1,649,322	330,306
Asset retirement obligation	339,500	-	339,500	-
Total long-term liabilities	<u>26,008,457</u>	<u>33,605,607</u>	<u>59,614,064</u>	<u>611,233</u>
Total liabilities	<u>28,721,892</u>	<u>37,334,222</u>	<u>66,056,114</u>	<u>2,510,200</u>
<b>Deferred Inflows of Resources</b>				
Pension item - IMRF	911,253	-	911,253	151,875
OPEB items	477,162	-	477,162	95,433
Total deferred inflows of resources	<u>1,388,415</u>	<u>-</u>	<u>1,388,415</u>	<u>247,308</u>
<b>Net Position</b>				
Net investment in capital assets	10,232,342	25,655,003	35,887,345	272,729
Restricted for				
Capital improvements	4,278,213	-	4,278,213	-
Unrestricted	2,623,274	404,508	3,027,782	1,663,377
Total net position	<u>\$ 17,133,829</u>	<u>\$ 26,059,511</u>	<u>\$ 43,193,340</u>	<u>\$ 1,936,106</u>



**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Year Ended December 31, 2020**

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage Fund	NOW Arena Operating Fund	Total	Internal Service Fund
<b>Operating Revenues</b>				
Charges for services	\$ 19,472,378	\$ 2,528,510	\$ 22,000,888	\$ 3,057,373
<b>Operating Expenses</b>				
Operations	-	-	-	1,775,988
Claims and insurance	-	-	-	1,588,443
Water division	20,916,154	-	20,916,154	-
Sewer division	2,549,107	-	2,549,107	-
NOW Arena	-	4,175,012	4,175,012	-
Depreciation	1,438,840	2,050,911	3,489,751	25,279
Total operating expenses	24,904,101	6,225,923	31,130,024	3,389,710
<b>Operating Loss</b>	(5,431,723)	(3,697,413)	(9,129,136)	(332,337)
<b>Nonoperating Revenues (Expenses)</b>				
Entertainment and food and beverage tax	-	1,739,637	1,739,637	-
Charges for services	-	70,121	70,121	-
Investment income	62,810	6,422	69,232	22,530
Interest expense	(727,994)	(1,698,464)	(2,426,458)	-
Terminal reserve	-	-	-	123,793
Gain (loss) on sale of capital assets	(9,111)	-	(9,111)	-
Miscellaneous revenue (expense)	2,214,426	1,229,633	3,444,059	5,692
Total nonoperating revenues (expenses)	1,540,131	1,347,349	2,887,480	152,015
<b>Net Loss Before Transfers and Contributions</b>	(3,891,592)	(2,350,064)	(6,241,656)	(180,322)
<b>Transfers</b>				
Transfers in	-	1,255,519	1,255,519	85,111
Transfers (out)	(17,330)	-	(17,330)	-
Total transfers	(17,330)	1,255,519	1,238,189	85,111
<b>Contributions</b>				
Intergovernmental	-	20,846	20,846	-
<b>Change in Net Position</b>	(3,908,922)	(1,073,699)	(4,982,621)	(95,211)
<b>Net Position, January 1</b>	21,042,751	27,133,210	48,175,961	2,031,317
<b>Net Position, December 31</b>	\$ 17,133,829	\$ 26,059,511	\$ 43,193,340	\$ 1,936,106

**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	<b>Business-Type Activities</b>		<b>Total</b>	<b>Governmental Activities</b>
	<b>Waterworks and Sewerage Fund</b>	<b>NOW Arena Operating Fund</b>		<b>Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 19,468,097	\$ 2,985,984	\$ 22,454,081	\$ -
Receipts from interfund services transactions	-	-	-	3,062,694
Payments to suppliers	(18,902,129)	(5,468,121)	(24,370,250)	(1,731,886)
Payments to employees for services	(4,422,342)	-	(4,422,342)	(1,242,430)
Net cash provided by (used in) operating activities	<u>(3,856,374)</u>	<u>(2,482,137)</u>	<u>(6,338,511)</u>	<u>88,378</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers in	-	1,255,519	1,255,519	85,111
Transfers out	(17,330)	-	(17,330)	-
Interfund borrowing	-	530,435	530,435	-
Entertainment and food and beverage tax	-	1,739,637	1,739,637	-
Miscellaneous income	2,214,426	1,299,754	3,514,180	-
Terminal reserve	-	-	-	123,793
Net cash provided by noncapital financing activities	<u>2,197,096</u>	<u>4,825,345</u>	<u>7,022,441</u>	<u>208,904</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Capital assets purchased	(3,453,926)	(306,263)	(3,760,189)	(51,035)
Intergovernmental income	-	20,846	20,846	-
Proceeds from sale of capital assets	-	-	-	5,692
Principal payment on bonds	(1,015,455)	(1,915,000)	(2,930,455)	-
Proceeds from the issuance of debt	405,747	-	405,747	-
Interest and fiscal charges paid on bonds	(771,862)	(1,588,729)	(2,360,591)	-
Net cash used in capital and related financing activities	<u>(4,835,496)</u>	<u>(3,789,146)</u>	<u>(8,624,642)</u>	<u>(45,343)</u>
<b>Cash Flows From Investing Activities</b>				
Interest received	66,058	8,717	74,775	59,776
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(6,428,716)	(1,437,221)	(7,865,937)	311,715
<b>Cash and Cash Equivalents</b>				
January 1	19,407,022	2,690,380	22,097,402	3,807,872
December 31	<u>\$ 12,978,306</u>	<u>\$ 1,253,159</u>	<u>\$ 14,231,465</u>	<u>\$ 4,119,587</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	Business-Type Activities		Total	Governmental Activities
	Waterworks and Sewerage Fund	NOW Arena Operating Fund		Internal Service Fund
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>				
Operating loss	\$ (5,431,723)	\$ (3,697,413)	\$ (9,129,136)	\$ (332,337)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	1,438,840	2,050,911	3,489,751	25,279
Changes in				
Receivables	23,636	449,535	473,171	5,321
Inventories	36,890	-	36,890	-
Prepaid expenses	-	(136,371)	(136,371)	1,224
Accounts payable	140,982	(1,156,738)	(1,015,756)	32,847
Unearned revenue	-	7,939	7,939	-
Accrued payroll	(118,947)	-	(118,947)	(12,058)
Claims payable	-	-	-	214,238
Benefits payable	-	-	-	128,550
Deposits payable	(27,917)	-	(27,917)	-
Compensated absences payable	39,689	-	39,689	19,456
Deferred outflows of resources - pension	1,122,994	-	1,122,994	187,166
Deferred outflows of resources - OPEB	(17,528)	-	(17,528)	(3,506)
Deferred outflows of resources - ARO	(332,710)	-	(332,710)	-
Net pension liabilities	(1,719,931)	-	(1,719,931)	(286,655)
Total OPEB liability	(310,698)	-	(310,698)	(62,139)
Termination benefits payable	5,600	-	5,600	-
Asset retirement obligation	339,500	-	339,500	-
Deferred inflows of resources - pension	599,945	-	599,945	99,991
Deferred inflows of resources - OPEB	355,004	-	355,004	71,001
	<u>355,004</u>	<u>-</u>	<u>355,004</u>	<u>71,001</u>
Net cash provided by (used in) operating activities	<u>\$ (3,856,374)</u>	<u>\$ (2,482,137)</u>	<u>\$ (6,338,511)</u>	<u>\$ 88,378</u>

**Village of Hoffman Estates, Illinois**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**December 31, 2020**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund</b>
<b>Assets</b>		
Cash and short-term investments	\$ 19,933	\$ 11,470,756
Investments, at fair value		
U.S. Treasury securities	8,248,084	-
U.S. agency securities	15,401,820	-
Corporate bonds	28,687,661	-
Municipal bonds	975,755	-
Mutual funds	105,633,429	-
Money market mutual funds	5,577,651	-
Equity securities	26,063,393	-
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest	302,674	-
Prepaid expenses	11,132	-
	190,921,532	11,470,756
Total assets		
<b>Liabilities</b>		
Accounts payable	47,978	-
<b>Net Position</b>		
Restricted for pensions	190,873,554	-
Restricted for economic development	-	11,470,756
	\$ 190,873,554	\$ 11,470,756
Total net position		

**Village of Hoffman Estates, Illinois**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2020**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Additions</b>		
Contributions		
Employer	\$ 8,012,580	\$ -
Employee	1,802,208	-
	<u>9,814,788</u>	<u>-</u>
Total contributions		
	<u>-</u>	<u>10,939,420</u>
Property taxes		
	<u>-</u>	<u>10,939,420</u>
Investment income		
Net increase in fair value of investments	16,026,240	-
Investment income	4,896,864	35,393
Total investment income	<u>20,923,104</u>	<u>35,393</u>
Less investment expense	(373,889)	-
Net investment income	<u>20,549,215</u>	<u>35,393</u>
Total additions	<u>30,364,003</u>	<u>10,974,813</u>
<b>Deductions</b>		
Benefits and refunds	13,434,016	-
Miscellaneous	98,488	-
Economic development	-	10,386,045
	<u>13,532,504</u>	<u>10,386,045</u>
Total deductions		
	<u>13,532,504</u>	<u>10,386,045</u>
<b>Net Increase in Fiduciary Net Position</b>	16,831,499	588,768
<b>Net Position</b>		
January 1	<u>174,042,055</u>	<u>10,881,988</u>
December 31	<u>\$ 190,873,554</u>	<u>\$ 11,470,756</u>

**Village of Hoffman Estates, Illinois**  
**Index to Notes to Financial Statements**  
**December 31, 2020**

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**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 1: Summary of Significant Accounting Policies**

The financial statements of the Village of Hoffman Estates, Illinois (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:

***Reporting Entity***

The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the 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.

Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the Village as pension (and other employee benefit) trust funds, the Police Pension Fund and the Firefighters' Pension Fund. These pension plans are administered through trusts that meet the criteria in paragraph 3 of GASB 67 and are legally separate entities that meet the financial benefit/burden and fiscal dependency criteria to be included as component units.

***Fund Accounting***

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), 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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2020

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).

The Village utilizes pension (and other employee benefit) trust funds and custodial funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others.

#### **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.

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 General Fund as a major fund. 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 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 **NOW Arena Operating Fund** accounts for the provision of charges for services for the NOW 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.



# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2020

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.

The Village reports pension (and other employee benefit) trust funds as fiduciary component units which account for the Police Pension Fund and Firefighters' Pension Fund. Those fiduciary component units are legally separate, meet the financial benefit/burden criteria of GASB 14, as amended, as well as its fiscally dependent criterion. Furthermore, the Village reports a custodial fund for its EDA Special Tax Allocation Fund which is used 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.

#### ***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. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (*i.e.*, intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

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

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

In applying the susceptible to accrual concept to intergovernmental revenues (*i.e.*, federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2020**

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 inflows/unavailable revenue on its financial statements. Deferred inflows/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 inflows/ unavailable revenue are removed from the financial statements and revenue is recognized.

#### ***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 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.

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.

#### ***Property Taxes***

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, 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, 2021 and August 1, 2021, and are payable in two installments, on or about March 1, 2021 and September 1, 2021. The Counties collect such taxes and remit them periodically. Since the 2020 levy is intended to finance the 2021 fiscal year, the levy has been recorded as receivable and deferred inflows of revenues. The revenues in the current year financial statements represent the 2019 property tax levy.

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

***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.

***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.

***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.

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:

<b>Assets</b>	<b>Years</b>
Buildings and improvements	40
Infrastructure	30
Office equipment (included in department equipment)	5 - 15
Department equipment	5 - 15
Office furniture (included in department equipment)	10 - 15
Vehicles	5 - 15
Plant system	40
Software	5 - 15

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

***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.

***Interfund Transactions***

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

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

***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."

***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.

***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

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

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.

**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.

The following funds had a deficit in fund balances at December 31, 2020:

<b>Fund</b>	<b>Deficit</b>
2016 General Obligation Debt Service Fund	\$ 4,113
2018 General Obligation Debt Service Fund	150,271

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

***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 position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/reduction of liability) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Note 2: Deposits and Investments**

The Village and pension trust 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.

***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 The Illinois Funds (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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.

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.

**Investments**

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
Negotiable certificates of deposit	\$ 4,850,000	\$ 4,850,000	\$ -	\$ -	\$ -

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, 2020: the negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

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 a transaction, the Village will not be able to recover the value of its investments that are in

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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 Government or its agencies.

Negotiable certificates of deposit are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per depositor per bank. At December 31, 2020, the Village’s negotiable certificates of deposit are fully insured or collateralized.

**Note 3: Receivables**

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

Governmental activities	
Hotel tax	\$ 29,112
Electric utility tax	149,055
Local municipal gas use tax	130,315
Packaged liquor tax	57,977
Municipal motor fuel tax	27,930
Cannabis use tax	10,356
Cable franchise fees	178,067
IPBC terminal reserve	2,115,706
Grants	269,832
Employee computer program	40,679
Other miscellaneous	<u>459,030</u>
Total governmental activities	<u><u>\$ 3,468,059</u></u>
Business-type activities	
Entertainment tax	\$ 14,550
Food and beverage taxes	174,128
Video gaming tax	21,597
Ticketing revenues	2,012
Other miscellaneous	<u>488,792</u>
Total business-type activities	<u><u>\$ 701,079</u></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	\$ 2,061,332
Home rule sales tax	890,345
Income tax	550,235
Local use tax	630,751
Municipal motor fuel tax	172,272
Simplified telecommunications tax	<u>259,207</u>
Total governmental activities	<u><u>\$ 4,564,142</u></u>

**Note 4: Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	<b>Balances January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances December 31</b>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 7,037,285	\$ -	\$ -	\$ 7,037,285
Land right of way	42,224,358	656,363	-	42,880,721
Construction in progress	1,367,315	1,134,935	-	2,502,250
	<u>50,628,958</u>	<u>1,791,298</u>	<u>-</u>	<u>52,420,256</u>
Capital assets being depreciated				
Buildings and improvements	49,167,591	1,176,475	76,071	50,267,995
Department equipment	3,331,705	342,157	107,246	3,566,616
Vehicles	12,879,988	1,399,983	1,802,214	12,477,757
Software	-	39,550	-	39,550
Infrastructure	129,968,136	3,819,407	69,669	133,717,874
	<u>195,347,420</u>	<u>6,777,572</u>	<u>2,055,200</u>	<u>200,069,792</u>
Less accumulated depreciation for				
Buildings and improvements	17,482,907	1,232,250	41,317	18,673,840
Department equipment	2,065,770	223,501	107,246	2,182,025
Vehicles	7,366,009	697,823	1,780,252	6,283,580
Software	-	988	-	988
Infrastructure	71,253,323	3,818,073	69,668	75,001,728
	<u>98,168,009</u>	<u>5,972,635</u>	<u>1,998,483</u>	<u>102,142,161</u>
Total capital assets being depreciated, net	<u>97,179,411</u>	<u>804,937</u>	<u>56,717</u>	<u>97,927,631</u>
Governmental activities capital assets, net	<u><u>\$ 147,808,369</u></u>	<u><u>\$ 2,596,235</u></u>	<u><u>\$ 56,717</u></u>	<u><u>\$ 150,347,887</u></u>

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	<b>Balances January 1</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances December 31</b>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in progress	176,961	976,158	-	1,153,119
	<u>6,675,961</u>	<u>976,158</u>	<u>-</u>	<u>7,652,119</u>
Capital assets being depreciated				
Buildings and improvements	75,249,916	245,143	-	75,495,059
Plant system and equipment	56,340,183	2,209,789	17,850	58,532,122
Vehicles	2,087,672	56,940	36,216	2,108,396
Software	14,077	-	-	14,077
Department equipment	5,997,738	272,158	202,350	6,067,546
	<u>139,689,586</u>	<u>2,784,030</u>	<u>256,416</u>	<u>142,217,200</u>
Less accumulated depreciation for				
Buildings and improvements	19,477,764	1,914,879	-	21,392,643
Plant system and equipment	31,696,237	1,213,235	8,739	32,900,733
Vehicles	1,219,849	144,819	36,217	1,328,451
Software	14,076	-	-	14,076
Department equipment	4,664,019	216,818	202,350	4,678,487
	<u>57,071,945</u>	<u>3,489,751</u>	<u>247,306</u>	<u>60,314,390</u>
Total capital assets being depreciated, net	<u>82,617,641</u>	<u>(705,721)</u>	<u>9,110</u>	<u>81,902,810</u>
Business-type activities capital assets, net	<u>\$ 89,293,602</u>	<u>\$ 270,437</u>	<u>\$ 9,110</u>	<u>\$ 89,554,929</u>

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

Governmental activities	
General government	\$ 326,036
Public safety	1,351,597
Highways and streets, including depreciation of general infrastructure assets	4,261,108
Health and welfare	10,243
Culture and recreation	15,244
Economic development	8,407
Total depreciation expense - governmental activities	<u>\$ 5,972,635</u>
Business-type activities	
Waterworks and sewerage	\$ 1,438,840
NOW Arena operating	2,050,911
Total depreciation expense - business-type activities	<u>\$ 3,489,751</u>

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**Note 5: Long-Term Obligations**

**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
\$23,415,000 General Obligation Refunding Bonds, Series 2015A, dated August 19, 2015, with interest at 1.00% to 4.38%, maturing through December 2026.	NOW Arena	NOW Arena	\$ 15,930,000	\$ -	\$ 1,915,000	\$ 14,015,000	\$ 1,955,000
\$6,125,000 General Obligation Bonds, Series 2015B, dated August 12, 2015, with interest at 2% to 4%, maturing through December 2029.	Ladder truck and storm water and water system	Debt service/ stormwater management	1,195,000	-	120,000	1,075,000	125,000
		Water	3,435,000	-	290,000	3,145,000	300,000
\$21,905,000 General Obligation Refunding Bonds, Series 2015C, dated October 28, 2015, with interest at 1% to 5%, maturing through December 2033.	NOW Arena	NOW Arena	21,765,000	-	-	21,765,000	-
\$8,975,000 General Obligation Refunding Bonds, Series 2016, dated April 21, 2016, with interest at 2% to 4%, maturing through December 2029.	Police station construction and road improvements	Debt service	8,450,000	-	105,000	8,345,000	105,000
		Water	5,260,000	-	280,000	4,980,000	285,000
\$6,080,000 General Obligation Bonds, Series 2017A, dated September 12, 2017, with interest at 2% to 4%, maturing through December 2038.	Fire engine and water system	Debt service	475,000	-	40,000	435,000	40,000
		Water	5,260,000	-	280,000	4,980,000	285,000
\$3,225,000 General Obligation Refunding Bonds, Series 2017B, dated September 12, 2017, with interest at 2% to 4%, maturing through December 2038.	Village Hall, police and fire station and water tank construction	Debt service	2,390,000	-	30,000	2,360,000	30,000
		Water	800,000	-	5,000	795,000	5,000

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Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/ Refundings	Balances December 31	Current Portion
\$35,180,000 General Obligation Refunding Bonds, Series 2018 dated July 31, 2018, with interest at 3.75% to 5.00%, maturing through December 2038.	Village Hall, police and fire station, water tank construction, and road improvements	Debt service	\$ 28,210,000	\$ -	\$ 1,440,000	\$ 26,770,000	\$ 1,625,000
		Water	5,600,000	-	-	5,600,000	-
\$9,625,850 General Obligation Bonds, Series 2019 dated November 5, 2019, with interest at 2.150%, maturing through December 2034.	Water meter replacements and street lighting improvements	Capital project	1,727,945	-	96,365	1,631,580	101,120
		Water	7,897,905	-	440,455	7,457,450	462,185
Total General Obligation Bonds			<u>\$ 103,135,850</u>	<u>\$ -</u>	<u>\$ 4,761,820</u>	<u>\$ 98,374,030</u>	<u>\$ 5,033,305</u>

***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	Funded Debt Retired by	Balances January 1	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	\$ 119,186,441	\$ 4,069,177	\$ -	\$ 123,255,618	\$ -
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	5,163,814	1,411,186	224,349	6,350,651	-
Total tax increment financing notes		<u>\$ 127,935,095</u>	<u>\$ 5,480,363</u>	<u>\$ 224,349</u>	<u>\$ 133,191,109</u>	<u>\$ -</u>

The increase of \$4,069,177 in the Economic Development Area Tax Increment Revenue Notes is interest due as of December 31, 2020, that accrues to the principal balance if not paid. The increase of \$1,411,186 in the TIF Increment Redevelopment Note is related to the 5<sup>th</sup> reimbursement for the Barrington Square redevelopment project.

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**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

<b>Year Ending December 31,</b>	<b>General Obligation Bonds Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2021	\$ 2,026,120	\$ 1,752,679
2022	2,013,295	1,660,355
2023	2,105,515	1,565,734
2024	2,202,785	1,467,665
2025	2,420,100	1,363,498
2026-2030	12,227,040	5,216,949
2030-2035	10,491,725	2,781,270
2036-2038	7,130,000	562,350
	<u>\$ 40,616,580</u>	<u>\$ 16,370,500</u>

<b>Year Ending December 31,</b>	<b>Tax Increment Revenue Notes</b>		<b>General Obligation Bonds Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ -	\$ -	\$ 3,007,185	\$ 2,271,781
2022	-	-	3,247,125	2,182,542
2023	-	-	3,447,275	2,080,680
2024	-	-	3,567,640	1,963,848
2025	-	-	3,693,235	1,833,406
2026-2030	-	-	21,338,200	6,839,987
2031-2035	-	-	16,346,790	2,177,863
2036-2038	-	-	3,110,000	235,270
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,757,450</u>	<u>\$ 19,585,377</u>

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

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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.

**Changes in Long-Term Liabilities**

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

<b>Issue</b>	<b>Balances January 1</b>	<b>Issuances or Accretions</b>	<b>Reductions</b>	<b>Balances December 31</b>	<b>Current Portion</b>
General Obligation Bonds payable	\$ 42,447,945	\$ -	\$ 1,831,365	\$ 40,616,580	\$ 2,026,120
Unamortized bond premium	3,266,923	-	206,750	3,060,173	-
Tax increment financing notes payable***	127,935,095	5,480,363	224,349	133,191,109	-
Compensated absences payable - governmental funds*	2,628,500	1,677,384	1,696,720	2,609,164	1,964,279
Compensated absences payable - Internal Service Fund	45,276	64,732	45,276	64,732	64,732
Total OPEB liability**	17,788,200	1,655,465	4,389,604	15,054,061	540,466
Total OPEB liability - Internal Service Fund**	404,278	37,624	99,763	342,139	11,833
Net pension liability - IMRF**	10,216,474	5,904,280	11,064,070	5,056,684	-
Net pension liability - IMRF** - Internal Service Fund	567,582	328,016	614,671	280,927	-
Net pension liability - Police Pension**	61,445,264	8,909,773	4,324,074	66,030,963	-
Net pension liability - Firefighters' Pension**	37,915,065	13,284,995	18,607,701	32,592,359	-
Termination benefit**	58,153	75,853	58,153	75,853	71,950
Total governmental activities	<u>\$ 304,718,755</u>	<u>\$ 37,418,485</u>	<u>\$ 43,162,496</u>	<u>\$ 298,974,744</u>	<u>\$ 4,679,380</u>

\*The General 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 total other postemployment benefit obligations.

\*\*\* The increase of \$5,480,363 is related to the \$4,069,177 increase in the Economic Development Area Tax Increment Revenue Notes is interest due as of December 31, 2020, that accrues to the

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principal balance if not paid and the \$1,411,186 TIF Increment Redevelopment Note 5<sup>th</sup> reimbursement for the Barrington Square redevelopment project.

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

<b>Issue</b>	<b>Balances January 1</b>	<b>Issuances or Accretions</b>	<b>Reductions</b>	<b>Balances December 31</b>	<b>Current Portion</b>
General Obligation Bonds payable	\$ 60,687,905	\$ -	\$ 2,930,455	\$ 57,757,450	\$ 3,007,185
IEPA Loans payable*	-	405,747	-	405,747	-
Unamortized bond discount	(244,736)	-	(25,343)	(219,393)	-
Unamortized bond premium	860,363	-	54,125	806,238	-
Compensated absences payable	341,047	197,301	157,612	380,736	183,912
Total OPEB liability	2,021,387	188,121	498,819	1,710,689	61,367
Net pension liability - IMRF	3,405,492	1,968,093	3,688,024	1,685,561	-
Asset retirement obligation (Note 14)	-	339,500	-	339,500	-
Termination benefits	-	5,600	-	5,600	5,600
Total business-type activities	<u>\$ 67,071,458</u>	<u>\$ 3,104,362</u>	<u>\$ 7,303,692</u>	<u>\$ 62,872,128</u>	<u>\$ 3,258,064</u>

\*The total eligible IEPA loans is \$2,700,000. IEPA will disburse the loan proceeds as the Village incurs expenses on these projects. Amount presented as a payable is the amount that has been incurred as cost by the Village at December 31, 2020, and requested for loan disbursements from IEPA. As of the date of the audit report, the Village has yet to receive repayment schedules on the loans.

**Refundings**

In July 2018, the Village defeased \$23,410,000 of the Series 2008A General Obligation Bonds and \$15,280,000 of the 2009A General Obligation Bonds by creating separate irrevocable trust funds to provide for all future debt payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's financial statements. At December 31, 2020, the Series 2008A Bonds have a balance of \$23,410,000 and the 2009A Series Bonds have a balance of \$10,600,000.

**Legal Debt Margin**

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

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its

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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.

***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.

***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 2019, the Village entered into a voluntary termination benefit agreement providing for the payment of 15 months of health insurance costs to those employees choosing to participate. 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 2020 actual rates.

The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments.

***Total Other Postemployment Benefit Liability***

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Village is required to calculate and record a total other postemployment benefit liability (Total OPEB Liability). The Total OPEB Liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 75 for the Village’s OPEB Plan. See Note 13 for further information regarding the Total OPEB Liability at December 31, 2020.



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**Note 6: Interfund Transactions**

Due from/to other funds at December 31, 2020, consist of the following:

	<b>Due From</b>	<b>Due to</b>
General Fund	\$ 709,940	\$ -
Nonmajor governmental funds	-	179,505
NOW Arena	-	530,435
Total	\$ 709,940	\$ 709,940

- The above due from/due to amounts outstanding primarily relate to the expenses paid and advanced by the general fund on behalf of the nonmajor governmental funds. These amounts will be repaid within one year.

Interfund transfers during the year ended December 31, 2020, consisted of the following:

	<b>Transfer in</b>	<b>Transfer Out</b>
General Fund	\$ -	\$ 5,001,998
Nonmajor governmental funds	5,292,198	1,613,500
Waterworks and Sewerage Fund	-	17,330
NOW Arena Operating Fund	1,255,519	-
Internal service funds	85,111	-
Total	\$ 6,632,828	\$ 6,632,828

The purposes of significant interfund transfers are as follows:

- \$5,292,198 transfers to nonmajor funds are for the following:
  - \$121,575 transfer to 2015B General Obligation Debt Service Fund from General Fund for debt service cost.
  - \$12,000 transfer to 2016 General Obligation Debt Service Fund from General Fund for debt service cost.
  - \$179,300 transfer to 2017 A&B General Obligation Debt Service Fund from General Fund for debt service cost.
  - \$785,420 transfer to 2018 General Obligation Debt Service Fund from General Fund for debt service cost.
  - \$136,199 transfer to 2019 General Obligation Debt Service Fund from General Fund for debt service cost.

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- \$2,405,040 transfer to nonmajor capital projects funds from General Fund to fund capital improvements, vehicle and equipment purchases for 2020.
- \$17,330 transfer to nonmajor capital projects funds from Water and Sewerage Fund for its share for the capital improvements in 2020.
- \$1,613,500 transfer to nonmajor capital projects funds from other nonmajor capital project fund to fund capital improvements for 2020.
- \$1,255,519 transferred from the General Fund to the NOW Arena Operating Fund to fund debt service and capital acquisitions. This amount will not be repaid.
- \$85,111 transferred from the General Fund to the internal service funds to fund operating expenses. The transfers will not be repaid.

**Note 7: Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees and natural disasters. The Village is self-insured for general liability and workers’ compensation and has established a risk financing Insurance Fund (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 \$750,000 for each workers’ compensation claim. The Village is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC) for health claims. IPBC currently has \$2,115,706 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.

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:

	<b>2020</b>	<b>2019</b>
Unpaid claims, beginning of year	\$ 814,806	\$ 712,820
Incurred claims (including IBNR)	869,755	1,307,970
Claim payments	(655,517)	(1,205,984)
Unpaid claims, end of year	\$ 1,029,044	\$ 814,806

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***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.

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.

HELP concluded its operation in April 30, 2018, and is only processing and resolving claims prior to its dissolution date. Management of the Village does not believe the Village will have any significant liability from the dissolution.

***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.

**Village of Hoffman Estates, Illinois**  
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**Note 8: Contingent Liabilities**

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

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

**Note 9: Contractual Commitments**

***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 2032. The Village expects to pay the following payments to JAWA:

<b>Year Ending December 31,</b>	<b>* Amount</b>
2021	\$ 8,860,000
2022	8,860,000
2023	8,860,000
2024	8,860,000
2025	8,860,000
2026-2030	44,300,000
2031-2032	17,720,000

\*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.

**Village of Hoffman Estates, Illinois**  
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**Construction Commitments**

As of December 31, 2020, the Village had the following commitments with respect to unfinished projects:

<b>Project</b>	<b>Remaining Commitments</b>
General Fund Projects	\$ 239,123
Water & Sewer Fund Projects	2,598,000
Total	\$ 2,837,123

**Note 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 (\$10,669,704 paid as of December 31, 2020) 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 31<sup>st</sup> and September 30<sup>th</sup>, for the previous six months ending December 31<sup>st</sup> and June 30<sup>th</sup>, 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, 2020, approximately \$404,704 in property taxes, \$43,814 in wholesale vehicle taxes and \$473,823 in sales taxes were rebated under these agreements. At December 31, 2020, the Village has accrued an estimated rebate liability of \$300,980 for amounts collected by the state and the Village through December 31, 2020. 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.

**Note 11: Joint Ventures**

***Northwest Suburban Municipal Joint Action Water Agency***

*Description of Joint Venture*

The Village is a member of (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.

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2020**

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 2058. 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 (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 2032.

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

In accordance with the joint venture agreement, the Village remitted \$8,578,607 to JAWA for 2020. The Village does not have an equity interest in JAWA at December 31, 2020.

#### ***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

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of waste; (2) all income derived from the investment of monies and (3) all income, fees, service charges and all grants, rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

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

In accordance with the contract, the Village made payments totaling \$645,351 to SWANCC in 2020. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2020.

**Note 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](http://www.imrf.org).

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The table below is a summary for all pension plans as of and for the year ended December 31, 2020:

	<b>Governmental Activities</b>	<b>Business-Type Activities *</b>	<b>Total Village</b>
Net pension liability			
IMRF	\$ 5,337,611	\$ 1,685,561	\$ 7,023,172
Police	66,030,963	-	66,030,963
Firefighters'	32,592,359	-	32,592,359
	<u>\$ 103,960,933</u>	<u>\$ 1,685,561</u>	<u>\$ 105,646,494</u>
Deferred outflows of resources			
IMRF	\$ 2,901,536	\$ 916,275	\$ 3,817,811
Police	10,226,458	-	10,226,458
Firefighters'	4,797,414	-	4,797,414
	<u>\$ 17,925,408</u>	<u>\$ 916,275</u>	<u>\$ 18,841,683</u>
Deferred inflows of resources			
IMRF	\$ 2,885,633	\$ 911,253	\$ 3,796,886
Police	2,818,482	-	2,818,482
Firefighters'	10,363,617	-	10,363,617
	<u>\$ 16,067,732</u>	<u>\$ 911,253</u>	<u>\$ 16,978,985</u>
Pension expense			
IMRF	\$ 1,345,252	\$ 424,816	\$ 1,770,068
Police	7,130,587	-	7,130,587
Firefighters'	2,686,390	-	2,686,390
	<u>\$ 11,162,229</u>	<u>\$ 424,816</u>	<u>\$ 11,587,045</u>

\*Same amounts are also reported in the proprietary fund statements.



**Village of Hoffman Estates, Illinois**  
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***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.

*Plan Membership*

At December 31, 2019, the latest actuarial valuation date, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	112
Active employees	178
	486

*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 10 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 years ended 2019 and 2020 were 10.64% and 12.65%, respectively, of covered payroll. Contributions to the plan by the Village were \$1,757,527 for 2020.

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
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*Actuarial Assumptions*

The Village’s net pension liability was measured as of December 31, 2019, 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, 2019
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market value of assets
Assumptions	
Investment Rate of Return	7.25%
Salary Increases	3.35% to 14.25%
Price inflation	2.50%

Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality: For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Long-Term Expected Real Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of

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return as of the December 31, 2019 measurement date, for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equities	37%	5.75%
International equities	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternatives	7%	3.60 - 7.60%
Cash equivalents	1%	1.85%

***Discount Rate***

The discount rate used to measure the total pension liability at the December 31, 2019 measurement date was 7.25% (same as prior year). 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.

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*Changes in the Net Pension Liability*

	<b>(a)</b> <b>Total Pension Liability</b>	<b>(b)</b> <b>Plan Fiduciary Net Position</b>	<b>(a) - (b)</b> <b>Net Pension Liability</b>
Balances at, January 1, 2020	\$ 85,539,770	\$ 71,350,222	\$ 14,189,548
Changes for the period			
Service cost	1,314,119	-	1,314,119
Interest	6,111,417	-	6,111,417
Difference between expected and actual experience	774,853	-	774,853
Changes in assumptions	-	-	-
Employer contributions	-	1,430,527	(1,430,527)
Employee contributions	-	609,298	(609,298)
Net investment income	-	13,135,332	(13,135,332)
Benefit payments and refunds	(3,802,845)	(3,802,845)	-
Other (net transfer)	-	191,608	(191,608)
Net changes	<u>4,397,544</u>	<u>11,563,920</u>	<u>(7,166,376)</u>
Balances at, December 31, 2020	<u>\$ 89,937,314</u>	<u>\$ 82,914,142</u>	<u>\$ 7,023,172</u>

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

For the year ended December 31, 2020, the Village recognized pension expense of \$1,770,068. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 956,239	\$ -
Changes of assumption	1,104,045	519,172
Net difference between projected and actual earnings on Pension Plan investments	-	3,277,714
Contributions made subsequent to the measurement date	<u>1,757,527</u>	<u>-</u>
Total	<u>\$ 3,817,811</u>	<u>\$ 3,796,886</u>

**Village of Hoffman Estates, Illinois**  
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\$1,757,527 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ (367,610)
2022	(201,594)
2023	436,483
2024	(1,603,881)
2025	-
Thereafter	-
<b>Total</b>	<b>\$ (1,736,602)</b>

***Discount Rate Sensitivity***

The following is a sensitivity analysis of the Village’s net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net pension liability	<u>\$ 18,220,662</u>	<u>\$ 7,023,172</u>	<u>\$ (2,248,925)</u>

***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 (and other employee benefit) 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.

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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.

***Plan Membership***

At December 31, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	101
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	85
Total	200

***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.

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*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, 2020, the Village's contributions were 49.43% of covered payroll and amounted to \$4,324,074.

*Investment Policy*

ILCS limits the Police Pension Fund's (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 The 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 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.

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

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash and Cash Equivalents	1%	0.20%
Fixed Income		
Intermediate Government	34%	2.70%

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<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equities		
Large Cap	7%	4.45%
Large Cap Value	7%	4.70%
Mid Cap Value	8%	5.20%
Small Cap	8%	5.60%
Small Cap Value	8%	6.50%
International Equities		
International Developed	5%	4.45%
International Value	6%	6.60%
International Small	6%	7.45%
Emerging Markets	8%	7.50%
Real Estate	2%	3.90%

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.

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 2020 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, 2020, are listed in the preceding table.

***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. The 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 Fund had no investments greater than 5% of its overall portfolio.



**Village of Hoffman Estates, Illinois**  
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*Investment Rate of Return*

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.24%. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 3,259,371	\$ -	\$ 1,620,605	\$ 1,638,766	\$ -
U.S. agency obligations	5,135,793	60,566	2,141,029	911,195	2,023,003
Municipal bonds	593,390	181,638	278,006	-	133,746
Corporate bonds	12,693,877	1,410,344	8,329,349	2,928,435	25,749
Total	<u>\$ 21,682,431</u>	<u>\$ 1,652,548</u>	<u>\$ 12,368,989</u>	<u>\$ 5,478,396</u>	<u>\$ 2,182,498</u>

The Fund has the following recurring fair value measurements as of December 31, 2020: 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.

*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. The Illinois Funds is rated AAA by a national rating agency. The Fund's U.S. agency obligations consist of FHLMC, FNMA, GNMA, TVA and FFCB

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securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The municipal bonds are rated Aa3. The corporate bonds are rated Aa1 to Baa3.

***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.

***Changes in Net Pension Liability***

	<b>(a)</b> <b>Total Pension Liability</b>	<b>(b)</b> <b>Plan Fiduciary Net Position</b>	<b>(a) - (b)</b> <b>Net Pension Liability</b>
Balances at, January 1, 2020	\$ 142,090,691	\$ 80,645,427	\$ 61,445,264
Changes for the period			
Service cost	1,829,400	-	1,829,400
Interest	10,529,604	-	10,529,604
Difference between expected and actual experience	3,932,773	-	3,932,773
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	4,324,074	(4,324,074)
Employee contributions	-	874,298	(874,298)
Other contributions	-	-	-
Net investment income	-	6,557,880	(6,557,880)
Benefit payments and refunds	(7,245,992)	(7,245,992)	-
Administrative expense	-	(50,174)	50,174
Net changes	<u>9,045,785</u>	<u>4,460,086</u>	<u>4,585,699</u>
Balances at, December 31, 2020	<u>\$ 151,136,476</u>	<u>\$ 85,105,513</u>	<u>\$ 66,030,963</u>

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*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2020, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2020
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market Value
Assumptions	
Rate of Return	7.50%
Salary Increases	3.25% to 10.08%
Inflation	2.25%

Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Pension Data.

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2020 was 7.50% (same as prior year). 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.

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the Village's 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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	(6.50)%	(7.50)%	(8.50)%
Net pension liability	<u>\$ 87,728,084</u>	<u>\$ 66,030,963</u>	<u>\$ 48,440,665</u>

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

For the year ended December 31, 2020, the Village recognized police pension expense of \$7,130,587. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,891,802	\$ 483,794
Changes of assumption	4,334,656	2,240,258
Net difference between projected and actual earnings on pension plan investments	-	94,430
Total	\$ 10,226,458	\$ 2,818,482

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

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ 822,134
2022	2,917,076
2023	776,079
2024	1,703,532
2025	1,189,155
Thereafter	-
Total	\$ 7,407,976

**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.

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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.

***Plan Membership***

At December 31, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	86
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	91
Total	180

***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 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 1<sup>st</sup> after the firefighter retires, or the first

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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, 2020, the Village’s contributions were 37.58% of covered payroll and amounted to \$3,688,506.

**Investment Policy**

Permitted Deposits and Investments - ILCS and the Firefighters’ Pension Fund’s (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 The 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.

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

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
US Large Cap Equity	35%	5.80%
US Mid Cap Equity	4%	6.20%
US Small Cap Equity	4%	5.40%
REITs	3%	4.80%
Non US Developed Equity	16%	4.80%
Emerging Markets	3%	6.40%
Fixed Income	33%	1.40%
Cash	2%	0.80%

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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 2020 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, 2020, are listed in the table above.

**Concentrations**

The Fund had no investments greater than 5% of its overall portfolio.

**Rate of Return**

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.99%. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 10,266,027	\$ 2,613,151	\$ 964,595	\$ 1,558,538	\$ 5,129,743
U.S. agency obligations	4,988,713	-	1,644,244	3,135,405	209,064
Municipal bonds	382,365	-	-	192,946	189,419
Corporate bonds	15,993,784	355,899	3,758,561	11,444,517	434,807
Total	\$ 31,630,889	\$ 2,969,050	\$ 6,367,400	\$ 16,331,406	\$ 5,963,033

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The Fund has the following recurring fair value measurements as of December 31, 2020: 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, municipal and 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.

***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. The Illinois Funds is rated AAA by a national rating agency. The Fund's U.S. agency obligations consist of FFCB, FHLMC, FHLB and FNMA securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The municipal bonds are rated Aa2. The corporate bonds are rated Aa1 to Baa3.

***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.



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*Changes in the Net Pension Liability*

	(a) <b>Total Pension Liability</b>	(b) <b>Plan Fiduciary Net Position</b>	(a) - (b) <b>Net Pension Liability</b>
Balances at, January 1, 2020	\$ 131,311,693	\$ 93,396,628	\$ 37,915,065
Changes for the period			
Service cost	2,241,786	-	2,241,786
Interest	9,466,598	-	9,466,598
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,528,347	-	1,528,347
Changes in assumptions	-	-	-
Employer contributions	-	3,688,506	(3,688,506)
Employee contributions	-	927,910	(927,910)
Net investment income	-	13,991,335	(13,991,335)
Benefit payments and refunds	(6,188,024)	(6,188,024)	-
Other (net transfer)	-	(48,314)	48,314
Net changes	7,048,707	12,371,413	(5,322,706)
Balances at, December 31, 2020	\$ 138,360,400	\$ 105,768,041	\$ 32,592,359

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2020
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market Value
Assumptions	
Rate of Return	7.50%
Salary Increases	3.75% to 11.04%
Inflation	2.25%

Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics and Illinois Pension Data.

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*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2020, was 7.50% (same as prior year). 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.

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the Village's 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:

	<b>1% Decrease</b> (6.50)%	<b>Current Discount Rate</b> (7.50)%	<b>1% Increase</b> (8.50)%
Net pension liability	\$ 52,064,980	\$ 32,592,359	\$ 16,691,161

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

For the year ended December 31, 2020, the Village recognized firefighters' pension expense of \$2,686,390. At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,749,742	\$ 805,298
Changes of assumption	3,047,672	751,337
Net difference between projected and actual earnings on pension plan investments	-	8,806,982
Total	\$ 4,797,414	\$ 10,363,617

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighter's Pension Plan will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ (1,481,195)
2022	(702,032)
2023	(3,240,396)
2024	(1,110,523)
2025	525,108
Thereafter	<u>442,835</u>
Total	<u><u>\$ (5,566,203)</u></u>

**Combining Pension Plan Financial Statements**

*Fiduciary Net Position*

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and short-term investments	\$ 11,001	\$ 8,932	\$ 19,933
Investments, at fair value			
U.S. Treasury securities	3,259,371	4,988,713	8,248,084
U.S. agency securities	5,135,793	10,266,027	15,401,820
Corporate bonds	12,693,877	15,993,784	28,687,661
Municipal bonds	593,390	382,365	975,755
Mutual funds	60,884,383	44,749,046	105,633,429
Money market mutual funds	2,419,847	3,157,804	5,577,651
Equities	-	26,063,393	26,063,393
Receivables (net, where applicable, of allowances for uncollectibles)			
accrued interest	124,709	177,965	302,674
Prepaid expenses	<u>4,935</u>	<u>6,197</u>	<u>11,132</u>
Total assets	85,127,306	105,794,226	190,921,532
<b>Liabilities</b>			
Accounts payable	<u>21,793</u>	<u>26,185</u>	<u>47,978</u>
Net position restricted for pensions	<u><u>\$ 85,105,513</u></u>	<u><u>\$ 105,768,041</u></u>	<u><u>\$ 190,873,554</u></u>

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*Changes in Plan Net Position*

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer contributions	\$ 4,324,074	\$ 3,688,506	\$ 8,012,580
Employee contributions	874,298	927,910	1,802,208
Total contributions	<u>5,198,372</u>	<u>4,616,416</u>	<u>9,814,788</u>
Investment income			
Net appreciation in fair value of investments	4,938,445	11,087,795	16,026,240
Investment income	1,715,065	3,181,799	4,896,864
Total investment income	<u>6,653,510</u>	<u>14,269,594</u>	<u>20,923,104</u>
Less investment expense	(95,630)	(278,259)	(373,889)
Net investment income	<u>6,557,880</u>	<u>13,991,335</u>	<u>20,549,215</u>
Total additions	<u>11,756,252</u>	<u>18,607,751</u>	<u>30,364,003</u>
<b>Deductions</b>			
Benefits and refunds	7,245,992	6,188,024	13,434,016
Miscellaneous	50,174	48,314	98,488
Total deductions	<u>7,296,166</u>	<u>6,236,338</u>	<u>13,532,504</u>
Net increase in fiduciary net position	4,460,086	12,371,413	16,831,499
Net position restricted for pensions			
January 1	<u>80,645,427</u>	<u>93,396,628</u>	<u>174,042,055</u>
December 31	<u>\$ 85,105,513</u>	<u>\$ 105,768,041</u>	<u>\$ 190,873,554</u>

**Note 13: Other Postemployment Benefits**

***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. Thus, no assets are accumulated in a trust that meets the criteria in

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paragraph 4 of GASB Statement No 75. The plan does not issue a separate report. The activity of the plan is reported in the Village’s governmental and business-type activities.

**Benefits Provided**

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village’s retirement plans or meet COBRA requirements.

All health care benefits are provided through the Village’s insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village’s active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

**Membership**

At December 31, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	86
Active employees	322
Total	408

**Total OPEB Liability**

The Village’s total OPEB liability of \$17,106,889 was measured as of December 31, 2020, determined by an actuarial valuation as of January 1, 2021.

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***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-age Normal
Actuarial Value of Assets	N/A
Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.12%
Healthcare Cost Trend Rates	6.35% First-Year 5.00% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2020. The discount rate at December 31, 2019, was 2.74%.

Active Non-Union and Public Works Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2017 Improvement Rates. Active Police and Firefighter Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010(A) Study, improved to 2017 using MP-2019 improvement rates. These Rates are Improved Generationally using MP-2019 Improvement Rates. Retiree Police and Firefighter Mortality follows the L&A Assumption Study for Police and Firefighters 2020. These Rates are Experience Weighted with the Sex Distinct Raw Rates as Developed PubS-2010(A) Study Improved to 2017 using MP-2019 Improvement Rates. These Rates are then Improved Generationally using MP-2019 Improvement Rates.

Disabled Firefighter Mortality follows the L&A Assumption Study for Disabled Firefighters 2020. These Rates are Experience Weighted with the Sex Distinct Raw Rates as Developed in the PubS-2010 Study for Disabled Participants Improved to 2017 using MP-2019 Improvement Rates. Disabled Police Mortality follows the Sex Distinct Raw Rates as Developed in the PubS-2010 Study for Disabled Participants Improved to 2017 using MP-2019 Improvement Rates. Both Disabled Police and Disabled Firefighter Rates are then Improved Generationally using MP-2019 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubG-2010 Study until Age 45 and the PubS-2010(A) Study for Contingent Survivors for all Ages After Age 45 Improved to 2017 using MP-2019 Improvement Rates. These Rates are then Improved Generationally using MP-2019 Improvement Rates.

The actuarial assumptions used in the December 31, 2020 valuation, are based on 30% participation assumed, with 50% electing spouse coverage.

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***Changes in the Total OPEB Liability***

	<b>Total OPEB Liability</b>
Balances at, January 1, 2020	\$ 20,213,865
Changes for the period	
Service cost	575,005
Interest	545,453
Differences between expected and actual experience	(4,093,701)
Changes of assumptions	760,752
Plan changes	(280,819)
Benefit payments	(613,666)
Net changes	(3,106,976)
Balances at, December 31, 2020	\$ 17,106,889

The discount rate was changed from 2.74% to 2.12%.

***Rate Sensitivity***

The following is a sensitivity analysis of the Village's total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.12% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	(1.12)%	(2.12)%	(3.12)%
Total OPEB liability	\$ 20,707,373	\$ 17,106,889	\$ 14,396,221

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The table below presents the Village's total OPEB liability of the Village calculated using the healthcare rate of 6.35% to 5.00% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.35% to 4.00%) or 1 percentage point higher (7.35% to 6.35%) than the current rate:

	<b>1% Decrease 5.35% to 4.00%</b>	<b>Current Healthcare Rate 6.35% to 5.00%</b>	<b>1% Increase 7.35% to 6.00%</b>
Total OPEB liability	\$ 14,018,940	\$ 17,106,889	\$ 21,279,080

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended December 31, 2030, the Village recognized OPEB expense of \$881,449. At December 31, 2030, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 3,707,866
Changes of assumption	4,665,637	1,063,754
Total	\$ 4,665,637	\$ 4,771,620

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ 41,810
2022	41,810
2023	41,810
2024	41,810
2025	41,810
Thereafter	(315,033)
Total	\$ (105,983)



**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2020**

**Note 14: Change in Accounting Principle**

In 2020 the Village adopted Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations*. The adoption did not result in a restatement of beginning fund equity or net position. The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with State requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 50 years. At December 31, 2020, the ARO has a balance of \$339,500, which is offset by a related deferred outflows of resources, net of \$6,790 amortization.

**Note 15: Subsequent Events**

Related to the Village's Economic Development Area (EDA), the Village has been informed that Transform SR LLC is considering assumption of the EDA from Sears, but the issue remains pending in the bankruptcy court.

## **Required Supplementary Information**

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues</b>			
Taxes	\$ 32,466,880	\$ 32,533,630	\$ 30,503,005
Licenses and permits	1,981,500	1,981,500	1,744,758
Intergovernmental	15,686,010	16,145,200	16,649,712
Charges for services	9,399,440	9,399,440	9,245,252
Fines and forfeits	1,392,200	1,392,200	1,110,521
Interest income	503,600	503,600	183,463
Miscellaneous	728,610	728,610	553,852
Total revenues	<u>62,158,240</u>	<u>62,684,180</u>	<u>59,990,563</u>
<b>Expenditures</b>			
Current			
General government	6,676,230	6,742,980	6,031,574
Public safety	38,684,250	39,072,990	37,555,497
Highways and streets	6,515,600	6,515,600	5,876,922
Sanitation	3,082,560	3,082,560	2,979,804
Health and welfare	2,385,570	2,456,020	2,379,164
Culture and recreation	354,860	354,860	152,351
Economic development	2,597,740	2,597,740	2,124,118
Total expenditures	<u>60,296,810</u>	<u>60,822,750</u>	<u>57,099,430</u>
<b>Excess Revenues Over Expenditures</b>	1,861,430	1,861,430	2,891,133
<b>Other Financing Uses</b>			
Transfers out	<u>(5,190,770)</u>	<u>(5,190,770)</u>	<u>(5,001,998)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,329,340)</u>	<u>\$ (3,329,340)</u>	<u>(2,110,865)</u>
<b>Fund Balance, January 1</b>			<u>25,798,131</u>
<b>Fund Balance, December 31</b>			<u>\$ 23,687,266</u>

**Village of Hoffman Estates, Illinois**  
**Notes to Required Supplementary Information**  
**December 31, 2020**

**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 Village Contributions**  
**Illinois Municipal Retirement Fund**  
**Last Six Fiscal Years**

<b>Fiscal Year Ended December 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 1,743,250	\$ 1,675,142	\$ 1,570,663	\$ 1,717,045	\$ 1,430,527	\$ 1,757,527
Contributions in relation to the actuarially determined contributions	<u>1,743,250</u>	<u>1,675,142</u>	<u>1,570,663</u>	<u>1,717,045</u>	<u>1,430,527</u>	<u>1,757,527</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 11,812,130</u>	<u>\$ 12,143,510</u>	<u>\$ 12,242,925</u>	<u>\$ 12,913,319</u>	<u>\$ 13,440,899</u>	<u>\$ 13,891,248</u>
Contributions as a percentage of covered payroll	<u>14.75%</u>	<u>13.79%</u>	<u>12.83%</u>	<u>13.30%</u>	<u>10.64%</u>	<u>12.65%</u>

*Notes to the Required Supplementary Information*

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.

The information presented was determined as part of the actuarial valuations as of December 31 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 five-year smoothed market, 20% corridor; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 2.50% compounded annually.

**Village of Hoffman Estates, Illinois**  
**Schedule of Village Contributions**  
**Police Pension Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended December 31,</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Actuarially determined contribution	\$ 2,476,784	\$ 2,473,855	\$ 2,392,818	\$ 2,710,874
Contributions in relation to the actuarially determined contributions	<u>2,497,419</u>	<u>2,450,556</u>	<u>2,387,875</u>	<u>2,698,444</u>
Contribution deficiency (excess)	<u>\$ (20,635)</u>	<u>\$ 23,299</u>	<u>\$ 4,943</u>	<u>\$ 12,430</u>
Covered payroll	<u>\$ 8,358,633</u>	<u>\$ 8,667,490</u>	<u>\$ 8,609,981</u>	<u>\$ 8,378,076</u>
Contributions as a percentage of covered payroll	<u>29.88%</u>	<u>28.27%</u>	<u>27.73%</u>	<u>32.21%</u>

*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 22 years; the asset valuation method was at 5-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.50% compounded annually and postretirement benefit increases of 2.50% compounded annually.

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 2,609,029	\$ 3,178,239	\$ 3,380,781	\$ 3,570,025	\$ 3,788,068	\$ 4,338,900
<u>2,670,802</u>	<u>3,228,471</u>	<u>3,407,918</u>	<u>3,557,124</u>	<u>3,785,342</u>	<u>4,324,074</u>
<u>\$ (61,773)</u>	<u>\$ (50,232)</u>	<u>\$ (27,137)</u>	<u>\$ 12,901</u>	<u>\$ 2,726</u>	<u>\$ 14,826</u>
<u>\$ 8,465,859</u>	<u>\$ 8,205,983</u>	<u>\$ 8,493,193</u>	<u>\$ 8,397,491</u>	<u>\$ 8,289,966</u>	<u>\$ 8,748,348</u>
<u>31.55%</u>	<u>39.34%</u>	<u>40.13%</u>	<u>42.36%</u>	<u>45.66%</u>	<u>49.43%</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Village Contributions**  
**Firefighters' Pension Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended December 31,</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Actuarially determined contribution	\$ 2,474,644	\$ 2,045,844	\$ 2,306,816	\$ 2,529,741
Contributions in relation to the actuarially determined contributions	<u>2,488,676</u>	<u>2,080,514</u>	<u>2,062,868</u>	<u>2,520,362</u>
Contribution deficiency (excess)	<u>\$ (14,032)</u>	<u>\$ (34,670)</u>	<u>\$ 243,948</u>	<u>\$ 9,379</u>
Covered payroll	<u>\$ 8,231,207</u>	<u>\$ 8,272,945</u>	<u>\$ 8,509,061</u>	<u>\$ 9,015,322</u>
Contributions as a percentage of covered payroll	<u>30.23%</u>	<u>25.15%</u>	<u>24.24%</u>	<u>27.96%</u>

*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 22 years; the asset valuation method was at 5-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.50% compounded annually and postretirement benefit increases of 2.50% compounded annually.



<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 2,531,184	\$ 2,819,396	\$ 3,097,747	\$ 3,280,541	\$ 3,372,772	\$ 3,700,885
<u>2,597,016</u>	<u>2,867,272</u>	<u>3,121,335</u>	<u>3,270,126</u>	<u>3,369,928</u>	<u>3,688,507</u>
<u>\$ (65,832)</u>	<u>\$ (47,876)</u>	<u>\$ (23,588)</u>	<u>\$ 10,415</u>	<u>\$ 2,844</u>	<u>\$ 12,378</u>
<u>\$ 9,274,129</u>	<u>\$ 9,221,092</u>	<u>\$ 9,543,830</u>	<u>\$ 9,070,725</u>	<u>\$ 9,364,199</u>	<u>\$ 9,813,969</u>
<u>28.00%</u>	<u>31.09%</u>	<u>32.71%</u>	<u>36.05%</u>	<u>35.99%</u>	<u>37.58%</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Net Pension Liability and Related Ratios**  
**Illinois Municipal Retirement Fund**  
**Last Six Fiscal Years**

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019
Total pension liability						
Service cost	\$ 1,360,773	\$ 1,301,536	\$ 1,272,512	\$ 1,256,345	\$ 1,212,867	\$ 1,314,119
Interest	4,933,202	5,325,516	5,483,537	5,732,635	5,827,822	6,111,417
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(529,106)	(1,490,827)	(217,172)	207,724	751,530	774,853
Changes of assumptions*	2,294,879	92,788	(281,937)	(2,503,516)	2,388,193	-
Benefit payments, including refunds of member contributions	<u>(2,501,688)</u>	<u>(2,892,799)</u>	<u>(3,114,774)</u>	<u>(3,327,573)</u>	<u>(3,477,004)</u>	<u>(3,802,845)</u>
Net change in total pension liability	5,558,060	2,336,214	3,142,166	1,365,615	6,703,408	4,397,544
Total pension liability, beginning	<u>66,434,307</u>	<u>71,992,367</u>	<u>74,328,581</u>	<u>77,470,747</u>	<u>78,836,362</u>	<u>85,539,770</u>
Total pension liability, ending	<u>\$ 71,992,367</u>	<u>\$ 74,328,581</u>	<u>\$ 77,470,747</u>	<u>\$ 78,836,362</u>	<u>\$ 85,539,770</u>	<u>\$ 89,937,314</u>
Plan fiduciary net position						
Contributions - employer	\$ 1,633,793	\$ 1,743,250	\$ 1,675,142	\$ 1,570,726	\$ 1,717,045	\$ 1,430,527
Contributions - member	551,845	569,687	567,924	579,056	581,098	609,298
Net investment income	3,655,142	314,408	4,270,357	11,379,574	(3,833,930)	13,135,332
Benefit payments, including refunds of member contributions	(2,501,688)	(2,892,799)	(3,114,774)	(3,327,573)	(3,477,004)	(3,802,845)
Other (net transfer)	<u>(152,063)</u>	<u>(680,586)</u>	<u>(117,629)</u>	<u>(841,452)</u>	<u>1,402,281</u>	<u>191,608</u>
Net change in plan fiduciary net position	3,187,029	(946,040)	3,281,020	9,360,331	(3,610,510)	11,563,920
Plan fiduciary net position, beginning	<u>60,078,392</u>	<u>63,265,421</u>	<u>62,319,381</u>	<u>65,600,401</u>	<u>74,960,732</u>	<u>71,350,222</u>
Plan fiduciary net position, ending	<u>\$ 63,265,421</u>	<u>\$ 62,319,381</u>	<u>\$ 65,600,401</u>	<u>\$ 74,960,732</u>	<u>\$ 71,350,222</u>	<u>\$ 82,914,142</u>
Village's net pension liability	<u>\$ 8,726,946</u>	<u>\$ 12,009,200</u>	<u>\$ 11,870,346</u>	<u>\$ 3,875,630</u>	<u>\$ 14,189,548</u>	<u>\$ 7,023,172</u>
Plan fiduciary net position as a percentage of the total pension liability	87.90%	83.80%	84.70%	95.10%	83.41%	92.19%
Covered payroll	\$ 11,708,241	\$ 11,821,130	\$ 12,143,510	\$ 12,242,605	\$ 12,913,319	\$ 13,440,899
Employer's net pension liability as a percentage of covered payroll	74.50%	101.60%	97.80%	31.70%	109.88%	52.25%

\*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.

\*\*\*Changes in assumptions related to mortality were made since the prior measurement date.

\*\*\*\*Changes in assumptions related discount rate and mortality 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.

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Net Pension Liability and Related Ratios**  
**Police Pension Fund**  
**Last Seven Fiscal Years**

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019*****	2020*****
Total pension liability							
Service cost	\$ 1,718,313	\$ 1,644,115	\$ 1,485,606	\$ 1,495,789	\$ 1,607,973	\$ 1,525,429	\$ 1,829,400
Interest	7,215,478	7,426,526	9,230,804	8,609,603	9,047,750	9,525,137	10,529,604
Changes of benefit terms	-	-	-	-	-	551,939	-
Differences between expected and actual experience	1,407,476	(905,685)	(2,263,917)	1,425,213	2,070,187	1,376,168	3,932,773
Changes of assumptions*	6,443,602	10,336,137	(11,653,118)	-	-	5,453,081	-
Benefit payments, including refunds of member contributions	(3,744,605)	(4,131,392)	(4,822,503)	(5,341,609)	(6,035,672)	(6,685,809)	(7,245,992)
Net change in total pension liability	13,040,264	14,369,701	(8,023,128)	6,188,996	6,690,238	11,745,945	9,045,785
Total pension liability, beginning	98,078,675	111,118,939	125,488,640	117,465,512	123,654,508	130,344,746	142,090,691
Total pension liability, ending	<u>\$ 111,118,939</u>	<u>\$ 125,488,640</u>	<u>\$ 117,465,512</u>	<u>\$ 123,654,508</u>	<u>\$ 130,344,746</u>	<u>\$ 142,090,691</u>	<u>\$ 151,136,476</u>
Plan fiduciary net position							
Contributions - employer	\$ 2,698,444	\$ 2,670,802	\$ 3,228,471	\$ 3,407,918	\$ 3,557,124	\$ 3,785,342	\$ 4,324,074
Contributions - member	1,026,505	852,743	813,215	865,157	832,191	827,082	874,298
Contributions - other	-	-	-	-	34,601	-	-
Net investment income	1,545,937	(1,410,523)	6,063,204	9,200,616	(6,599,074)	11,675,797	6,557,880
Benefit payments, including refunds of member contributions	(3,744,605)	(4,131,392)	(4,822,503)	(5,341,609)	(6,035,672)	(6,685,809)	(7,245,992)
Administrative expense	(21,217)	(49,601)	(38,109)	(39,392)	(46,183)	(51,852)	(50,174)
Net change in plan fiduciary net position	1,505,064	(2,067,971)	5,244,278	8,092,690	(8,257,013)	9,550,560	4,460,086
Plan fiduciary net position, beginning	66,577,819	68,082,883	66,014,912	71,259,190	79,351,880	71,094,867	80,645,427
Plan fiduciary net position, ending	<u>\$ 68,082,883</u>	<u>\$ 66,014,912</u>	<u>\$ 71,259,190</u>	<u>\$ 79,351,880</u>	<u>\$ 71,094,867</u>	<u>\$ 80,645,427</u>	<u>\$ 85,105,513</u>
Village's net pension liability	<u>\$ 43,036,056</u>	<u>\$ 59,473,728</u>	<u>\$ 46,206,322</u>	<u>\$ 44,302,628</u>	<u>\$ 59,249,879</u>	<u>\$ 61,445,264</u>	<u>\$ 66,030,963</u>
Plan fiduciary net position as a percentage of the total pension liability	61.30%	52.64%	60.70%	64.20%	54.50%	56.76%	56.31%
Covered payroll	\$ 8,378,076	\$ 8,465,859	\$ 8,205,983	\$ 8,493,193	\$ 8,397,491	\$ 8,289,966	\$ 8,748,348
Employer's net pension liability as a percentage of covered payroll	513.70%	702.50%	563.10%	521.60%	705.60%	741.20%	754.78%

\*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.

\*\*\*\*There was a change in 2018 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate.

\*\*\*\*\*There was a change in 2019 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate. There are also changes in the following: Projected Individual Pay Increases, Projected Total Payroll Increases, Inflation Rate (CPI-U), Mortality Rates, Mortality Improvement Rates, Retirement Rates, Termination Rates, Disability Rates and Marital Assumptions.

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Net Pension Liability and Related Ratios**  
**Police Pension Fund**  
**Last Seven Fiscal Years**

\*\*\*\*\*There was a change in 2020 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate.

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.

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Net Pension Liability and Related Ratios**  
**Firefighters' Pension Fund**  
**Last Seven Fiscal Years**

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019*****	2020*****
Total pension liability							
Service cost	\$ 2,120,597	\$ 1,868,762	\$ 1,951,957	\$ 1,935,078	\$ 2,029,189	\$ 2,042,766	\$ 2,241,786
Interest	6,556,239	7,120,712	7,734,740	8,298,776	8,645,416	8,984,188	9,466,598
Changes of benefit terms	-	-	-	-	-	517,294	-
Differences between expected and actual experience	1,252,030	(800,017)	(15,879)	(391,154)	(688,021)	589,331	1,528,347
Changes of assumptions*	3,396,442	4,562,482	949,835	(1,540,149)	-	2,234,460	-
Benefit payments, including refunds of member contributions	(3,623,427)	(3,835,382)	(4,072,544)	(4,800,989)	(5,248,265)	(5,691,006)	(6,188,024)
Net change in total pension liability	9,701,881	8,916,557	6,548,109	3,501,562	4,738,319	8,677,033	7,048,707
Total pension liability, beginning	89,228,232	98,930,113	107,846,670	114,394,779	117,896,341	122,634,660	131,311,693
Total pension liability, ending	<u>\$ 98,930,113</u>	<u>\$ 107,846,670</u>	<u>\$ 114,394,779</u>	<u>\$ 117,896,341</u>	<u>\$ 122,634,660</u>	<u>\$ 131,311,693</u>	<u>\$ 138,360,400</u>
Plan fiduciary net position							
Contributions - employer	\$ 2,520,362	\$ 2,597,016	\$ 2,867,272	\$ 3,121,335	\$ 3,270,126	\$ 3,369,928	\$ 3,688,506
Contributions - member	851,857	863,860	973,790	863,963	909,020	943,556	927,910
Net investment income	3,594,816	213,616	3,899,334	9,817,442	(4,280,100)	16,674,359	13,991,335
Benefit payments, including refunds of member contributions	(3,623,427)	(3,835,382)	(4,072,544)	(4,800,989)	(5,248,265)	(5,691,006)	(6,188,024)
Administrative expense	(77,973)	(55,131)	(71,449)	(53,790)	(42,092)	(52,787)	(48,314)
Net change in plan fiduciary net position	3,265,635	(216,021)	3,596,403	8,947,961	(5,391,311)	15,244,050	12,371,413
Plan fiduciary net position, beginning	67,949,911	71,215,546	70,999,525	74,595,928	83,543,889	78,152,578	93,396,628
Plan fiduciary net position, ending	<u>\$ 71,215,546</u>	<u>\$ 70,999,525</u>	<u>\$ 74,595,928</u>	<u>\$ 83,543,889</u>	<u>\$ 78,152,578</u>	<u>\$ 93,396,628</u>	<u>\$ 105,768,041</u>
Village's net pension liability	<u>\$ 27,714,567</u>	<u>\$ 36,847,145</u>	<u>\$ 39,798,851</u>	<u>\$ 34,352,452</u>	<u>\$ 44,482,082</u>	<u>\$ 37,915,065</u>	<u>\$ 32,592,359</u>
Plan fiduciary net position as a percentage of the total pension liability	72.00%	65.80%	65.20%	70.90%	63.70%	71.13%	76.44%
Covered payroll	\$ 9,015,322	\$ 9,274,129	\$ 9,221,092	\$ 9,543,830	\$ 9,070,725	\$ 9,364,199	\$ 9,813,969
Employer's net pension liability as a percentage of covered payroll	307.40%	397.30%	431.60%	359.90%	490.40%	404.89%	332.10%

\*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.

\*\*\*\*There was a change in 2018 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates and with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate.

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Net Pension Liability and Related Ratios**  
**Firefighters' Pension Fund**  
**Last Seven Fiscal Years**

\*\*\*\*\*There was a change in 2019 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates and with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate. There are also changes in the following: Projected Individual Pay Increases, Projected Total Payroll Increases, Inflation Rate (CPI-U), Mortality Rates, Mortality Improvement Rates, Retirement Rates, Termination Rates, Disability Rates and Marital Assumptions.

\*\*\*\*\*There was a change in 2020 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates and with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate.

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.

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in the Village's**  
**Total OPEB Liability and Related Ratios**  
**Other Postemployment Benefit Plan**  
**Last Three Fiscal Years**

<b>Measurement Date December 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020*</b>
Total OPEB liability			
Service cost	\$ 457,751	\$ 391,145	\$ 575,005
Interest	537,136	595,177	545,453
Changes of assumptions*	(1,537,238)	5,004,129	760,752
Change of benefit terms	-	-	(280,819)
Differences between expected and actual experience	-	-	(4,093,701)
Benefit payments	<u>(517,209)</u>	<u>(580,123)</u>	<u>(613,666)</u>
Net change in total pension liability	(1,059,560)	5,410,328	(3,106,976)
Total OPEB liability, beginning	<u>15,863,097</u>	<u>14,803,537</u>	<u>20,213,865</u>
Total OPEB liability, ending	<u>\$ 14,803,537</u>	<u>\$ 20,213,865</u>	<u>\$ 17,106,889</u>
Covered payroll	\$ 30,381,535	\$ 31,147,318	\$ 31,743,858
Village's net pension liability as a percentage of covered payroll	48.73%	64.90%	53.89%

\*There was a change in 2020 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to discount rates and with respect to the High-Quality 20-year Tax-Exempt General Obligation Bond Rate. There are also changes in the following: Inflation rate, Mortality rates, Mortality improvement rates, retirement rates, termination rates and disability rates.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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.

**Village of Hoffman Estates, Illinois**  
**Schedule of Investment Returns**  
**Police Pension Fund**  
**Last Seven Fiscal Years**

<b>Fiscal Year Ended December 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, Net of investment expense	2.15%	(1.94%)	9.31%	13.02%	(8.35%)	16.65%	8.24%

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.



**Village of Hoffman Estates, Illinois**  
**Schedule of Investment Returns**  
**Firefighters' Pension Fund**  
**Last Seven Fiscal Years**

<b>Fiscal Year Ended December 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, Net of investment expense	5.34%	0.42%	3.10%	13.40%	(5.20%)	19.23%	15.99%

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.

**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, 2020**  
**(With Comparative Totals for 2019)**

	2020		Total	2019
	General Fund	Municipal Waste System Account		
<b>Assets</b>				
Cash and investments	\$ 20,072,249	\$ 423,122	\$ 20,495,371	\$ 24,501,284
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	21,039,359	-	21,039,359	19,385,360
Accounts	175,222	263,978	439,200	378,971
Accrued interest	6,391	-	6,391	121,768
Other	2,585,866	3,338	2,589,204	2,789,078
Prepaid items	17,108	53,803	70,911	62,459
Assets held by agents	139,138	-	139,138	110,910
Inventories	112,536	-	112,536	109,361
Due from other governments	4,391,870	-	4,391,870	4,339,878
Due from other funds	709,940	-	709,940	15,605
Due from fiduciary funds	-	-	-	63,959
Total assets	<u>\$ 49,249,679</u>	<u>\$ 744,241</u>	<u>\$ 49,993,920</u>	<u>\$ 51,878,633</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,536,889	\$ 184,638	\$ 1,721,527	\$ 2,351,928
Accrued payroll	425,958	588	426,546	1,310,239
Unearned revenues	138,133	229,462	367,595	383,057
Due to FSA Participants	108,038	-	108,038	79,810
Deposits payable	1,204,406	-	1,204,406	1,204,590
Total liabilities	<u>3,413,424</u>	<u>414,688</u>	<u>3,828,112</u>	<u>5,329,624</u>
<b>Deferred Inflows of Resources</b>				
Property taxes	21,030,342	-	21,030,342	19,373,460
Unavailable state taxes	1,448,200	-	1,448,200	1,377,418
Total deferred inflows of resources	<u>22,478,542</u>	<u>-</u>	<u>22,478,542</u>	<u>20,750,878</u>
Total liabilities and deferred inflows of resources	<u>25,891,966</u>	<u>414,688</u>	<u>26,306,654</u>	<u>26,080,502</u>
<b>Fund Balances</b>				
Nonspendable				
Prepaid items	17,108	53,803	70,911	62,459
Inventories	112,536	-	112,536	109,361
Advances	-	-	-	-
Restricted				
Employee loan program	40,679	-	40,679	47,469
Assigned				
Employee health	2,115,706	-	2,115,706	2,096,471
Subsequent budget	2,300,000	-	2,300,000	3,239,630
Unassigned	18,771,684	275,750	19,047,434	20,242,741
Total fund balances	<u>23,357,713</u>	<u>329,553</u>	<u>23,687,266</u>	<u>25,798,131</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,249,679</u>	<u>\$ 744,241</u>	<u>\$ 49,993,920</u>	<u>\$ 51,878,633</u>

**Village of Hoffman Estates, Illinois**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance by Account**  
**General Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actuals for 2019)**

	<b>2020</b>			<b>Total</b>
	<b>General Account</b>	<b>Municipal Waste System Account</b>	<b>Eliminations</b>	
<b>Revenues</b>				
Taxes	\$ 30,503,005	\$ -	\$ -	\$ 30,503,005
Licenses and permits	1,744,758	-	-	1,744,758
Intergovernmental	16,649,712	-	-	16,649,712
Charges for service	6,359,730	2,885,522	-	9,245,252
Fines and forfeits	1,110,521	-	-	1,110,521
Investment income	183,046	417	-	183,463
Miscellaneous	459,622	94,230	-	553,852
Total revenues	<u>57,010,394</u>	<u>2,980,169</u>	<u>-</u>	<u>59,990,563</u>
<b>Expenditures</b>				
Current				
General government	6,031,574	-	-	6,031,574
Public safety	37,555,497	-	-	37,555,497
Highways and streets	5,839,004	37,918	-	5,876,922
Sanitation	-	2,979,804	-	2,979,804
Health and welfare	2,379,164	-	-	2,379,164
Culture and recreation	152,351	-	-	152,351
Economic development	2,124,118	-	-	2,124,118
Total expenditures	<u>54,081,708</u>	<u>3,017,722</u>	<u>-</u>	<u>57,099,430</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,928,686	(37,553)	-	2,891,133
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	<u>(5,001,998)</u>	<u>-</u>	<u>-</u>	<u>(5,001,998)</u>
Total other financing sources (uses)	<u>(5,001,998)</u>	<u>-</u>	<u>-</u>	<u>(5,001,998)</u>
<b>Net Change in Fund Balances</b>	(2,073,312)	(37,553)	-	(2,110,865)
<b>Fund Balances, January 1</b>	<u>25,431,025</u>	<u>367,106</u>	<u>-</u>	<u>25,798,131</u>
<b>Fund Balances, December 31</b>	<u>\$ 23,357,713</u>	<u>\$ 329,553</u>	<u>\$ -</u>	<u>\$ 23,687,266</u>

<b>2019</b>			
<b>General Account</b>	<b>Municipal Waste System Account</b>	<b>Eliminations</b>	<b>Total</b>
\$ 31,960,387	\$ -	\$ -	\$ 31,960,387
2,008,952	-	-	2,008,952
15,191,181	-	-	15,191,181
6,630,072	2,848,106	-	9,478,178
1,343,809	-	-	1,343,809
697,347	3,925	-	701,272
790,640	165,985	-	956,625
<u>58,622,388</u>	<u>3,018,016</u>	<u>-</u>	<u>61,640,404</u>
6,386,268	-	-	6,386,268
36,704,779	-	-	36,704,779
6,399,950	36,729	-	6,436,679
-	3,037,119	-	3,037,119
2,166,630	-	-	2,166,630
275,239	-	-	275,239
2,110,140	-	-	2,110,140
<u>54,043,006</u>	<u>3,073,848</u>	<u>-</u>	<u>57,116,854</u>
4,579,382	(55,832)	-	4,523,550
<u>(3,644,614)</u>	<u>-</u>	<u>-</u>	<u>(3,644,614)</u>
<u>(3,644,614)</u>	<u>-</u>	<u>-</u>	<u>(3,644,614)</u>
934,768	(55,832)	-	878,936
<u>24,496,257</u>	<u>422,938</u>	<u>-</u>	<u>24,919,195</u>
<u>\$ 25,431,025</u>	<u>\$ 367,106</u>	<u>\$ -</u>	<u>\$ 25,798,131</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Expenditures – Budget and Actual**  
**General Account**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>General Government</b>				
Legislative	\$ 386,750	\$ 386,750	\$ 373,351	\$ 366,875
Administration	685,030	747,150	712,231	643,262
Legal	555,410	555,410	415,290	499,856
Finance	1,104,460	1,104,460	1,088,011	1,027,167
Village clerk	224,400	224,400	220,758	210,476
Human resources management	566,880	571,510	568,551	512,575
Communications	258,150	258,150	249,993	239,382
Buildings and grounds	1,270,030	1,270,030	1,080,695	1,336,577
Fleet services	1,299,290	1,299,290	1,171,642	1,261,019
Police and fire commission	83,700	83,700	41,533	48,189
Miscellaneous boards and commissions	242,130	242,130	109,519	240,890
Total general government	<u>6,676,230</u>	<u>6,742,980</u>	<u>6,031,574</u>	<u>6,386,268</u>
<b>Public Safety</b>				
Police department				
Administration	1,608,110	1,608,110	1,589,387	1,581,160
Juvenile investigations	570,190	570,190	562,735	543,172
Tactical	820,550	820,550	577,505	785,711
Patrol and response	11,627,890	11,627,890	11,563,558	10,509,942
Traffic control	1,262,830	1,262,830	889,502	1,174,801
Investigations	1,523,240	1,523,240	1,373,328	1,395,863
Community relations	13,570	13,570	6,966	12,690
Communications	704,140	704,140	478,602	704,141
Canine	198,610	198,610	192,317	179,904
Special services	199,530	199,530	53,645	396,082
Records	324,090	324,090	301,601	286,166
Administrative services	993,100	993,100	944,262	879,760
Emergency operations	86,010	86,010	79,804	66,590
Total police department	<u>19,931,860</u>	<u>19,931,860</u>	<u>18,613,212</u>	<u>18,515,982</u>
Fire department				
Administration	1,114,490	1,114,490	1,135,401	1,126,617
Public education	72,950	72,950	61,419	57,208
Suppression	8,907,730	9,296,470	9,203,629	8,592,062
Emergency medical services	8,007,840	8,007,840	7,983,869	7,770,691
Fire prevention	604,980	604,980	522,027	604,559
Fire stations	44,400	44,400	35,940	37,660
Total fire department	<u>18,752,390</u>	<u>19,141,130</u>	<u>18,942,285</u>	<u>18,188,797</u>
Total public safety	<u>38,684,250</u>	<u>39,072,990</u>	<u>37,555,497</u>	<u>36,704,779</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Expenditures – Budget and Actual**  
**General Account**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Highways and Streets</b>				
Administration - public works	\$ 393,350	\$ 393,350	\$ 231,477	\$ 319,994
Snow and ice control	1,859,590	1,859,590	1,664,021	2,062,925
Pavement maintenance	544,750	544,750	510,629	474,921
Forestry	1,165,760	1,165,760	1,040,562	1,033,666
Maintenance	187,170	187,170	133,444	201,989
Storm sewers	151,470	151,470	145,747	147,896
Utilities	797,130	797,130	741,926	742,063
Engineering	1,378,110	1,378,110	1,371,198	1,416,496
Total highways and streets	<u>6,477,330</u>	<u>6,477,330</u>	<u>5,839,004</u>	<u>6,399,950</u>
<b>Health and Welfare</b>				
Health and human services	768,490	838,940	818,893	718,066
Code enforcement	1,617,080	1,617,080	1,560,271	1,448,564
Total health and welfare	<u>2,385,570</u>	<u>2,456,020</u>	<u>2,379,164</u>	<u>2,166,630</u>
<b>Culture and Recreation</b>				
Cable T.V.	199,790	199,790	150,901	181,333
4th of July	155,070	155,070	1,450	93,906
Total culture and recreation	<u>354,860</u>	<u>354,860</u>	<u>152,351</u>	<u>275,239</u>
<b>Economic Development</b>				
Administration - community development	402,210	402,210	416,660	405,285
Planning	619,190	619,190	458,984	448,976
Economic development	1,576,340	1,576,340	1,248,474	1,255,879
Total economic development	<u>2,597,740</u>	<u>2,597,740</u>	<u>2,124,118</u>	<u>2,110,140</u>
Total expenditures	<u>\$ 57,175,980</u>	<u>\$ 57,701,920</u>	<u>\$ 54,081,708</u>	<u>\$ 54,043,006</u>



**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Municipal Waste System Account**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Charges for services	\$ 2,843,240	\$ 2,885,522	\$ 2,848,106
Investment income	3,600	417	3,925
Miscellaneous	160,910	94,230	165,985
Total general government	<u>3,007,750</u>	<u>2,980,169</u>	<u>3,018,016</u>
<b>Expenditures</b>			
Sanitation	3,082,560	2,979,804	3,037,119
Highways and streets	38,270	37,918	36,729
Total expenditures	<u>3,120,830</u>	<u>3,017,722</u>	<u>3,073,848</u>
<b>Net Change in Fund Balance</b>	<u>\$ (113,080)</u>	(37,553)	(55,832)
<b>Fund Balance, January 1</b>		<u>367,106</u>	<u>422,938</u>
<b>Fund Balance, December 31</b>		<u>\$ 329,553</u>	<u>\$ 367,106</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**EDA General Account Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ 7,661,977
<b>Expenditures</b>			
Debt service			
Principal retirement	-	-	7,661,977
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	-
<b>Fund Balance, January 1</b>		-	-
<b>Fund Balance, December 31</b>		<u>\$ -</u>	<u>\$ -</u>

## **Nonmajor Governmental Funds**

**Village of Hoffman Estates, Illinois**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2020**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Cash and investments	\$ 4,381,556	\$ 23,494	\$ 10,698,178	\$ 15,103,228
Receivables				
Property taxes	1,949,394	1,494,207	-	3,443,601
Accounts	-	-	50,523	50,523
Other	-	-	878,855	878,855
Prepaid items	-	-	548,170	548,170
Due from other governments	172,272	-	-	172,272
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 6,503,222</u>	<u>\$ 1,517,701</u>	<u>\$ 12,175,726</u>	<u>\$ 20,196,649</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 691	\$ -	\$ 2,433,235	\$ 2,433,926
Unearned revenues	-	-	48,520	48,520
Due to other funds	-	179,505	-	179,505
Deposits payable	29,254	-	3,825,378	3,854,632
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	29,945	179,505	6,307,133	6,516,583
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property tax	1,949,394	1,492,580	-	3,441,974
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and deferred inflows of resources	<u>1,979,339</u>	<u>1,672,085</u>	<u>6,307,133</u>	<u>9,958,557</u>
<b>Fund Balances</b>				
Nonspendable				
Prepaid items	-	-	548,170	548,170
Restricted				
Highways and streets	1,369,793	-	-	1,369,793
Public safety	872,345	-	-	872,345
Capital improvements	-	-	44,990	44,990
Economic development - state statute	2,281,745	-	-	2,281,745
Assigned				
Capital improvements	-	-	5,275,433	5,275,433
Unassigned	-	(154,384)	-	(154,384)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>4,523,883</u>	<u>(154,384)</u>	<u>5,868,593</u>	<u>10,238,092</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,503,222</u>	<u>\$ 1,517,701</u>	<u>\$ 12,175,726</u>	<u>\$ 20,196,649</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2020**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 1,867,152	\$ 2,081,609	\$ 3,582,734	\$ 7,531,495
Intergovernmental	3,324,142	-	423,793	3,747,935
Charges for service	-	139,510	569,086	708,596
Fines and forfeits	213,819	-	-	213,819
Investment income	5,289	492	71,295	77,076
Miscellaneous	50,392	-	324,641	375,033
Total revenues	<u>5,460,794</u>	<u>2,221,611</u>	<u>4,971,549</u>	<u>12,653,954</u>
<b>Expenditures</b>				
Current				
Public safety	440,711	-	-	440,711
Highways and streets	2,123,975	-	-	2,123,975
General government	13,560	-	-	13,560
Economic development	1,876,593	-	-	1,876,593
Capital outlay	-	-	9,625,363	9,625,363
Debt service				
Principal retirement	224,349	1,801,365	30,000	2,055,714
Interest and fiscal charges	386,793	1,825,159	14,150	2,226,102
Total expenditures	<u>5,065,981</u>	<u>3,626,524</u>	<u>9,669,513</u>	<u>18,362,018</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>394,813</u>	<u>(1,404,913)</u>	<u>(4,697,964)</u>	<u>(5,708,064)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	21,834	1,234,494	4,035,870	5,292,198
Transfers (out)	-	-	(1,613,500)	(1,613,500)
Issuance of debt	1,411,186	-	-	1,411,186
Total other financing sources (uses)	<u>1,433,020</u>	<u>1,234,494</u>	<u>2,422,370</u>	<u>5,089,884</u>
<b>Net Change in Fund Balances</b>	1,827,833	(170,419)	(2,275,594)	(618,180)
<b>Fund Balances, January 1</b>	<u>2,696,050</u>	<u>16,035</u>	<u>8,144,187</u>	<u>10,856,272</u>
<b>Fund Balances, December 31</b>	<u>\$ 4,523,883</u>	<u>\$ (154,384)</u>	<u>\$ 5,868,593</u>	<u>\$ 10,238,092</u>

## Nonmajor Special Revenue Funds

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

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

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

**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.

**Lakewood TIF Fund** - to account for the revenues and expenditures pertaining to the activity in the Lakewood TIF District.

**Higgins/Old Sutton TIF Fund** - to account for the revenues and expenditures pertaining to the activity in the Higgins/Old Sutton 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, 2020**

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>
<b>Assets</b>			
Cash and investments	\$ 1,198,212	\$ 10,436	\$ 876,599
Receivables (net, where applicable, of allowances for uncollectibles)			
Property tax	-	-	-
Due from other governments	172,272	-	-
	<u>172,272</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,370,484</u>	<u>\$ 10,436</u>	<u>\$ 876,599</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 691	\$ -	\$ -
Deposits payable	-	-	4,254
	<u>691</u>	<u>-</u>	<u>4,254</u>
Total liabilities	691	-	4,254
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>691</u>	<u>-</u>	<u>4,254</u>
<b>Fund Balances</b>			
Restricted			
Highways and streets	1,369,793	-	-
Public safety	-	-	872,345
Economic development - state statute	-	10,436	-
	<u>1,369,793</u>	<u>10,436</u>	<u>872,345</u>
Total fund balances	1,369,793	10,436	872,345
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,370,484</u>	<u>\$ 10,436</u>	<u>\$ 876,599</u>

<b>Roselle Road TIF</b>	<b>Barrington Higgins TIF</b>	<b>Lakewood TIF</b>	<b>Higgins/ Old Sutton TIF</b>	<b>Higgins/ Hassell TIF</b>	<b>Total</b>
\$ 1,672,962	\$ 611,153	\$ -	\$ -	\$ 12,194	\$ 4,381,556
666,700	828,750	-	-	453,944	1,949,394
-	-	-	-	-	172,272
<u>\$ 2,339,662</u>	<u>\$ 1,439,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,138</u>	<u>\$ 6,503,222</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 691
25,000	-	-	-	-	29,254
25,000	-	-	-	-	29,945
666,700	828,750	-	-	453,944	1,949,394
691,700	828,750	-	-	453,944	1,979,339
-	-	-	-	-	1,369,793
-	-	-	-	-	872,345
1,647,962	611,153	-	-	12,194	2,281,745
1,647,962	611,153	-	-	12,194	4,523,883
<u>\$ 2,339,662</u>	<u>\$ 1,439,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,138</u>	<u>\$ 6,503,222</u>



**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2020**

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	3,118,691	205,451	-
Fines and forfeits	-	-	213,819
Investment income	1,153	-	1,855
Miscellaneous	-	20,432	18,919
Total revenues	<u>3,119,844</u>	<u>225,883</u>	<u>234,593</u>
<b>Expenditures</b>			
Current			
Public safety	-	-	440,711
Highways and streets	2,123,975	-	-
General government	-	-	-
Economic development	-	215,448	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,123,975</u>	<u>215,448</u>	<u>440,711</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	995,869	10,435	(206,118)
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Transfer in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	995,869	10,435	(206,118)
<b>Fund Balances, January 1</b>	<u>373,924</u>	<u>1</u>	<u>1,078,463</u>
<b>Fund Balances, December 31</b>	<u>\$ 1,369,793</u>	<u>\$ 10,436</u>	<u>\$ 872,345</u>

Roselle Road TIF	Barrington Higgins TIF	Lakewood TIF	Higgins/ Old Sutton TIF	Higgins/ Hassell TIF	Total
\$ 586,534	\$ 826,674	\$ -	\$ -	\$ 453,944	\$ 1,867,152
-	-	-	-	-	3,324,142
-	-	-	-	-	213,819
1,121	1,057	-	-	103	5,289
11,041	-	-	-	-	50,392
<u>598,696</u>	<u>827,731</u>	<u>-</u>	<u>-</u>	<u>454,047</u>	<u>5,460,794</u>
-	-	-	-	-	440,711
-	-	-	-	-	2,123,975
-	-	1,275	12,285	-	13,560
11,867	3,311	5,350	-	1,640,617	1,876,593
-	-	-	-	224,349	224,349
-	386,793	-	-	-	386,793
<u>11,867</u>	<u>390,104</u>	<u>6,625</u>	<u>12,285</u>	<u>1,864,966</u>	<u>5,065,981</u>
586,829	437,627	(6,625)	(12,285)	(1,410,919)	394,813
-	-	-	-	1,411,186	1,411,186
-	-	9,549	12,285	-	21,834
<u>-</u>	<u>-</u>	<u>9,549</u>	<u>12,285</u>	<u>1,411,186</u>	<u>1,433,020</u>
586,829	437,627	2,924	-	267	1,827,833
<u>1,061,133</u>	<u>173,526</u>	<u>(2,924)</u>	<u>-</u>	<u>11,927</u>	<u>2,696,050</u>
<u>\$ 1,647,962</u>	<u>\$ 611,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,194</u>	<u>\$ 4,523,883</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Motor Fuel Tax Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Intergovernmental	\$ 2,225,000	\$ 3,118,691	\$ 1,711,735
Investment income	3,000	1,153	3,444
Total revenue	<u>2,228,000</u>	<u>3,119,844</u>	<u>1,715,179</u>
<b>Expenditures</b>			
Current			
Highways and streets	<u>2,710,000</u>	<u>2,123,975</u>	<u>1,556,342</u>
<b>Net Change in Fund Balance</b>	<u>\$ (482,000)</u>	995,869	158,837
<b>Fund Balance, January 1</b>		<u>373,924</u>	<u>215,087</u>
<b>Fund Balance, December 31</b>		<u>\$ 1,369,793</u>	<u>\$ 373,924</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Community Development Block Grant Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Intergovernmental	\$ 297,500	\$ 205,451	\$ 213,669
Miscellaneous	-	20,432	-
<b>Total revenues</b>	<u>297,500</u>	<u>225,883</u>	<u>213,669</u>
<b>Expenditures</b>			
Current			
Economic development	297,500	215,448	222,110
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	10,435	(8,441)
<b>Fund Balance, January 1</b>		<u>1</u>	<u>8,442</u>
<b>Fund Balance, December 31</b>		<u>\$ 10,436</u>	<u>\$ 1</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Asset Seizure Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b> <b>Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeits	\$ -	\$ 181,950	\$ 213,819	\$ 646,825
Investment income	4,000	4,000	1,855	9,868
Miscellaneous	-	-	18,919	14,689
Total revenues	<u>4,000</u>	<u>185,950</u>	<u>234,593</u>	<u>671,382</u>
<b>Expenditures</b>				
Current				
Public safety	<u>321,350</u>	<u>503,300</u>	<u>440,711</u>	<u>254,265</u>
<b>Net Change in Fund Balance</b>	<u>\$ (317,350)</u>	<u>\$ (317,350)</u>	(206,118)	417,117
<b>Fund Balance, January 1</b>			<u>1,078,463</u>	<u>661,346</u>
<b>Fund Balance, December 31</b>			<u>\$ 872,345</u>	<u>\$ 1,078,463</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Roselle Road TIF Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Property taxes	\$ 300,000	\$ 586,534	\$ 349,785
Investment income	5,000	1,121	6,634
Miscellaneous	-	11,041	10,000
Total revenues	<u>305,000</u>	<u>598,696</u>	<u>366,419</u>
<b>Expenditures</b>			
Current			
Economic development	<u>915,000</u>	<u>11,867</u>	<u>25,978</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (610,000)</u></u>	586,829	340,441
<b>Fund Balance, January 1</b>		<u>1,061,133</u>	<u>720,692</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 1,647,962</u></u>	<u><u>\$ 1,061,133</u></u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Barrington/Higgins TIF Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b> <b>Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 603,740	\$ 826,680	\$ 826,674	\$ 718,285
Investment income	5,000	5,000	1,057	6,187
Total revenues	<u>608,740</u>	<u>831,680</u>	<u>827,731</u>	<u>724,472</u>
<b>Expenditures</b>				
Current				
Economic development	4,500	3,617	3,311	375,190
Debt service				
Principal retirement	-	-	-	101,447
Interest and fiscal charges	-	386,793	386,793	255,736
Total expenditures	<u>4,500</u>	<u>390,410</u>	<u>390,104</u>	<u>732,373</u>
<b>Net Change in Fund Balance</b>	<u>\$ 604,240</u>	<u>\$ 441,270</u>	437,627	(7,901)
<b>Fund Balance, January 1</b>			<u>173,526</u>	<u>181,427</u>
<b>Fund Balance, December 31</b>			<u>\$ 611,153</u>	<u>\$ 173,526</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Lakewood TIF Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Miscellaneous	\$ 269,700	\$ -	\$ -
<b>Expenditures</b>			
Current			
General government	260,600	1,275	-
Economic development	8,500	5,350	2,924
Total expenditures	<u>269,100</u>	<u>6,625</u>	<u>2,924</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	600	(6,625)	(2,924)
<b>Other Financing Sources (Uses)</b>			
Transfer in	-	9,549	-
<b>Net Change in Fund Balance</b>	<u>\$ 600</u>	2,924	(2,924)
<b>Fund Balance, January 1</b>		<u>(2,924)</u>	-
<b>Fund Balance, December 31</b>		<u>\$ -</u>	<u>\$ (2,924)</u>



**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Higgins/Old Sutton TIF Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
None	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current				
General government	-	12,290	12,285	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(12,290)	(12,285)	-
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	12,285	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (12,290)</u>	-	-
<b>Fund Balance, January 1</b>			-	-
<b>Fund Balance, December 31</b>			<u>\$ -</u>	<u>\$ -</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Higgins/Hassell TIF Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b> <b>Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 300,000	\$ 453,950	\$ 453,944	\$ 368,800
Investment income	500	500	103	1,060
Total revenues	<u>300,500</u>	<u>454,450</u>	<u>454,047</u>	<u>369,860</u>
<b>Expenditures</b>				
Current				
Economic development	4,850	1,641,540	1,640,617	187,319
Debt service				
Principal retirement	-	224,350	224,349	182,075
Total expenditures	<u>4,850</u>	<u>1,865,890</u>	<u>1,864,966</u>	<u>369,394</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	295,650	(1,411,440)	(1,410,919)	466
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	1,411,186	-
<b>Net Change in Fund Balance</b>	<u>\$ 295,650</u>	<u>\$ (1,411,440)</u>	267	466
<b>Fund Balance, January 1</b>			<u>11,927</u>	<u>11,461</u>
<b>Fund Balance, December 31</b>			<u>\$ 12,194</u>	<u>\$ 11,927</u>

## **Nonmajor Debt Service Funds**

**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.

**2017A&B General Obligation Refunding Debt Service Fund** - to account for the accumulation of resources for the payment of bond principal and interest on the 2017A&B general obligation bond issue.

**2018 General Obligation Refunding Debt Service Fund** - to account for the accumulation of resources for the payment of bond principal and interest on the 2018 general obligation bond issue.

**2019 General Obligation Debt Service Fund** - to account for the accumulation of resources for the payment of bond principal and interest on the 2019 general obligation bond issue.

**Village of Hoffman Estates, Illinois**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2020**

	<b>2015B General Obligation Debt Service</b>	<b>2016 General Obligation Refunding Debt Service</b>	<b>2017A&amp;B General Obligation Debt Service</b>
<b>Assets</b>			
Cash and investments	\$ -	\$ 1,462	\$ -
Receivables (net, where applicable, of allowances for uncollectibles)			
Property tax	-	437,040	-
Total assets	\$ -	\$ 438,502	\$ -
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 5,915	\$ -
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property tax	-	436,700	-
Total liabilities and deferred inflows of resources	-	442,615	-
<b>Fund Balances</b>			
Unassigned	-	(4,113)	-
Total fund balances	-	(4,113)	-
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 438,502	\$ -

<b>2018 General Obligation Refunding Debt Service</b>	<b>2019 General Obligation Debt Service</b>	<b>Total</b>
\$ 22,032	\$ -	\$ 23,494
<u>1,057,167</u>	<u>-</u>	<u>1,494,207</u>
<u><u>\$ 1,079,199</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,517,701</u></u>
\$ 173,590	\$ -	\$ 179,505
<u>1,055,880</u>	<u>-</u>	<u>1,492,580</u>
<u>1,229,470</u>	<u>-</u>	<u>1,672,085</u>
<u>(150,271)</u>	<u>-</u>	<u>(154,384)</u>
<u>(150,271)</u>	<u>-</u>	<u>(154,384)</u>
<u><u>\$ 1,079,199</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,517,701</u></u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**Year Ended December 31, 2020**

	<b>2015B General Obligation Debt Service</b>	<b>2016 General Obligation Refunding Debt Service</b>	<b>2017A&amp;B General Obligation Debt Service</b>
<b>Revenues</b>			
Taxes	\$ -	\$ 434,830	\$ -
Charges for services	-	-	-
Investment income	-	91	-
Total revenues	<u>-</u>	<u>434,921</u>	<u>-</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	90,000	105,000	70,000
Interest and fiscal charges	31,575	334,275	109,300
Total expenditures	<u>121,575</u>	<u>439,275</u>	<u>179,300</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(121,575)	(4,354)	(179,300)
<b>Other Financing Sources</b>			
Transfers in	121,575	12,000	179,300
<b>Net Change in Fund Balance</b>	-	7,646	-
<b>Fund Balance, January 1</b>	<u>-</u>	<u>(11,759)</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ (4,113)</u></u>	<u><u>\$ -</u></u>

<b>2018 General Obligation Refunding Debt Service</b>	<b>2019 General Obligation Debt Service</b>	<b>Total</b>
\$ 1,646,779	\$ -	\$ 2,081,609
139,510	-	139,510
401	-	492
<u>1,786,690</u>	<u>-</u>	<u>2,221,611</u>
1,440,000	96,365	1,801,365
1,310,175	39,834	1,825,159
<u>2,750,175</u>	<u>136,199</u>	<u>3,626,524</u>
(963,485)	(136,199)	(1,404,913)
<u>785,420</u>	<u>136,199</u>	<u>1,234,494</u>
(178,065)	-	(170,419)
<u>27,794</u>	<u>-</u>	<u>16,035</u>
<u>\$ (150,271)</u>	<u>\$ -</u>	<u>\$ (154,384)</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2015B General Obligation Debt Service Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
None	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt service			
Principal retirement	90,000	90,000	90,000
Interest and fiscal charges	31,600	31,575	34,275
Total expenditures	<u>121,600</u>	<u>121,575</u>	<u>124,275</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(121,600)	(121,575)	(124,275)
<b>Other Financing Sources</b>			
Transfers in	<u>121,600</u>	<u>121,575</u>	<u>124,275</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	-
<b>Fund Balance, January 1</b>		-	-
<b>Fund Balance, December 31</b>		<u>\$ -</u>	<u>-</u>



**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2016 General Obligation Refunding Debt Service Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Taxes	\$ 438,800	\$ 434,830	\$ 432,077
Investment income	-	91	729
Total revenues	<u>438,800</u>	<u>434,921</u>	<u>432,806</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	105,000	105,000	100,000
Interest and fiscal charges	334,300	334,275	336,275
Total expenditures	<u>439,300</u>	<u>439,275</u>	<u>436,275</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(500)	(4,354)	(3,469)
<b>Other Financing Sources</b>			
Transfers in	-	12,000	-
<b>Net Change in Fund Balance</b>	<u>\$ (500)</u>	7,646	(3,469)
<b>Fund Balance, January 1</b>		<u>(11,759)</u>	<u>(8,290)</u>
<b>Fund Balance, December 31</b>		<u>\$ (4,113)</u>	<u>\$ (11,759)</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2017A&B General Obligation Refunding Debt Service Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
None	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt service			
Principal retirement	70,000	70,000	70,000
Interest and fiscal charges	109,350	109,300	110,700
Total expenditures	<u>179,350</u>	<u>179,300</u>	<u>180,700</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(179,350)	(179,300)	(180,700)
<b>Other Financing Sources</b>			
Transfers in	<u>179,350</u>	<u>179,300</u>	<u>180,700</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	-
<b>Fund Balance, January 1</b>		-	-
<b>Fund Balance, December 31</b>		<u>\$ -</u>	<u>\$ -</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2018 General Obligation Debt Service Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Taxes	\$ 1,661,780	\$ 1,646,779	\$ 1,651,731
Charges for services	300,000	139,510	164,538
Investment income	3,000	401	3,224
Total revenues	<u>1,964,780</u>	<u>1,786,690</u>	<u>1,819,493</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	1,440,000	1,440,000	1,370,000
Interest and fiscal charges	1,310,200	1,310,175	1,378,675
Total expenditures	<u>1,310,200</u>	<u>2,750,175</u>	<u>2,748,675</u>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<u>654,580</u>	<u>(963,485)</u>	<u>(929,182)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>785,420</u>	<u>785,420</u>	<u>934,960</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,440,000</u>	<u>(178,065)</u>	<u>5,778</u>
<b>Fund Balance, January 1</b>		<u>27,794</u>	<u>22,016</u>
<b>Fund Balance, December 31</b>		<u>\$ (150,271)</u>	<u>\$ 27,794</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2019 General Obligation Debt Service Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Taxes	\$ 1,661,780	\$ -	\$ -
Charges for services	300,000	-	-
Investment income	3,000	-	-
Total revenues	<u>1,964,780</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	1,440,000	96,365	-
Interest and fiscal charges	1,310,200	39,834	-
Total expenditures	<u>1,310,200</u>	<u>136,199</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>654,580</u>	<u>(136,199)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>785,420</u>	<u>136,199</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 1,440,000</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, January 1</b>		<u>-</u>	<u>-</u>
<b>Fund Balance, December 31</b>		<u>\$ -</u>	<u>\$ -</u>

## **Nonmajor Capital Projects Funds**

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

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

**Prairie Stone Capital 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.

**2017/2019 Capital Projects Fund** - to account for bond proceeds used to pay qualified project costs related to the Village's 2015B, 2017A and 2019 General Obligation Bonds.

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

**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, 2020**

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Prairie Stone Capital	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee
<b>Assets</b>							
Cash and investments	\$ 126,676	\$ 55,396	\$ 18,400	\$ 1,070,366	\$ 26,549	\$ 547,660	\$ 71,404
Receivables							
Accounts	-	-	-	-	-	-	-
Other	-	-	-	-	-	220,866	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 126,676</u>	<u>\$ 55,396</u>	<u>\$ 18,400</u>	<u>\$ 1,070,366</u>	<u>\$ 26,549</u>	<u>\$ 768,526</u>	<u>\$ 71,404</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 178,253	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-
Deposits payable	125,569	-	-	-	26,316	418,433	71,262
Total liabilities	<u>125,569</u>	<u>-</u>	<u>-</u>	<u>178,253</u>	<u>26,316</u>	<u>418,433</u>	<u>71,262</u>
<b>Fund Balances</b>							
Nonspendable							
Prepaid items	-	-	-	-	-	-	-
Restricted							
Capital projects	-	-	-	-	-	-	-
Assigned							
Capital projects	1,107	55,396	18,400	892,113	233	350,093	142
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,107</u>	<u>55,396</u>	<u>18,400</u>	<u>892,113</u>	<u>233</u>	<u>350,093</u>	<u>142</u>
Total liabilities and fund balances	<u>\$ 126,676</u>	<u>\$ 55,396</u>	<u>\$ 18,400</u>	<u>\$ 1,070,366</u>	<u>\$ 26,549</u>	<u>\$ 768,526</u>	<u>\$ 71,404</u>

Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvements	Stormwater Management	Total
\$ 426,641	\$ 273,850	\$ 989,469	\$ 3,599,295	\$ 44,990	\$ 3,051,353	\$ 396,129	\$ 10,698,178
-	-	-	-	-	-	50,523	50,523
-	-	-	-	324,641	333,348	-	878,855
548,170	-	-	-	-	-	-	548,170
<u>\$ 974,811</u>	<u>\$ 273,850</u>	<u>\$ 989,469</u>	<u>\$ 3,599,295</u>	<u>\$ 369,631</u>	<u>\$ 3,384,701</u>	<u>\$ 446,652</u>	<u>\$ 12,175,726</u>
\$ 256,220	\$ -	\$ -	\$ -	\$ -	\$ 1,956,080	\$ 42,682	\$ 2,433,235
-	-	-	-	-	48,520	-	48,520
-	-	-	3,183,798	-	-	-	3,825,378
256,220	-	-	3,183,798	-	2,004,600	42,682	6,307,133
548,170	-	-	-	-	-	-	548,170
-	-	-	-	44,990	-	-	44,990
170,421	273,850	989,469	415,497	324,641	1,380,101	403,970	5,275,433
-	-	-	-	-	-	-	-
718,591	273,850	989,469	415,497	369,631	1,380,101	403,970	5,868,593
<u>\$ 974,811</u>	<u>\$ 273,850</u>	<u>\$ 989,469</u>	<u>\$ 3,599,295</u>	<u>\$ 369,631</u>	<u>\$ 3,384,701</u>	<u>\$ 446,652</u>	<u>\$ 12,175,726</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2020**

	Central Area Road Improvement Impact Fee	Central Road Corridor Improvement	Traffic Improvement	Prairie Stone Capital	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,534,973	\$ -
Intergovernmental	-	-	-	-	-	98,630	-
Charges for services	-	-	-	2,917	-	-	-
Investment income	82	111	-	7,699	17	1,021	43
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>82</u>	<u>111</u>	<u>-</u>	<u>10,616</u>	<u>17</u>	<u>1,634,624</u>	<u>43</u>
<b>Expenditures</b>							
Capital outlay	-	-	-	1,921,845	-	202,713	182
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,921,845</u>	<u>-</u>	<u>202,713</u>	<u>182</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>82</u>	<u>111</u>	<u>-</u>	<u>(1,911,229)</u>	<u>17</u>	<u>1,431,911</u>	<u>(139)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	534,000	-	74,830	-
Transfers out	-	-	-	(17,500)	-	(1,406,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>516,500</u>	<u>-</u>	<u>(1,331,170)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>82</u>	<u>111</u>	<u>-</u>	<u>(1,394,729)</u>	<u>17</u>	<u>100,741</u>	<u>(139)</u>
<b>Fund Balance, January 1</b>	<u>1,025</u>	<u>55,285</u>	<u>18,400</u>	<u>2,286,842</u>	<u>216</u>	<u>249,352</u>	<u>281</u>
<b>Fund Balance, December 31</b>	<u>\$ 1,107</u>	<u>\$ 55,396</u>	<u>\$ 18,400</u>	<u>\$ 892,113</u>	<u>\$ 233</u>	<u>\$ 350,093</u>	<u>\$ 142</u>



Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvements	Stormwater Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,047,761	\$ -	\$ 3,582,734
192,182	-	-	-	-	132,981	-	423,793
-	-	-	5,555	-	14,696	545,918	569,086
619	842	1,078	36,088	5,518	17,968	209	71,295
-	-	-	-	324,641	-	-	324,641
<u>192,801</u>	<u>842</u>	<u>1,078</u>	<u>41,643</u>	<u>330,159</u>	<u>2,213,406</u>	<u>546,127</u>	<u>4,971,549</u>
1,913,048	-	44,119	-	1,685,437	3,513,721	344,298	9,625,363
-	-	-	-	-	-	30,000	30,000
-	-	-	-	-	-	14,150	14,150
<u>1,913,048</u>	<u>-</u>	<u>44,119</u>	<u>-</u>	<u>1,685,437</u>	<u>3,513,721</u>	<u>388,448</u>	<u>9,669,513</u>
(1,720,247)	842	(43,041)	41,643	(1,355,278)	(1,300,315)	157,679	(4,697,964)
1,151,040	-	700,000	-	-	1,576,000	-	4,035,870
-	-	-	(190,000)	-	-	-	(1,613,500)
<u>1,151,040</u>	<u>-</u>	<u>700,000</u>	<u>(190,000)</u>	<u>-</u>	<u>1,576,000</u>	<u>-</u>	<u>2,422,370</u>
(569,207)	842	656,959	(148,357)	(1,355,278)	275,685	157,679	(2,275,594)
<u>1,287,798</u>	<u>273,008</u>	<u>332,510</u>	<u>563,854</u>	<u>1,724,909</u>	<u>1,104,416</u>	<u>246,291</u>	<u>8,144,187</u>
<u>\$ 718,591</u>	<u>\$ 273,850</u>	<u>\$ 989,469</u>	<u>\$ 415,497</u>	<u>\$ 369,631</u>	<u>\$ 1,380,101</u>	<u>\$ 403,970</u>	<u>\$ 5,868,593</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Central Area Road Improvement Impact Fee Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Investment income	\$ -	\$ 82	\$ 718
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	82	718
<b>Fund Balance, January 1</b>		<u>1,025</u>	<u>307</u>
<b>Fund Balance, December 31</b>		<u>\$ 1,107</u>	<u>\$ 1,025</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Central Road Corridor Improvement Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Investment income	\$ 600	\$ 111	\$ 3,834
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ 600</u>	111	3,834
<b>Fund Balance, January 1</b>		<u>55,285</u>	<u>51,451</u>
<b>Fund Balance, December 31</b>		<u>\$ 55,396</u>	<u>\$ 55,285</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Traffic Improvement Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Investment income	\$ -	\$ -	\$ 2,748
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	-	2,748
<b>Fund Balance, January 1</b>		<u>18,400</u>	<u>15,652</u>
<b>Fund Balance, December 31</b>		<u>\$ 18,400</u>	<u>\$ 18,400</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Prairie Stone Capital Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Charges for services	\$ -	\$ 2,917	\$ 46,949
Investment income	10,000	7,699	50,466
Total revenues	<u>10,000</u>	<u>10,616</u>	<u>97,415</u>
<b>Expenditures</b>			
Capital outlay	<u>1,921,850</u>	<u>1,921,845</u>	<u>92,430</u>
<b>Excess (Deficiency) of Revenues</b> <b>Over Expenditures</b>	<u>(1,911,850)</u>	<u>(1,911,229)</u>	<u>4,985</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital asset	-	-	890,146
Transfers in	-	534,000	-
Transfers out	(50,000)	(17,500)	(20,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>516,500</u>	<u>870,146</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,961,850)</u>	<u>(1,394,729)</u>	<u>875,131</u>
<b>Fund Balance, January 1</b>		<u>2,286,842</u>	<u>1,411,711</u>
<b>Fund Balance, December 31</b>		<u>\$ 892,113</u>	<u>\$ 2,286,842</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Western Area Traffic Improvement Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	2020		2019 Actual
	Original and Final Budget	Actual	
<b>Revenues</b>			
Investment income	\$ -	\$ 17	\$ 147
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	\$ -	17	147
<b>Fund Balance, January 1</b>		216	69
<b>Fund Balance, December 31</b>		\$ 233	\$ 216

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Capital Improvements Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Taxes	\$ 1,565,000	\$ 1,534,973	\$ 1,613,561
Intergovernmental	380,000	98,630	46,615
Investment income	4,000	1,021	11,128
Total revenues	<u>1,949,000</u>	<u>1,634,624</u>	<u>1,671,304</u>
<b>Expenditures</b>			
Capital outlay	<u>743,150</u>	<u>202,713</u>	<u>255,216</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,205,850</u>	<u>1,431,911</u>	<u>1,416,088</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	178,600	74,830	48,750
Transfers out	<u>(1,450,000)</u>	<u>(1,406,000)</u>	<u>(1,386,000)</u>
Total other financing sources (uses)	<u>(1,271,400)</u>	<u>(1,331,170)</u>	<u>(1,337,250)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (65,550)</u>	100,741	78,838
<b>Fund Balance, January 1</b>		<u>249,352</u>	<u>170,514</u>
<b>Fund Balance, December 31</b>		<u>\$ 350,093</u>	<u>\$ 249,352</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Western Area Road Improvement Impact Fee Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	2020		Actual	2019 Actual
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 182
Investment income	-	-	43	281
Total revenues	<u>-</u>	<u>-</u>	<u>43</u>	<u>463</u>
<b>Expenditures</b>				
Capital outlay	-	190	182	182
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (190)</u>	(139)	281
<b>Fund Balance, January 1</b>			<u>281</u>	<u>-</u>
<b>Fund Balance, December 31</b>			<u>\$ 142</u>	<u>\$ 281</u>



**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Capital Vehicle and Equipment Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b> <b>Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 192,180	\$ 192,182	\$ -
Investment income	2,000	2,000	619	4,296
Other income	-	-	-	5,760
Total revenues	<u>2,000</u>	<u>194,180</u>	<u>192,801</u>	<u>10,056</u>
<b>Expenditures</b>				
Capital outlay	<u>1,596,910</u>	<u>1,913,160</u>	<u>1,913,048</u>	<u>645,131</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,594,910)	(1,718,980)	(1,720,247)	(635,075)
<b>Other Financing Sources</b>				
Transfers in	<u>1,596,910</u>	<u>1,596,910</u>	<u>1,151,040</u>	<u>1,837,025</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,000</u>	<u>\$ (122,070)</u>	(569,207)	1,201,950
<b>Fund Balance, January 1</b>			<u>1,287,798</u>	<u>85,848</u>
<b>Fund Balance, December 31</b>			<u>\$ 718,591</u>	<u>\$ 1,287,798</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Hoffman Boulevard Bridge Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues</b>				
Investment income	\$ 5,000	\$ 842	\$	7,756
<b>Expenditures</b>				
Capital outlay	52,000	-		33,412
<b>Net Change in Fund Balance</b>	<b>\$ (47,000)</b>	842		(25,656)
<b>Fund Balance, January 1</b>		273,008		298,664
<b>Fund Balance, December 31</b>		<b>\$ 273,850</b>	\$	<b>273,008</b>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Capital Replacement Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Investment income	\$ 5,000	\$ 1,078	\$ 8,299
<b>Expenditures</b>			
Capital outlay	48,000	44,119	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(43,000)</u>	<u>(43,041)</u>	<u>8,299</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	700,000	700,000	-
Transfers out	-	-	(300,000)
Total other financing sources (uses)	<u>700,000</u>	<u>700,000</u>	<u>(300,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 657,000</u>	656,959	(291,701)
<b>Fund Balance, January 1</b>		<u>332,510</u>	<u>624,211</u>
<b>Fund Balance, December 31</b>		<u>\$ 989,469</u>	<u>\$ 332,510</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Western Corridor Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Revenues</b>			
Investment income	\$ 50,000	\$ 36,088	\$ 93,356
Charges for services	-	5,555	-
Total revenues	<u>50,000</u>	<u>41,643</u>	<u>93,356</u>
<b>Expenditures</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	50,000	41,643	93,356
<b>Other Financing Sources (Uses)</b>			
Transfers out	<u>(280,000)</u>	<u>(190,000)</u>	<u>(60,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (280,000)</u>	(148,357)	33,356
<b>Fund Balance, January 1</b>		<u>563,854</u>	<u>530,498</u>
<b>Fund Balance, December 31</b>		<u>\$ 415,497</u>	<u>\$ 563,854</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**2017/2019 Capital Projects Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	2020			2019 Actual
	Original Budget	Original and Final Budget	Actual	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 5,518	\$ 5,078
Miscellaneous	-	-	324,641	-
Total revenues	<u>-</u>	<u>-</u>	<u>330,159</u>	<u>5,078</u>
<b>Expenditures</b>				
Capital outlay	-	1,685,440	1,685,437	-
Bond issuance cost	-	-	-	8,114
Total expenditures	<u>-</u>	<u>1,685,440</u>	<u>1,685,437</u>	<u>8,114</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(1,685,440)	(1,355,278)	(3,036)
<b>Other Financing Sources</b>				
Bonds issued	-	-	-	1,727,945
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (1,685,440)</u>	(1,355,278)	1,724,909
<b>Fund Balance, January 1</b>			<u>1,724,909</u>	<u>-</u>
<b>Fund Balance, December 31</b>			<u>\$ 369,631</u>	<u>\$ 1,724,909</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Road Improvement Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019</b> <b>Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Taxes	\$ 2,225,000	\$ 2,047,761	\$ 2,119,325
Intergovernmental	855,000	132,981	240,905
Charges for services	-	14,696	2,929
Investment income	20,000	17,968	73,658
Total revenues	<u>3,100,000</u>	<u>2,213,406</u>	<u>2,436,817</u>
<b>Expenditures</b>			
Capital outlay	<u>6,036,610</u>	<u>3,513,721</u>	<u>4,441,180</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,936,610)	(1,300,315)	(2,004,363)
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>2,156,610</u>	<u>1,576,000</u>	<u>1,605,300</u>
<b>Net Change in Fund Balance</b>	<u>\$ (780,000)</u>	275,685	(399,063)
<b>Fund Balance, January 1</b>		<u>1,104,416</u>	<u>1,503,479</u>
<b>Fund Balance, December 31</b>		<u>\$ 1,380,101</u>	<u>\$ 1,104,416</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Stormwater Management Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>			
Charges for services	\$ 535,000	\$ 545,918	\$ 539,944
Investment income	2,000	209	1,991
Total revenues	<u>537,000</u>	<u>546,127</u>	<u>541,935</u>
<b>Expenditures</b>			
Capital outlay	1,020,000	344,298	612,946
Debt service			
Principal retirement	30,000	30,000	30,000
Interest and fiscal charges	14,150	14,150	15,050
Total expenditures	<u>1,064,150</u>	<u>388,448</u>	<u>657,996</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(527,150)	157,679	(116,061)
<b>Other Financing Sources</b>			
Transfers in	-	-	80,000
<b>Net Change in Fund Balance</b>	<u>\$ (527,150)</u>	157,679	(36,061)
<b>Fund Balance, January 1</b>		<u>246,291</u>	<u>282,352</u>
<b>Fund Balance, December 31</b>		<u>\$ 403,970</u>	<u>\$ 246,291</u>

## **Major Enterprise Funds**



**Village of Hoffman Estates, Illinois**  
**Statement of Net Position**  
**Waterworks and Sewerage Fund**  
**December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 8,700,093	\$ 7,202,590
Receivables		
Accounts - billed	1,589,369	1,578,676
Accounts - unbilled	1,501,120	1,535,211
Accounts - other invoices	1,840	2,078
Accrued interest	-	3,248
Inventories	117,777	154,667
Restricted cash	4,278,213	12,204,432
Total current assets	16,188,412	22,680,902
<b>Capital Assets</b>		
Not depreciated	1,652,119	675,961
Depreciated	63,381,956	60,958,254
Accumulated depreciation	(35,932,384)	(34,538,499)
Net capital assets	29,101,691	27,095,716
Total assets	45,290,103	49,776,618
<b>Deferred Outflows of Resources</b>		
Pension items - IMRF	916,275	2,039,269
OPEB items	466,564	449,036
Asset retirement obligation	332,710	-
Unamortized loss on refunding	238,484	251,983
Total deferred outflows of resources	1,954,033	2,740,288
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	1,307,581	1,166,599
Accrued payroll	42,277	161,224
Accrued interest payable	60,513	63,756
Deposits payable	-	27,917
General obligation bonds payable	1,052,185	1,015,455
Total OPEB liability	61,367	58,012
Compensated absences payable	183,912	157,615
Termination benefits payable	5,600	-
Total current liabilities	2,713,435	2,650,578

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position**  
**Waterworks and Sewerage Fund**  
**December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Long-Term Liabilities</b>		
General obligation bonds payable	\$ 21,731,503	\$ 22,837,812
IEPA Loans	405,747	-
Net pension liability	1,685,561	3,405,492
Total OPEB liability	1,649,322	1,963,375
Compensated absences payable	196,824	183,432
Asset retirement obligation	339,500	-
Total long-term liabilities	26,008,457	28,390,111
Total liabilities	28,721,892	31,040,689
<b>Deferred Inflows of Resources</b>		
Pension Items - IMRF	911,253	311,308
OPEB items	477,162	122,158
Total deferred inflows of resources	1,388,415	433,466
<b>Net Position</b>		
Net investment in capital assets	10,232,342	15,607,091
Restricted for		
Capital improvements	4,278,213	12,204,432
Unrestricted	2,623,274	(6,768,772)
Total net position	\$ 17,133,829	\$ 21,042,751

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**Budget and Actual – Budgetary Basis**  
**Waterworks and Sewerage Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	2020		2019 Actual
	Original Budget	Final Budget	
<b>Operating Revenues</b>			
Charges for services	\$ 19,516,000	\$ 19,516,000	\$ 19,472,378
<b>Operating Expenses Excluding Depreciation</b>			
Water division	16,704,490	23,670,960	24,342,118
Sewer division	5,006,850	5,006,850	2,524,154
Total operating expenses excluding depreciation	21,711,340	28,677,810	26,866,272
<b>Operating Income (Loss)</b>	(2,195,340)	(9,161,810)	(7,393,894)
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	110,000	110,000	62,810
Interest expense	(887,400)	(887,400)	(727,994)
Principal expense	(560,000)	(560,000)	(1,015,455)
Loss on sale of capital assets	-	-	(9,111)
Loan proceeds	-	-	405,747
Miscellaneous revenue	-	1,932,600	2,214,426
Bonds issued, at par	7,897,905	7,897,905	-
Total nonoperating revenues (expenses)	6,560,505	8,493,105	930,423
<b>Net Income Before Transfers and Contributions</b>	4,365,165	(668,705)	(6,463,471)
<b>Transfers</b>			
Transfers out	(16,500)	(16,500)	(17,330)
<b>Change in Net Position (Budgetary Basis)</b>	\$ 4,348,665	\$ (685,205)	(6,480,801)
<b>Adjustments to GAAP Basis</b>			
Additions to capital assets			\$ 3,453,926
Loan Proceeds			(405,747)
Depreciation			(1,438,840)
Pension expense			(3,009)
OPEB expense			(44,306)
Termination benefit expense			(5,600)
Bond issuance			-
Principal retirement			(7,897,905)
Total adjustments to GAAP basis			560,000
<b>Change in Net Position (GAAP Basis)</b>			2,571,879
<b>Net Position, January 1</b>			(8,201,543)
<b>Net Position, December 31</b>			(3,908,922)
<b>Net Position, January 1</b>			412,751
<b>Net Position, December 31</b>			21,042,751
			20,630,000
			\$ 17,133,829
			\$ 21,042,751

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position**  
**NOW Arena Operating Fund**  
**December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 1,253,159	\$ 2,690,380
Receivables (net, where applicable, of allowances)		
Accounts	62,706	102,385
Accrued interest	-	2,295
Other	699,239	1,109,095
Prepaid items	163,019	26,648
Total current assets	2,178,123	3,930,803
<b>Capital Assets</b>		
Not depreciated	6,000,000	6,000,000
Depreciated	78,835,243	78,731,331
Accumulated depreciation	(24,382,005)	(22,533,445)
Net capital assets	60,453,238	62,197,886
<b>Deferred Outflows of Resources</b>		
Unamortized loss on refunding	762,372	850,355
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	334,454	1,491,192
Accrued interest payable	128,804	132,394
Due to other funds	530,435	-
Unearned revenue	779,922	771,983
General obligation bonds payable	1,955,000	1,915,000
Total current liabilities	3,728,615	4,310,569
<b>Long-Term Liabilities</b>		
General obligation bonds payable, net of premium	33,605,607	35,535,265
Total liabilities	37,334,222	39,845,834
<b>Net Position</b>		
Net investment in capital assets	25,655,003	25,597,976
Unrestricted	404,508	1,535,234
Total net position	\$ 26,059,511	\$ 27,133,210

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**Budget and Actual – Budgetary Basis**  
**NOW Arena Operating Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>Actual</b>	<b>2019 Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Operating Revenues</b>				
Charges for services	\$ 10,510,060	\$ 10,510,060	\$ 2,528,510	\$ 11,156,948
<b>Operating Expenses Excluding Depreciation</b>				
NOW Arena	11,563,410	11,638,410	4,481,275	11,842,372
<b>Operating Loss</b>	<u>(1,053,350)</u>	<u>(1,128,350)</u>	<u>(1,952,765)</u>	<u>(685,424)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Entertainment and food tax	2,561,540	2,561,540	1,739,637	2,662,088
Charges for services	70,040	70,040	70,121	68,079
Investment income	19,000	19,000	6,422	23,951
Principal retirement	(1,915,000)	(1,915,000)	(1,915,000)	(1,825,000)
Interest expense	(1,588,740)	(1,588,740)	(1,698,464)	(1,737,606)
Sale of fixed assets	-	-	-	(37,220)
Miscellaneous revenue	675,000	750,000	1,229,633	822,143
Total nonoperating expenses	<u>(178,160)</u>	<u>(103,160)</u>	<u>(567,651)</u>	<u>(23,565)</u>
<b>Net Income Before Transfers and Contributions</b>	(1,231,510)	(1,231,510)	(2,520,416)	(708,989)
<b>Transfers</b>				
Transfers in	1,020,000	1,020,000	1,255,519	700,000
<b>Contributions</b>				
Intergovernmental	75,000	75,000	20,846	37,423
<b>Change in Net Position (Budgetary Basis)</b>	<u>\$ (136,510)</u>	<u>\$ (136,510)</u>	<u>\$ (1,244,051)</u>	<u>\$ 28,434</u>
<b>Adjustments to GAAP Basis</b>				
Additions to capital assets			\$ 306,263	\$ 62,822
Depreciation			(2,050,911)	(2,374,644)
Principal retirement			1,915,000	1,825,000
Total adjustments to GAAP basis			<u>170,352</u>	<u>(486,822)</u>
<b>Change in Net Position (GAAP Basis)</b>			(1,073,699)	(458,388)
<b>Net Position, January 1</b>			<u>27,133,210</u>	<u>27,591,598</u>
<b>Net Position, December 31</b>			<u>\$ 26,059,511</u>	<u>\$ 27,133,210</u>

## **Internal Service Funds**

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

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

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2020**

	Information Systems	Insurance	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,263,931	\$ 2,855,656	\$ 4,119,587
Receivables			
Accounts	-	273	273
Deposits	-	55,000	55,000
Total current assets	<u>1,263,931</u>	<u>2,910,929</u>	<u>4,174,860</u>
<b>Capital Assets</b>			
Depreciated	457,054	-	457,054
Accumulated depreciation	(184,325)	-	(184,325)
Net capital assets	<u>272,729</u>	<u>-</u>	<u>272,729</u>
Total assets	<u>1,536,660</u>	<u>2,910,929</u>	<u>4,447,589</u>
<b>Deferred Outflows of Resources</b>			
Pension items - IMRF	152,712	-	152,712
OPEB items	93,313	-	93,313
Total deferred outflows of resources	<u>246,025</u>	<u>-</u>	<u>246,025</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	59,830	78,129	137,959
Accrued payroll	25,507	1,452	26,959
Claims payable	-	1,029,044	1,029,044
Benefits payable	-	628,440	628,440
Compensated absences payable	58,852	5,880	64,732
Total OPEB liability	11,833	-	11,833
Total current liabilities	<u>156,022</u>	<u>1,742,945</u>	<u>1,898,967</u>
<b>Long-Term liabilities</b>			
Net pension liability	280,927	-	280,927
Total OPEB liability	330,306	-	330,306
Total long-term liabilities	<u>611,233</u>	<u>-</u>	<u>611,233</u>
Total liabilities	<u>767,255</u>	<u>1,742,945</u>	<u>2,510,200</u>
<b>Deferred Inflows of Resources</b>			
Pension items - IMRF	151,875	-	151,875
OPEB items	95,433	-	95,433
Total deferred inflows of resources	<u>247,308</u>	<u>-</u>	<u>247,308</u>
<b>Net Position</b>			
Net investment in capital assets	272,729	-	272,729
Unrestricted	495,393	1,167,984	1,663,377
Total net position	<u>\$ 768,122</u>	<u>\$ 1,167,984</u>	<u>\$ 1,936,106</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended December 31, 2020**

	<b>Information Systems</b>	<b>Insurance</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,634,413	\$ 1,422,960	\$ 3,057,373
<b>Operating Expenses</b>			
Operations	1,642,443	133,545	1,775,988
Claims and insurance	-	1,588,443	1,588,443
Depreciation	25,279	-	25,279
Total operating expenses	<u>1,667,722</u>	<u>1,721,988</u>	<u>3,389,710</u>
<b>Operating Income (Loss)</b>	<u>(33,309)</u>	<u>(299,028)</u>	<u>(332,337)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Miscellaneous	5,692	-	5,692
Terminal reserve	-	123,793	123,793
Investment income	3,604	18,926	22,530
Total nonoperating revenues (expenses)	<u>9,296</u>	<u>142,719</u>	<u>152,015</u>
<b>Income (Loss) Before Transfers</b>	<u>(24,013)</u>	<u>(156,309)</u>	<u>(180,322)</u>
<b>Transfers</b>			
Transfers in	<u>85,111</u>	<u>-</u>	<u>85,111</u>
<b>Change in Net Position</b>	61,098	(156,309)	(95,211)
<b>Net Position, January 1</b>	<u>707,024</u>	<u>1,324,293</u>	<u>2,031,317</u>
<b>Net Position, December 31</b>	<u>\$ 768,122</u>	<u>\$ 1,167,984</u>	<u>\$ 1,936,106</u>



**Village of Hoffman Estates, Illinois**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended December 31, 2020**

	<b>Information System</b>	<b>Insurance</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from interfund services transactions	\$ 1,639,734	\$ 1,422,960	\$ 3,062,694
Payments to suppliers	(673,947)	(1,057,939)	(1,731,886)
Payments to employees for services	(966,895)	(275,535)	(1,242,430)
Net cash provided by (used in) operating activities	<u>(1,108)</u>	<u>89,486</u>	<u>88,378</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers in	85,111	-	85,111
Terminal reserve	-	123,793	123,793
Net cash from noncapital financing activities	<u>85,111</u>	<u>123,793</u>	<u>208,904</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Capital assets purchased	(51,035)	-	(51,035)
Proceeds from sale of capital assets	5,692	-	5,692
Net cash used in capital and related financing activities	<u>(45,343)</u>	<u>-</u>	<u>(45,343)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	14,264	45,512	59,776
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	52,924	258,791	311,715
<b>Cash and Cash Equivalents</b>			
January 1	<u>1,211,007</u>	<u>2,596,865</u>	<u>3,807,872</u>
December 31	<u>\$ 1,263,931</u>	<u>\$ 2,855,656</u>	<u>\$ 4,119,587</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>			
Operating income (loss)	\$ (33,309)	\$ (299,028)	\$ (332,337)
Items not requiring (providing) cash			
Depreciation	25,279	-	25,279
Deferred outflows of resources - pension	187,166	-	187,166
Deferred outflows of resources - OPEB	(3,506)	-	(3,506)
Net pension liabilities	(286,655)	-	(286,655)
Total OPEB liability	(62,139)	-	(62,139)
Deferred inflows of resources - pension	99,991	-	99,991
Deferred inflows of resources - OPEB	71,001	-	71,001
Changes in			
Receivables	5,321	-	5,321
Prepaid expenses	1,224	-	1,224
Accounts payable	(14,970)	47,817	32,847
Accrued payroll	(8,664)	(3,394)	(12,058)
Claims payable	-	214,238	214,238
Benefits payable	-	128,550	128,550
Compensated absences payable	18,153	1,303	19,456
Net cash used in operating activities	<u>\$ (1,108)</u>	<u>\$ 89,486</u>	<u>\$ 88,378</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**Budget and Actual – Budgetary Basis**  
**Information Systems Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<u>2020</u>		<u>2019</u> <u>Actual</u>
	<u>Original and</u> <u>Final</u> <u>Budget</u>	<u>Actual</u>	
<b>Operating Revenues</b>			
Charges for services	1,653,900	\$ 1,634,413	\$ 1,747,990
<b>Operating Expenses Excluding Depreciation</b>			
Operations	<u>2,532,740</u>	<u>1,636,585</u>	<u>1,592,060</u>
<b>Operating Income (Loss)</b>	<u>(878,840)</u>	<u>(2,172)</u>	<u>155,930</u>
<b>Nonoperating Revenues (Expenses)</b>			
Miscellaneous	6,500	5,692	(40,856)
Investment income	15,000	3,604	26,145
Total nonoperating revenues (expenses)	<u>21,500</u>	<u>9,296</u>	<u>(14,711)</u>
<b>Income (Loss) Before Transfers</b>	(857,340)	7,124	141,219
<b>Transfers</b>			
Transfers in	<u>82,080</u>	<u>85,111</u>	<u>116,414</u>
<b>Change in Net Position (Budgetary Basis)</b>	<u>(775,260)</u>	<u>92,235</u>	<u>257,633</u>
<b>Adjustments to GAAP Basis</b>			
Depreciation		(25,279)	(24,099)
Pension expense		(502)	21,043
OPEB expense		<u>(5,356)</u>	<u>261</u>
Total adjustments to GAAP basis		<u>(31,137)</u>	<u>(2,795)</u>
<b>Change in Net Position (GAAP) Basis</b>		<u>61,098</u>	<u>254,838</u>
<b>Net Position, January 1</b>		707,024	452,186
<b>Net Position, December 31</b>		<u>\$ 768,122</u>	<u>\$ 707,024</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Net Position – By Program**  
**Insurance Fund**  
**December 31, 2020**  
**(With Comparative Actual for 2019)**

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2020	2019
<b>Assets</b>						
Cash and investments	\$ 8,074	\$ 636,484	\$ 1,399,432	\$ 811,666	\$ 2,855,656	\$ 2,596,865
Receivables						
Accounts	-	273	-	-	273	273
Accrued interest	-	-	-	-	-	26,586
Deposits	-	-	45,000	10,000	55,000	55,000
Total assets	<u>8,074</u>	<u>636,757</u>	<u>1,444,432</u>	<u>821,666</u>	<u>2,910,929</u>	<u>2,678,724</u>
<b>Liabilities</b>						
Accounts payable	-	8,317	64,050	5,762	78,129	30,312
Compensated absences payable	5,880	-	-	-	5,880	4,577
Accrued payroll	1,452	-	-	-	1,452	4,846
Claims payable	-	-	575,274	453,770	1,029,044	814,806
Benefits payable	-	628,440	-	-	628,440	499,890
Total liabilities	<u>7,332</u>	<u>636,757</u>	<u>639,324</u>	<u>459,532</u>	<u>1,742,945</u>	<u>1,354,431</u>
<b>Net Position</b>						
Unrestricted	<u>\$ 742</u>	<u>\$ -</u>	<u>\$ 805,108</u>	<u>\$ 362,134</u>	<u>\$ 1,167,984</u>	<u>\$ 1,324,293</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**Budget and Actual**  
**Insurance Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>		<b>2019 Actual</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	
<b>Operating Revenues</b>			
Charges for services	\$ 1,481,200	\$ 1,422,960	\$ 1,318,520
<b>Operating Expenses</b>			
Claims and insurance	1,627,870	1,588,443	1,942,479
Operations	153,640	133,545	146,411
Total operating expense	<u>1,781,510</u>	<u>1,721,988</u>	<u>2,088,890</u>
<b>Operating Income (Loss)</b>	<u>(300,310)</u>	<u>(299,028)</u>	<u>(770,370)</u>
<b>Nonoperating Revenues</b>			
Terminal reserve	106,670	123,793	241,300
Investment income	40,000	18,926	64,056
Total nonoperating revenues	<u>146,670</u>	<u>142,719</u>	<u>305,356</u>
<b>Income (Loss) Before Transfers</b>	(153,640)	(156,309)	(465,014)
<b>Transfers</b>			
Transfers out	-	-	(150,000)
<b>Change in Net Position</b>	<u>\$ (153,640)</u>	(156,309)	(615,014)
<b>Net Position, January 1</b>		<u>1,324,293</u>	<u>1,939,307</u>
<b>Net Position, December 31</b>		<u>\$ 1,167,984</u>	<u>\$ 1,324,293</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**By Program**  
**Insurance Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2020	2019
<b>Operating Revenues</b>						
Charges for services	\$ 134,773	\$ -	\$ 562,793	\$ 725,394	\$ 1,422,960	1,318,520
<b>Operating Expenses</b>						
Claims and insurance	1,302	165,491	676,019	745,631	1,588,443	1,942,479
Operations	133,545	-	-	-	133,545	146,411
Total operating expenses	134,847	165,491	676,019	745,631	1,721,988	2,088,890
<b>Operating Income (Loss)</b>	(74)	(165,491)	(113,226)	(20,237)	(299,028)	(770,370)
<b>Nonoperating Revenues</b>						
Miscellaneous	-	-	-	-	-	-
Terminal reserve	-	123,793	-	-	123,793	241,300
Investment income	74	3,629	9,493	5,730	18,926	64,056
Total nonoperating revenues	74	127,422	9,493	5,730	142,719	305,356
<b>Income (Loss) Before Transfers</b>	-	(38,069)	(103,733)	(14,507)	(156,309)	(465,014)
<b>Transfers</b>						
Transfers in	-	38,069	-	-	38,069	30,438
Transfers out	-	-	-	(38,069)	(38,069)	(180,438)
Total transfers	-	38,069	-	(38,069)	-	(150,000)
<b>Change in Net Position</b>	-	-	(103,733)	(52,576)	(156,309)	(615,014)
<b>Net Position, January 1</b>	742	-	908,841	414,710	1,324,293	1,939,307
<b>Net Position, December 31</b>	\$ 742	\$ -	\$ 805,108	\$ 362,134	\$ 1,167,984	\$ 1,324,293

# 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.

## ***Custodial 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.

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**December 31, 2020**

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>Assets</b>			
Cash and short-term investments	\$ 11,001	\$ 8,932	\$ 19,933
Investments, at fair value			
U.S. Treasury securities	3,259,371	4,988,713	8,248,084
U.S. agency securities	5,135,793	10,266,027	15,401,820
Corporate bonds	12,693,877	15,993,784	28,687,661
Municipal bonds	593,390	382,365	975,755
Mutual funds	60,884,383	44,749,046	105,633,429
Money market mutual funds	2,419,847	3,157,804	5,577,651
Equities	-	26,063,393	26,063,393
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	124,709	177,965	302,674
Prepaid expenses	4,935	6,197	11,132
Total assets	85,127,306	105,794,226	190,921,532
<b>Liabilities</b>			
Accounts payable	21,793	26,185	47,978
<b>Net Position Restricted for Pensions</b>	<b>\$ 85,105,513</b>	<b>\$ 105,768,041</b>	<b>\$ 190,873,554</b>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>Pensions Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>Additions</b>			
Contributions			
Employer contributions	\$ 4,324,074	\$ 3,688,506	\$ 8,012,580
Employee contributions	874,298	927,910	1,802,208
Total contributions	<u>5,198,372</u>	<u>4,616,416</u>	<u>9,814,788</u>
Investment income			
Net appreciation in fair value of investments	4,938,445	11,087,795	16,026,240
Investment income	<u>1,715,065</u>	<u>3,181,799</u>	<u>4,896,864</u>
Total investment income	6,653,510	14,269,594	20,923,104
Less investment expense	<u>(95,630)</u>	<u>(278,259)</u>	<u>(373,889)</u>
Net investment income	<u>6,557,880</u>	<u>13,991,335</u>	<u>20,549,215</u>
Total additions	<u>11,756,252</u>	<u>18,607,751</u>	<u>30,364,003</u>
<b>Deductions</b>			
Benefits and refunds	7,245,992	6,188,024	13,434,016
Miscellaneous	<u>50,174</u>	<u>48,314</u>	<u>98,488</u>
Total deductions	<u>7,296,166</u>	<u>6,236,338</u>	<u>13,532,504</u>
<b>Net Increase</b>	4,460,086	12,371,413	16,831,499
<b>Net Position Restricted for Pensions</b>			
January 1	<u>80,645,427</u>	<u>93,396,628</u>	<u>174,042,055</u>
December 31	<u>\$ 85,105,513</u>	<u>\$ 105,768,041</u>	<u>\$ 190,873,554</u>



**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in Fiduciary Net Position – Budget and Actual**  
**Police Pension Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	<b>2020</b>			<b>2019</b> <b>Actual</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Additions</b>				
Contributions				
Employer contributions				
Taxes	\$ 4,358,900	\$ 4,358,900	\$ 4,308,886	\$ 3,768,397
Intergovernmental	13,400	13,400	15,188	16,945
Employee contributions	850,000	850,000	874,298	827,082
Total contributions	<u>5,222,300</u>	<u>5,222,300</u>	<u>5,198,372</u>	<u>4,612,424</u>
Investment income				
Net appreciation (depreciation) in fair value of investments	250,000	250,000	4,938,445	9,270,420
Investment income	600,000	1,135,310	1,715,065	2,505,795
Total investment income	850,000	1,385,310	6,653,510	11,776,215
Less investment expense	(95,000)	(95,630)	(95,630)	(100,418)
Net investment income	<u>755,000</u>	<u>1,289,680</u>	<u>6,557,880</u>	<u>11,675,797</u>
Total additions	<u>5,977,300</u>	<u>6,511,980</u>	<u>11,756,252</u>	<u>16,288,221</u>
<b>Deductions</b>				
Benefits and refunds	6,716,680	7,245,920	7,245,992	6,685,809
Miscellaneous	45,730	51,170	50,174	51,852
Total deductions	<u>6,762,410</u>	<u>7,297,090</u>	<u>7,296,166</u>	<u>6,737,661</u>
<b>Net Increase (Decrease)</b>	<u>\$ (785,110)</u>	<u>\$ (785,110)</u>	4,460,086	9,550,560
<b>Net Position Restricted for Pensions</b>				
January 1			<u>80,645,427</u>	<u>71,094,867</u>
December 31			<u>\$ 85,105,513</u>	<u>\$ 80,645,427</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in Fiduciary Net Position – Budget and Actual**  
**Firefighters’ Pension Fund**  
**Year Ended December 31, 2020**  
**(With Comparative Actual for 2019)**

	2020			2019 Actual
	Original Budget	Final Budget	Actual	
<b>Additions</b>				
Contributions				
Employer contributions				
Taxes	\$ 3,720,890	\$ 3,720,890	\$ 3,673,318	\$ 3,352,983
Intergovernmental	13,400	13,400	15,188	16,945
Employee contributions	903,500	903,500	927,910	943,556
Total contributions	<u>4,637,790</u>	<u>4,637,790</u>	<u>4,616,416</u>	<u>4,313,484</u>
Investment income				
Net appreciation (depreciation) in fair value of investments	400,000	400,000	11,087,795	14,159,463
Investment income	850,000	1,165,540	3,181,799	2,679,854
Total investment income	<u>1,250,000</u>	<u>1,565,540</u>	<u>14,269,594</u>	<u>16,839,317</u>
Less investment expense	<u>(200,000)</u>	<u>(278,260)</u>	<u>(278,259)</u>	<u>(164,958)</u>
Net investment income	<u>1,050,000</u>	<u>1,287,280</u>	<u>13,991,335</u>	<u>16,674,359</u>
Total additions	<u>5,687,790</u>	<u>5,925,070</u>	<u>18,607,751</u>	<u>20,987,843</u>
<b>Deductions</b>				
Benefits and refunds	5,950,760	6,188,040	6,188,024	5,691,006
Miscellaneous	58,500	58,500	48,314	52,787
Total deductions	<u>6,009,260</u>	<u>6,246,540</u>	<u>6,236,338</u>	<u>5,743,793</u>
<b>Net Increase (Decrease)</b>	<u>\$ (321,470)</u>	<u>\$ (321,470)</u>	12,371,413	15,244,050
<b>Net Position Restricted for Pensions</b>				
January 1			<u>93,396,628</u>	<u>78,152,578</u>
December 31			<u>\$ 105,768,041</u>	<u>\$ 93,396,628</u>

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position – Custodial Fund**  
**EDA Special Tax Allocation Fund**  
**December 31, 2020**

	<u>Custodial Fund</u>
<b>Assets</b>	
Cash and investments	\$ 11,470,756
<b>Liabilities</b>	
None	<u>-</u>
<b>Net Position</b>	
Restricted for Economic Development	<u>\$ 11,470,756</u>

**Village of Hoffman Estates, Illinois**  
**Statement of Changes in Net Position – Custodial Fund**  
**EDA Special Tax Allocation Fund**  
**Year Ended December 31, 2020**

	<b>Custodial Fund</b>
<b>Additions</b>	
Property taxes	\$ 10,939,420
Investment income	35,393
	10,974,813
 <b>Deductions</b>	
Economic Development	
Municipal contribution	5,000,000
Administrative fees	460,369
Government share distribution	4,925,676
	10,386,045
Total deduction	10,386,045
 <b>Change in Net Position</b>	 588,768
 <b>Net Position</b>	
January 1	10,881,988
December 31	\$ 11,470,756

## **Other Supplemental Information**

**Village of Hoffman Estates, Illinois**  
**Illinois Grant Accountability and Transparency Act**  
**Consolidated Year End Financial Report**  
**Year Ended December 31, 2020**

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 1,197	\$ -	\$ -	\$ 1,197
494-00-1000	Illinois Transportation Enhancements	-	-	-	-
494-00-1488	Motor Fuel Tax	2,033,839	-	-	2,033,839
494-00-0967	High-Growth Cities Program	90,136	-	-	90,136
588-40-0450	Emergency Management Performance Grants	-	29,687	31,877	61,564
592-01-0504	Small Firefighting and Ambulance Service Equipment	-	-	-	-
592-01-0853	Local Government Training Reimbursement	3,987	-	5,146	9,133
494-10-0343	State and Community Highway Safety	-	12,126	-	12,126
482-00-0894	IDPH EMS Assistance Grant	-	-	-	-
482-00-0919	IDPH Preschool Vision & Hearing	1,342	-	-	1,342
<b>Other Grant Programs</b>					
	Community Development Block Grant	-	205,450	-	205,450
	Bullet Proof Vest	-	4,927	5,236	10,163
	Federal Asset Seizure	-	421,791	-	421,791
	FEMA COVID-19 Grant	-	43,693	14,564	58,257
	Illinois Environmental Protection Agency Loan	-	32,460	-	32,460
	Department of Treasury/Cook County Corona Virus Relief Fund	-	426,795	-	426,795
	US Department of Health and Human Services				
	Provider Relief Funds (COVID-19)	-	33,446	-	33,446
	FEMA Assistance to Firefighters	-	192,182	19,466	211,648
	Other grant programs and activities	-	-	616,384	616,384
	All other costs not allocated	-	-	106,390,435	106,390,435
	Totals	<u>\$ 2,130,501</u>	<u>\$ 1,402,557</u>	<u>\$ 107,083,108</u>	<u>\$ 110,616,166</u>

## **Supplemental Data**

**Village of Hoffman Estates, Illinois**  
**Schedule of Insurance in Force**  
**December 31, 2020**

Type of Coverage	SIR or Deductibles	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
All Village Property Including NOW Arena					
Building and Personal Property	\$ 100,000 *	\$ 900,000	N/A	BRIT Syndicate 2987	1/1/2021
Mobile Equipment	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2021
Earthquake	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2021
Flood	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2021
Business Income	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2021
Excess Property	1,000,000	500,000,000	N/A	Allianz	1/1/2021
General Liability					
Premises Liability	200,000 *	1,800,000	\$ 3,600,000	BRIT Syndicate 2987	1/1/2021
Employee Benefit Liability	200,000 *	1,800,000	1,800,000	BRIT Syndicate 2987	1/1/2021
Damages to Premises Rented	*	1,000,000	N/A	BRIT Syndicate 2987	1/1/2021
Failure to Supply	100,000 *	2,000,000	4,000,000		1/1/2021
Sexual Abuse	200,000 *	1,800,000	1,800,000	BRIT Syndicate 2987	1/1/2021
Law Enforcement	200,000 *	1,800,000	3,600,000	BRIT Syndicate 2987	1/1/2021
Auto Liability	200,000 *	1,800,000	N/A	BRIT Syndicate 2987	1/1/2021
Auto Physical Damage	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2021
Auto - Hired and Non-Owned Liability	200,000 *	1,800,000	N/A	BRIT Syndicate 2987	1/1/2021
General Liability, Auto Liability, Law Enforcement Liability, Ambulance Attendants' Liability, Public Officials' Liability					
	2,000,000	10,000,000	10,000,000	Allied World	1/1/2021
	12,000,000	1,000,000	1,000,000	National Assurance Co. BRIT Syndicate 2987	1/1/2021
Boiler and Machinery	10,000	150,000,000	N/A	Liberty Mutual Insurance	1/1/2021
Public Officials' Liability	200,000 *	1,800,000	1,800,000	BRIT Syndicate 2987	1/1/2021
Healthcare/EMT	200,000 *	1,800,000	1,800,000	BRIT Syndicate 2987	1/1/2021
Cyber Liability	10,000	3,000,000	3,000,000	Syndicate 2987 and 2988	1/1/2021
Liquor Liability (Primary)	N/A	N/A	300,000	Lloyds	1/1/2021
Liquor Liability (Excess)					
Pollution Legal Liability					
Underground Storage Tanks	25,000	1,000,000	2,000,000	Ace Insurance Company	1/1/2021
Terrorism Property and Liability					
Property - TIV	10,000	25,000,000	N/A	Lloyds	1/1/2021
General Liability	"	"	N/A	"	1/1/2021
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2021
Dan O'Malley, Deputy Village Manager	N/A	3,000	3,000	"	1/1/2021
Bev Romanoff, Village Clerk	N/A	3,000	3,000	"	1/1/2021
James Norris, Village Manager	N/A	50,000	50,000	"	1/1/2021
Stan Helgerson, Treasurer	N/A	150,000	150,000	"	1/1/2021
Rachel Musiala, Assistant Treasurer	N/A	150,000	150,000	"	1/1/2021
Anthony Fashoda, Assistant Finance Director	N/A	150,000	150,000	"	1/1/2021
Police and Fire Commission/Member	N/A	500	2,500	"	1/1/2021
Excess Workers' Compensation	650,000	Statutory	2,000,000	Safety National	12/31/2020

\* BRIT - All casualty lines retentions subject to a maximum \$525,000 aggregate loss fund.  
N/A - Not Applicable



**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2015A**  
**December 31, 2020**

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 31
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	December 1	Amount
2020	\$ 1,955,000	\$ 533,830	\$ 2,488,830	2021	\$ 266,915	2020	\$ 266,915
2021	2,165,000	475,180	2,640,180	2022	237,590	2021	237,590
2022	2,335,000	404,818	2,739,818	2023	202,409	2022	202,409
2023	2,425,000	317,256	2,742,256	2024	158,628	2023	158,628
2024	2,515,000	220,254	2,735,254	2025	110,127	2024	110,127
2025	2,620,000	114,626	2,734,626	2026	57,313	2025	57,313
	<u>\$ 14,015,000</u>	<u>\$ 2,065,964</u>	<u>\$ 16,080,964</u>		<u>\$ 1,032,982</u>		<u>\$ 1,032,982</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2015B**  
**December 31, 2020**

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 2.00%
	2017 2.00%
	2018 2.00%
	2019 3.00%
	2020 3.00%
	2021 4.00%
	2022 4.00%
	2023 3.00%
	2024 4.00%
	2025 4.00%
	2026 4.00%
	2027 4.00%
	2028 4.00%
	2029 4.00%

Interest Dates	June 1 and December 1
Principal Maturity Date	December 31
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	December 1	Amount
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>\$ 4,220,000</u>	<u>\$ 840,200</u>	<u>\$ 5,060,200</u>		<u>\$ 420,100</u>		<u>\$ 420,100</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2015C**  
**December 31, 2020**

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 31
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	December 1	Amount
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>\$ 10,244,504</u>	<u>\$ 32,009,504</u>		<u>\$ 5,122,252</u>		<u>\$ 5,122,252</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2016**  
**December 31, 2020**

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 2.00%  
2022-2024 0.00%  
2025-2029 4.00%

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	December 1	Amount
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>\$ 8,345,000</u>	<u>\$ 2,508,700</u>	<u>\$ 10,853,700</u>		<u>\$ 1,254,350</u>		<u>\$ 1,254,350</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2017A**  
**December 31, 2020**

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	December 1	Amount
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>\$ 5,415,000</u>	<u>\$ 1,559,802</u>	<u>\$ 6,974,802</u>		<u>\$ 779,901</u>		<u>\$ 779,901</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2017B**  
**December 31, 2020**

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 2.00%  
2023-2026 3.00%  
2027-2038 4.00%

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	December 1	Amount
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>\$ 3,155,000</u>	<u>\$ 1,833,450</u>	<u>\$ 4,988,450</u>		<u>\$ 916,725</u>		<u>\$ 916,725</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2018**  
**December 31, 2020**

Date of issue September 5, 2018  
Date of maturity December 1, 2038  
Authorized issue \$ 35,180,000  
Denomination of bonds \$ 5,000  
Interest rates 2019-2033 5.00%  
2034-2037 4.00%  
2038 3.75%

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	December 1	Amount
2020	\$ 1,625,000	\$ 1,485,338	\$ 3,110,338	2021	\$ 742,669	2021	\$ 742,669
2021	1,705,000	1,404,088	3,109,088	2022	702,044	2022	702,044
2022	1,790,000	1,318,838	3,108,838	2023	659,419	2023	659,419
2023	1,880,000	1,229,338	3,109,338	2024	614,669	2024	614,669
2024	925,000	1,135,338	2,060,338	2025	567,669	2025	567,669
2025	2,105,000	1,089,088	3,194,088	2026	544,544	2026	544,544
2026	-	983,838	983,838	2027	491,919	2027	491,919
2027	-	983,838	983,838	2028	491,919	2028	491,919
2028	-	983,838	983,838	2029	491,919	2029	491,919
2029	2,250,000	983,838	3,233,838	2030	491,919	2030	491,919
2030	2,365,000	871,338	3,236,338	2031	435,669	2031	435,669
2031	2,485,000	753,090	3,238,090	2032	376,545	2032	376,545
2032	2,605,000	628,838	3,233,838	2033	314,419	2033	314,419
2033	2,345,000	498,588	2,843,588	2034	249,294	2034	249,294
2034	2,435,000	404,788	2,839,788	2035	202,394	2035	202,394
2035	2,520,000	307,388	2,827,388	2036	153,694	2036	153,694
2036	2,610,000	206,588	2,816,588	2037	103,294	2037	103,294
2037	2,725,000	102,205	2,827,205	2038	51,103	2038	51,102
	<u>\$ 32,370,000</u>	<u>\$ 15,370,203</u>	<u>\$ 47,740,203</u>		<u>\$ 7,685,102</u>		<u>\$ 7,685,101</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2019**  
**December 31, 2020**

Date of issue November 5, 2019  
Date of maturity December 1, 2034  
Authorized issue \$ 9,625,850  
Denomination of bonds \$ 5,000  
Interest rates 2.150%

Interest dates June 1 and December 1  
Principal maturity date December 1  
Payable at JP Morgan Chase Bank

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			Amount
	Principal	Interest	Total	June 1	Amount	December 1	
2020	\$ 563,305	\$ 195,414	\$ 758,719	2021	\$ 97,707	2021	\$ 97,707
2021	575,420	183,304	758,724	2022	91,652	2022	91,652
2022	587,790	170,932	758,722	2023	85,466	2023	85,466
2023	600,425	158,294	758,719	2024	79,147	2024	79,147
2024	613,335	145,384	758,719	2025	72,692	2025	72,692
2025	626,520	132,198	758,718	2026	66,099	2026	66,099
2026	639,995	118,728	758,723	2027	59,364	2027	59,364
2027	653,750	104,968	758,718	2028	52,484	2028	52,484
2028	667,810	90,912	758,722	2029	45,456	2029	45,456
2029	682,165	76,554	758,719	2030	38,277	2030	38,277
2030	696,830	61,888	758,718	2031	30,944	2031	30,944
2031	711,815	46,906	758,721	2032	23,453	2032	23,453
2032	727,120	31,602	758,722	2033	15,801	2033	15,801
2033	742,750	15,970	758,720	2034	7,985	2034	7,985
	<u>\$ 9,089,030</u>	<u>\$ 1,533,054</u>	<u>\$ 10,622,084</u>		<u>\$ 766,527</u>		<u>\$ 766,527</u>



**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**Hoffman Estates Economic Development Project Area**  
**Tax Increment Revenue Notes**  
**December 31, 2020**

	<b>Private Interest Financing Note #6</b>	<b>Developer Project Cost Note #38</b>	<b>Developer Project Cost Note #39</b>	<b>Developer Project Cost Note #40</b>
Date of issue	February 1, 2007	September 1, 2006	March 1, 2017	September 1, 2007
Date of maturity	September 10, 2027	September 10, 2027	September 10, 2027	September 10, 2027
Original amount of note	\$ 13,147,485	\$ 1,351,407	\$ 120,659	\$ 69,366
Interest rate	None	\$ 0	\$ 0	\$ 0
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 Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois
Original principal balance	\$ 13,147,485	\$ 1,351,407	\$ 120,659	\$ 69,366
Accrued interest	-	1,101,362	93,744	51,379
Subtotal	13,147,485	2,452,769	214,403	120,745
Cumulative payments	-	-	-	-
Adjusted principal balance	<u>\$ 13,147,485</u>	<u>\$ 2,452,769</u>	<u>\$ 214,403</u>	<u>\$ 120,745</u>

<b>Developer Project Cost Note #41</b>	<b>Developer Project Cost Note #42</b>	<b>Developer Project Cost Note #43</b>	<b>Developer Project Cost Note #44</b>	<b>Developer Project Cost Note #45</b>
November 12, 2015 September 10, 2027	November 12, 2015 September 10, 2027	November 12, 2015 September 10, 2027	November 12, 2015 September 10, 2027	November 12, 2015 September 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 Company	Sears Roebuck and Company	Sears Roebuck and Company	Sears Roebuck and Company	Sears Roebuck and Company
Hoffman Estates Illinois	Hoffman Estates Illinois	Hoffman Estates Illinois	Hoffman Estates Illinois	Hoffman Estates Illinois
\$ 2,988,808	\$ 3,255,687	\$ 3,174,515	\$ 2,936,050	\$ 3,108,160
614,139	668,977	652,298	603,298	638,663
3,602,947	3,924,664	3,826,813	3,539,348	3,746,823
-	-	-	-	-
<u>\$ 3,602,947</u>	<u>\$ 3,924,664</u>	<u>\$ 3,826,813</u>	<u>\$ 3,539,348</u>	<u>\$ 3,746,823</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**Hoffman Estates Economic Development Project Area**  
**Tax Increment Revenue Notes**  
**December 31, 2020**

	<b>Developer Project Cost Note #46</b>	<b>Developer Project Cost Note #47</b>	<b>Developer Project Cost Note #48</b>	<b>Developer Project Cost Note #49</b>
Date of issue	November 12, 2015	November 12, 2015	November 12, 2015	November 12, 2015
Date of maturity	September 10, 2027	September 10, 2027	September 10, 2027	September 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 Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois	Sears Roebuck and Company Hoffman Estates Illinois
Original principal balance	\$ 2,513,463	\$ 2,772,320	\$ 2,622,795	\$ 2,670,765
Accrued interest	516,465	569,655	538,931	548,787
Subtotal	3,029,928	3,341,975	3,161,726	3,219,552
Cumulative payments	-	-	-	-
Adjusted principal balance	<u>\$ 3,029,928</u>	<u>\$ 3,341,975</u>	<u>\$ 3,161,726</u>	<u>\$ 3,219,552</u>

<b>VOHE Obligation #2</b>	<b>VOHE Obligation #3</b>	<b>VOHE Obligation #4</b>	<b>VOHE Obligation #5</b>	<b>VOHE Obligation #6</b>	<b>Total</b>
May 31, 2003 September 10, 2027	May 31, 2004 September 10, 2027	May 31, 2005 September 10, 2027	May 31, 2006 September 10, 2027	May 31, 2007 September 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 1 Sears Roebuck and Company Hoffman Estates Illinois	March 1 and September 1 Sears Roebuck and Company Hoffman Estates Illinois	March 1 and September 1 Sears Roebuck and Company Hoffman Estates Illinois	March 1 and September 1 Sears Roebuck and Company Hoffman Estates Illinois	March 1 and September 1 Sears Roebuck and Company Hoffman Estates Illinois	
\$ 9,702,632	\$ 10,439,098	\$ 12,051,446	\$ 18,173,967	\$ 16,699,691	\$ 107,798,314
2,637,095	4,162,359	5,101,519	7,693,255	7,069,176	33,261,102
12,339,727	14,601,457	17,152,965	25,867,222	23,768,867	141,059,416
12,339,727	5,464,071	-	-	-	17,803,798
\$ -	\$ 9,137,386	\$ 17,152,965	\$ 25,867,222	\$ 23,768,867	\$ 123,255,618

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois (Village), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 21, 2021, which includes an emphasis of matter paragraph regarding the adoption of a new accounting standard. Our report also includes a reference to other auditors who audited the financial statements of the EDA Special Tax Allocation Fund, a custodial fund of the Village, as described in our report on the Village's financial statements. The financial statements of the EDA Special Allocation Fund were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor  
Members of the Board of Trustees

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Oakbrook Terrace, Illinois  
June 21, 2021

# Village of Hoffman Estates, Illinois

## 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.

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

## **Financial Trends**



**Village of Hoffman Estates, Illinois**  
**Net Position by Component**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591
Restricted	12,287,308	8,430,181	8,705,357	6,556,733
Unrestricted	<u>(68,641,607)</u>	<u>(52,629,530)</u>	<u>(40,661,610)</u>	<u>(98,826,179)</u>
Total governmental activities	<u>\$ 40,636,947</u>	<u>\$ 53,101,252</u>	<u>\$ 67,464,906</u>	<u>\$ 7,595,145</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387
Restricted	-	-	-	-
Unrestricted	<u>4,448,586</u>	<u>3,224,063</u>	<u>4,286,249</u>	<u>2,712,724</u>
Total business-type activities	<u>\$ 61,737,184</u>	<u>\$ 59,512,073</u>	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978
Restricted	12,287,308	8,430,181	8,705,357	6,556,733
Unrestricted	<u>(64,193,021)</u>	<u>(49,405,467)</u>	<u>(36,375,361)</u>	<u>(96,113,455)</u>
Total primary government	<u>\$ 102,374,131</u>	<u>\$ 112,613,325</u>	<u>\$ 125,868,500</u>	<u>\$ 62,360,256</u>

*Notes:* GASB Statement No. 68 implemented in 2015. GASB Statement No. 75 implemented in 2018.

Data Source

Audited Financial Statements

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 99,040,155	\$ 101,583,059	\$ 103,869,592	\$ 107,355,435	\$ 104,398,541	\$ 106,863,396
4,878,627	1,900,712	1,935,130	1,820,471	4,499,146	4,609,552
<u>(191,469,562)</u>	<u>(187,342,519)</u>	<u>(189,957,186)</u>	<u>(207,926,064)</u>	<u>(211,788,378)</u>	<u>(219,937,102)</u>
<u>\$ (87,550,780)</u>	<u>\$ (83,858,748)</u>	<u>\$ (84,152,464)</u>	<u>\$ (98,750,158)</u>	<u>\$ (102,890,691)</u>	<u>\$ (108,464,154)</u>
\$ 50,425,442	\$ 48,783,047	\$ 46,285,711	\$ 43,632,372	\$ 41,205,067	\$ 35,887,345
-	-	-	-	12,204,432	4,278,213
<u>1,147,952</u>	<u>2,478,512</u>	<u>4,137,575</u>	<u>4,589,226</u>	<u>(5,233,538)</u>	<u>3,027,782</u>
<u>\$ 51,573,394</u>	<u>\$ 51,261,559</u>	<u>\$ 50,423,286</u>	<u>\$ 48,221,598</u>	<u>\$ 48,175,961</u>	<u>\$ 43,193,340</u>
\$ 149,465,597	\$ 150,366,106	\$ 150,155,303	\$ 150,987,807	\$ 145,603,608	\$ 142,750,741
4,878,627	1,900,712	1,935,130	1,820,471	16,703,578	8,887,765
<u>(190,321,610)</u>	<u>(184,864,007)</u>	<u>(185,819,611)</u>	<u>(203,336,838)</u>	<u>(217,021,916)</u>	<u>(216,909,320)</u>
<u>\$ (35,977,386)</u>	<u>\$ (32,597,189)</u>	<u>\$ (33,729,178)</u>	<u>\$ (50,528,560)</u>	<u>\$ (54,714,730)</u>	<u>\$ (65,270,814)</u>

**Village of Hoffman Estates, Illinois**  
**Net Position by Component Excluding EDA TIF Activity**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 96,991,246	\$ 97,300,601	\$ 99,421,159	\$ 99,864,591
Restricted	5,412,848	3,634,187	8,705,357	3,194,819
Unrestricted	14,898,200	17,139,574	16,002,826	14,108,152
Total governmental activities	<u>\$ 117,302,294</u>	<u>\$ 118,074,362</u>	<u>\$ 124,129,342</u>	<u>\$ 117,167,562</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 57,288,598	\$ 56,288,010	\$ 54,117,345	\$ 52,052,387
Restricted	-	-	-	-
Unrestricted	4,448,586	3,224,063	4,286,249	2,712,724
Total business-type activities	<u>\$ 61,737,184</u>	<u>\$ 59,512,073</u>	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 154,279,844	\$ 153,588,611	\$ 153,538,504	\$ 151,916,978
Restricted	5,412,848	3,634,187	8,705,357	3,194,819
Unrestricted	19,346,786	20,363,637	20,289,075	16,820,876
Total primary government	<u>\$ 179,039,478</u>	<u>\$ 177,586,435</u>	<u>\$ 182,532,936</u>	<u>\$ 171,932,673</u>

*Notes:* GASB Statement No. 68 implemented in 2015. GASB Statement No. 75 implemented in 2018.

Data Source

Audited Financial Statements

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 99,040,155	\$ 101,583,059	\$ 103,869,592	\$ 107,355,435	\$ 104,398,541	\$ 106,863,396
1,454,219	(101,992)	331,204	582,078	2,212,304	3,717,439
<u>(60,752,384)</u>	<u>(64,180,197)</u>	<u>(71,342,472)</u>	<u>(85,410,468)</u>	<u>(92,601,938)</u>	<u>(96,681,484)</u>
<u>\$ 39,741,990</u>	<u>\$ 37,300,870</u>	<u>\$ 32,858,324</u>	<u>\$ 22,527,045</u>	<u>\$ 14,008,907</u>	<u>\$ 13,899,351</u>
\$ 50,425,442	\$ 48,783,047	\$ 46,285,711	\$ 43,632,372	\$ 41,205,067	\$ 35,887,345
-	-	-	-	12,204,432	4,278,213
<u>1,147,952</u>	<u>2,478,512</u>	<u>4,137,575</u>	<u>4,589,226</u>	<u>(5,233,538)</u>	<u>3,027,782</u>
<u>\$ 51,573,394</u>	<u>\$ 51,261,559</u>	<u>\$ 50,423,286</u>	<u>\$ 48,221,598</u>	<u>\$ 48,175,961</u>	<u>\$ 43,193,340</u>
\$ 149,465,597	\$ 150,366,106	\$ 150,155,303	\$ 150,987,807	\$ 145,603,608	\$ 142,750,741
1,454,219	(101,992)	331,204	582,078	14,416,736	7,995,652
<u>(59,604,432)</u>	<u>(61,701,685)</u>	<u>(67,204,897)</u>	<u>(80,821,242)</u>	<u>(97,835,476)</u>	<u>(93,653,702)</u>
<u>\$ 91,315,384</u>	<u>\$ 88,562,429</u>	<u>\$ 83,281,610</u>	<u>\$ 70,748,643</u>	<u>\$ 62,184,868</u>	<u>\$ 57,092,691</u>

# Village of Hoffman Estates, Illinois

## Change in Net Position

### Last Ten Fiscal Years

Fiscal Years	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
General government	\$ 7,040,328	\$ 6,784,096	\$ 10,593,969	\$ 6,025,628
Public safety	33,040,212	33,240,928	34,713,320	35,325,151
Highways and streets	9,460,214	9,997,154	9,043,957	16,710,043
Sanitation	1,115,901	1,213,277	1,211,351	1,638,771
Health and welfare	1,655,456	1,744,262	1,643,956	1,614,867
Culture and recreation	241,334	339,529	360,479	355,894
Economic development	2,009,349	3,086,713	2,435,172	81,666,884
Interest	5,503,426	4,974,048	3,866,269	6,427,621
Total governmental activities expenses	<u>60,066,220</u>	<u>61,380,007</u>	<u>63,868,473</u>	<u>149,764,859</u>
Business-type activities				
Water/sewer	13,204,142	14,419,572	15,096,017	16,505,476
NOW Arena*	7,666,340	7,262,839	7,188,970	16,292,697
Total business-type activities expenses	<u>20,870,482</u>	<u>21,682,411</u>	<u>22,284,987</u>	<u>32,798,173</u>
Total government expenses	<u>\$ 80,936,702</u>	<u>\$ 83,062,418</u>	<u>\$ 86,153,460</u>	<u>\$ 182,563,032</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798
Public safety	2,946,067	3,041,099	3,494,101	3,931,959
Highways and streets	220,572	113,699	1,801,285	307,528
Sanitation	1,124,851	1,129,240	1,167,784	1,744,029
Health and welfare	1,343,752	953,523	738,546	507,061
Culture and recreation	548,461	623,134	709,863	668,132
Economic development	231,994	147,275	149,861	161,943
Operating grants and contributions	3,581,885	2,696,996	2,562,477	4,088,264
Capital grants and contributions	4,322,051	3,219,627	3,525,568	266,395
Total governmental activities program revenues	<u>17,492,351</u>	<u>15,087,162</u>	<u>17,599,980</u>	<u>15,321,109</u>
Business-type activities				
Charges for services				
Water/sewer	10,604,162	13,480,853	13,792,658	13,980,643
NOW Arena*	2,450,294	1,943,834	2,003,572	11,080,824
Operating grants and contributions	-	-	-	-
Capital grants and contributions				
Water/sewer	1,529,016	1,350,599	84,406	-
NOW Arena*	4,950	-	20,490	114,980
Total business-type activities program revenues	<u>14,588,422</u>	<u>16,775,286</u>	<u>15,901,126</u>	<u>25,176,447</u>
Total primary government program revenues	<u>\$ 32,080,773</u>	<u>\$ 31,862,448</u>	<u>\$ 33,501,106</u>	<u>\$ 40,497,556</u>
<b>Net Revenue (Expenses)</b>				
Governmental activities	\$ (42,573,869)	\$ (46,292,845)	\$ (46,268,493)	\$ (134,443,750)
Business-type activities	(6,282,060)	(4,907,125)	(6,383,861)	(7,621,726)
Total primary government net revenue (expenses)	<u>\$ (48,855,929)</u>	<u>\$ (51,199,970)</u>	<u>\$ (52,652,354)</u>	<u>\$ (142,065,476)</u>

	2015	2016	2017	2018	2019	2020
\$	6,456,831	\$ 6,646,068	\$ 6,554,140	\$ 6,457,392	\$ 6,846,664	\$ 6,433,742
	40,952,859	41,446,709	39,733,471	43,887,837	46,590,040	41,575,926
	13,335,647	12,138,772	13,455,206	8,510,473	16,146,855	13,304,909
	3,647,121	3,325,231	3,833,464	3,589,671	3,037,119	2,979,804
	1,837,446	1,975,323	2,118,952	1,971,286	2,231,229	2,407,532
	331,264	356,009	298,721	335,008	299,224	168,353
	29,166,157	5,386,050	5,965,340	2,384,611	3,052,597	4,023,365
	6,356,004	6,836,905	6,670,096	6,217,407	6,164,040	6,156,942
	<u>102,083,329</u>	<u>78,111,067</u>	<u>78,629,390</u>	<u>73,353,685</u>	<u>84,367,768</u>	<u>77,050,573</u>
	17,565,501	18,261,791	19,374,285	18,863,430	19,131,469	25,641,206
	14,393,149	11,953,804	14,260,596	14,711,494	15,929,020	7,924,387
	<u>31,958,650</u>	<u>30,215,595</u>	<u>33,634,881</u>	<u>33,574,924</u>	<u>35,060,489</u>	<u>33,565,593</u>
\$	<u>134,041,979</u>	<u>108,326,662</u>	<u>112,264,271</u>	<u>106,928,609</u>	<u>119,428,257</u>	<u>110,616,166</u>
\$	3,604,847	\$ 3,637,561	\$ 3,672,654	\$ 3,633,874	\$ 3,758,732	\$ 3,916,539
	4,456,892	4,113,151	3,683,940	3,988,664	4,168,562	3,759,221
	587,515	138,882	738,598	160,250	97,470	128,024
	3,693,214	3,186,227	3,451,809	3,464,068	3,600,984	3,528,587
	1,263,886	948,703	892,563	1,242,522	1,177,656	935,905
	661,951	752,984	716,198	661,359	766,970	522,410
	216,237	170,416	279,512	287,768	403,059	120,302
	1,908,481	2,097,845	2,086,778	2,073,453	2,650,104	2,969,883
	991,147	297,581	108,344	107,947	33,906	1,738,720
	<u>17,384,170</u>	<u>15,343,350</u>	<u>15,630,396</u>	<u>15,619,905</u>	<u>16,657,443</u>	<u>17,619,591</u>
	16,361,314	17,460,743	18,260,298	18,491,333	19,105,209	19,472,378
	9,688,311	6,946,532	9,648,371	9,995,417	11,156,948	2,528,510
	-	-	-	-	-	-
	67,425	-	219,676	-	-	-
	33,273	24,767	139,947	30,925	37,423	20,846
	<u>26,150,323</u>	<u>24,432,042</u>	<u>28,268,292</u>	<u>28,517,675</u>	<u>30,299,580</u>	<u>22,021,734</u>
\$	<u>43,534,493</u>	<u>39,775,392</u>	<u>43,898,688</u>	<u>44,137,580</u>	<u>46,957,023</u>	<u>39,641,325</u>
\$	(84,699,159)	\$ (62,767,717)	\$ (62,998,994)	\$ (57,733,780)	\$ (67,710,325)	\$ (59,430,982)
	(5,808,327)	(5,783,553)	(5,366,589)	(5,057,249)	(4,760,909)	(11,543,859)
\$	<u>(90,507,486)</u>	<u>(68,551,270)</u>	<u>(68,365,583)</u>	<u>(62,791,029)</u>	<u>(72,471,234)</u>	<u>(70,974,841)</u>

# Village of Hoffman Estates, Illinois

## Change in Net Position

### Last Ten Fiscal Years

Fiscal Years	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property	\$ 38,455,279	\$ 37,109,465	\$ 36,803,822	\$ 48,756,911
Sales	5,951,289	6,432,977	7,306,806	7,980,411
Income and local use	4,913,556	5,416,250	5,931,409	5,911,120
Telecommunication	2,741,011	2,896,031	2,441,097	2,296,238
Real estate transfer	366,253	419,814	917,245	685,054
Home rule sales	3,312,721	3,547,063	3,777,094	3,835,430
Other	1,375,898	1,615,860	2,544,559	6,121,814
Investment earnings	72,689	44,671	32,737	(234,463)
Miscellaneous	3,250,112	1,520,890	3,267,367	1,917,202
Gain on sale of capital assets	-	-	-	-
Transfers in (out)	(2,293,237)	162,839	(2,389,989)	(746,684)
Total governmental activities	<u>58,145,571</u>	<u>59,165,860</u>	<u>60,632,147</u>	<u>76,523,033</u>
Business-type activities				
Taxes				
Other	2,100,316	2,121,999	1,826,801	2,082,566
Investment earnings	5,426	3,866	912	(28,983)
Miscellaneous	1,063,217	1,306,800	1,057,680	1,182,976
Gain on sale of capital assets	-	-	-	-
Transfers in (out)	2,293,237	(162,839)	2,389,989	746,684
Total business-type activities	<u>5,462,196</u>	<u>3,269,826</u>	<u>5,275,382</u>	<u>3,983,243</u>
Total primary government	<u>\$ 63,607,767</u>	<u>\$ 62,435,686</u>	<u>\$ 65,907,529</u>	<u>\$ 80,506,276</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 15,571,702	\$ 12,873,015	\$ 14,363,654	\$ (57,920,717)
Business-type activities	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)
Total primary government change in net position	<u>\$ 14,751,838</u>	<u>\$ 11,235,716</u>	<u>\$ 13,255,175</u>	<u>\$ (61,559,200)</u>

Note: GASB Statement No. 68 implemented in 2015. GASB Statement No. 75 implemented in 2018.

\*The Sears Centre Arena was renamed to NOW Arena, effective September 2020

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	35,909,050	\$ 37,672,733	\$ 34,559,674	\$ 26,653,561	\$ 34,449,008	\$ 27,955,458
	8,220,338	7,887,857	8,252,713	7,980,164	7,121,685	7,387,406
	6,757,353	6,224,044	6,055,330	6,508,950	7,310,628	7,960,622
	2,052,086	2,172,136	1,808,685	1,559,160	1,333,814	1,118,040
	925,104	761,315	1,087,913	1,381,303	1,937,262	1,042,874
	3,883,502	3,627,746	3,637,260	3,717,518	2,735,010	3,074,487
	6,108,606	6,012,152	6,312,312	6,487,279	7,212,525	5,598,784
	64,493	119,737	280,937	638,402	996,174	301,014
	2,348,456	1,244,976	1,793,516	790,419	886,328	657,023
	-	-	-	-	220,548	-
	(772,518)	(1,602,741)	(1,083,062)	(774,500)	(633,190)	(1,238,189)
	<u>65,496,470</u>	<u>64,119,955</u>	<u>62,705,278</u>	<u>54,942,256</u>	<u>63,569,792</u>	<u>53,857,519</u>
	2,303,729	2,260,278	2,357,087	2,314,507	2,662,088	1,739,637
	5,198	29,031	56,616	148,265	227,124	69,232
	1,152,118	390,500	1,031,551	1,144,257	1,192,870	3,514,180
	-	-	-	-	-	-
	772,518	2,053,026	1,083,062	774,500	633,190	1,238,189
	<u>4,233,563</u>	<u>4,732,835</u>	<u>4,528,316</u>	<u>4,381,529</u>	<u>4,715,272</u>	<u>6,561,238</u>
\$	<u>69,730,033</u>	<u>68,852,790</u>	<u>67,233,594</u>	<u>59,323,785</u>	<u>68,285,064</u>	<u>60,418,757</u>
\$	(19,202,689)	\$ 1,352,238	\$ (293,716)	\$ (2,791,524)	\$ (4,140,533)	\$ (5,573,463)
	<u>(1,574,764)</u>	<u>(1,050,718)</u>	<u>(838,273)</u>	<u>(675,720)</u>	<u>(45,637)</u>	<u>(4,982,621)</u>
\$	<u>(20,777,453)</u>	<u>301,520</u>	<u>(1,131,989)</u>	<u>(3,467,244)</u>	<u>(4,186,170)</u>	<u>(10,556,084)</u>



**Village of Hoffman Estates, Illinois**  
**Change in Net Position Excluding EDA TIF Activity**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Expenses</b>				
Governmental activities				
General government	\$ 6,697,689	\$ 6,434,941	\$ 10,273,677	\$ 6,025,628
Public safety	29,181,960	29,418,704	30,876,317	34,945,772
Highway and streets	9,303,991	9,799,549	8,892,032	16,710,043
Sanitation	1,115,901	1,213,277	1,211,351	1,638,771
Health and welfare	1,655,456	1,744,262	1,643,956	1,614,867
Culture and recreation	241,334	339,529	360,479	355,894
Economic development	1,918,198	2,633,690	2,290,749	2,901,575
Interest	2,994,525	2,847,779	2,791,679	2,420,719
Total governmental activities expenses	<u>53,109,054</u>	<u>54,431,731</u>	<u>58,340,240</u>	<u>66,613,269</u>
Business-type activities				
Water/sewer	13,204,142	14,419,572	15,096,017	16,505,476
NOW Arena*	7,666,340	7,262,839	7,188,970	16,292,697
Total business-type activities expenses	<u>20,870,482</u>	<u>21,682,411</u>	<u>22,284,987</u>	<u>32,798,173</u>
Total primary government expenses	<u>\$ 73,979,536</u>	<u>\$ 76,114,142</u>	<u>\$ 80,625,227</u>	<u>\$ 99,411,442</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 3,172,718	\$ 3,162,569	\$ 3,450,495	\$ 3,645,798
Public safety	2,946,067	3,041,099	3,494,101	3,931,959
Highways and streets	220,572	113,699	1,801,285	307,528
Sanitation	1,124,851	1,129,240	1,167,784	1,744,029
Health and welfare	1,343,752	953,523	738,546	507,061
Culture and recreation	548,461	623,134	709,863	668,132
Economic development	231,994	147,275	149,861	161,943
Operating grants and contributions	3,581,885	2,696,996	2,562,477	4,088,264
Capital grants and contributions	4,322,051	3,219,627	3,525,568	266,395
Total governmental activities program revenues	<u>17,492,351</u>	<u>15,087,162</u>	<u>17,599,980</u>	<u>15,321,109</u>
Business-type activities				
Charges for services				
Water/sewer	10,604,162	13,480,853	13,792,658	13,980,643
NOW Arena*	2,450,294	1,943,834	2,003,572	11,080,824
Operating grants and contributions	-	-	-	-
Capital grants and contributions				
Water/sewer	1,529,016	1,350,599	84,406	-
NOW Arena*	4,950	-	20,490	114,980
Total business-type activities program revenues	<u>14,588,422</u>	<u>16,775,286</u>	<u>15,901,126</u>	<u>25,176,447</u>
Total primary governmental program revenues	<u>\$ 32,080,773</u>	<u>\$ 31,862,448</u>	<u>\$ 33,501,106</u>	<u>\$ 40,497,556</u>
<b>Net Revenue (Expenses)</b>				
Governmental activities	\$ (35,616,703)	\$ (39,344,569)	\$ (40,740,260)	\$ (51,292,160)
Business-type activities	<u>(6,282,060)</u>	<u>(4,907,125)</u>	<u>(6,383,861)</u>	<u>(7,621,726)</u>
Total primary government net revenue (expenses)	<u>\$ (41,898,763)</u>	<u>\$ (44,251,694)</u>	<u>\$ (47,124,121)</u>	<u>\$ (58,913,886)</u>

	2015	2016	2017	2018	2019	2020
\$	6,456,831	\$ 6,646,068	\$ 6,554,140	\$ 6,457,392	\$ 6,846,664	\$ 6,433,742
	40,607,398	41,131,756	39,733,471	43,887,837	46,590,040	41,575,926
	13,335,647	12,138,772	13,455,206	8,510,473	16,146,855	13,304,909
	3,647,121	3,325,231	3,833,464	3,589,671	3,037,119	2,979,804
	1,837,446	1,975,323	2,118,952	1,971,286	2,231,229	2,407,532
	331,264	356,009	298,721	335,008	299,224	168,353
	3,100,630	841,211	5,698,391	2,101,798	2,966,719	2,101,520
	2,394,826	6,836,905	2,273,239	2,143,207	1,997,985	2,087,764
	<u>71,711,163</u>	<u>73,251,275</u>	<u>73,965,584</u>	<u>68,996,672</u>	<u>80,115,835</u>	<u>71,059,550</u>
	17,565,501	18,261,791	19,374,285	18,863,430	19,131,469	25,641,206
	14,393,149	11,953,804	14,260,596	14,711,494	15,929,020	7,924,387
	<u>31,958,650</u>	<u>30,215,595</u>	<u>33,634,881</u>	<u>33,574,924</u>	<u>35,060,489</u>	<u>33,565,593</u>
\$	<u>103,669,813</u>	<u>103,466,870</u>	<u>107,600,465</u>	<u>102,571,596</u>	<u>115,176,324</u>	<u>104,625,143</u>
\$	3,604,847	\$ 3,637,561	\$ 3,672,654	\$ 3,570,245	\$ 3,711,783	\$ 3,913,622
	4,456,892	4,113,151	3,683,940	3,988,664	4,168,562	3,759,221
	587,515	138,882	738,598	160,250	97,470	128,024
	3,693,214	3,186,227	3,451,809	3,464,068	3,600,984	3,528,587
	1,263,886	948,703	892,563	1,242,522	1,177,656	935,905
	661,951	752,984	716,198	661,359	766,970	522,410
	216,237	170,416	279,512	287,768	403,059	120,302
	1,908,481	2,097,845	2,086,778	2,073,453	2,650,104	2,969,883
	991,147	297,581	108,344	107,947	33,906	1,738,720
	<u>17,384,170</u>	<u>15,343,350</u>	<u>15,630,396</u>	<u>15,556,276</u>	<u>16,610,494</u>	<u>17,616,674</u>
	16,361,314	17,460,743	18,260,298	18,491,333	19,105,209	19,472,378
	9,688,311	6,946,532	9,648,371	9,995,417	11,156,948	2,528,510
	-	-	-	-	-	-
	67,425	-	219,676	-	-	-
	33,273	24,767	139,947	30,925	37,423	20,846
	<u>26,150,323</u>	<u>24,432,042</u>	<u>28,268,292</u>	<u>28,517,675</u>	<u>30,299,580</u>	<u>22,021,734</u>
\$	<u>43,534,493</u>	<u>39,775,392</u>	<u>43,898,688</u>	<u>44,073,951</u>	<u>46,910,074</u>	<u>39,638,408</u>
\$	(54,326,993)	(57,907,925)	(58,335,188)	(53,440,396)	(63,505,341)	(53,442,876)
	(5,808,327)	(5,783,553)	(5,366,589)	(5,057,249)	(4,760,909)	(11,543,859)
\$	<u>(60,135,320)</u>	<u>(63,691,478)</u>	<u>(63,701,777)</u>	<u>(58,497,645)</u>	<u>(68,266,250)</u>	<u>(64,986,735)</u>

**Village of Hoffman Estates, Illinois**  
**Change in Net Position Excluding EDA TIF Activity**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property	\$ 18,423,634	\$ 18,274,812	\$ 18,169,718	\$ 23,237,428
Sales	5,951,289	6,432,977	7,306,806	7,980,411
Income and local use	4,913,556	5,416,250	5,931,409	5,911,120
Telecommunications	2,741,011	2,896,031	2,441,097	2,296,238
Real estate transfer	366,253	419,814	917,245	685,054
Home rule sales	3,312,721	3,547,063	3,777,094	3,835,430
Other	1,375,898	1,615,860	2,544,559	6,121,814
Investment earnings	67,938	39,357	31,592	(169,486)
Miscellaneous	3,229,174	1,520,751	3,264,517	1,870,656
Gain on sale of capital assets	-	-	-	-
Contributions	-	-	-	-
Transfers in (out)	(1,870,187)	597,165	(2,305,477)	(772,494)
Total government activities	<u>38,511,287</u>	<u>40,760,080</u>	<u>42,078,560</u>	<u>50,996,171</u>
Business-type activities				
Taxes				
Other	2,100,316	2,121,999	1,826,801	2,082,566
Investment earnings	5,426	3,866	912	(28,983)
Miscellaneous	1,063,217	1,306,800	1,057,680	1,182,976
Gain on sale of capital assets	-	-	-	-
Contributions	-	-	-	-
Transfers in (out)	2,293,237	(162,839)	2,389,989	746,684
Total business-type activities	<u>5,462,196</u>	<u>3,269,826</u>	<u>5,275,382</u>	<u>3,983,243</u>
Total primary government	<u>\$ 43,973,483</u>	<u>\$ 44,029,906</u>	<u>\$ 47,353,942</u>	<u>\$ 54,979,414</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,894,584	\$ 1,415,511	\$ 1,338,300	\$ (295,989)
Business-type activities	(819,864)	(1,637,299)	(1,108,479)	(3,638,483)
Total primary government change in net position	<u>\$ 2,074,720</u>	<u>\$ (221,788)</u>	<u>\$ 229,821</u>	<u>\$ (3,934,472)</u>

Note: GASB Statement No. 68 implemented in 2015. GASB Statement No. 75 implemented in 2018.

\*The Sears Centre Arena was renamed to NOW Arena, effective September 2020

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	23,688,156	\$ 25,593,040	\$ 25,615,209	\$ 26,653,561	\$ 26,787,031	\$ 27,955,458
	8,220,338	7,887,857	8,252,713	7,980,164	7,121,685	7,387,406
	6,757,353	6,224,044	6,055,330	6,508,950	7,310,628	7,960,622
	2,052,086	2,172,136	1,808,685	1,559,160	1,333,814	1,118,040
	925,104	761,315	1,087,913	1,381,303	1,937,262	1,042,874
	3,883,502	3,627,746	3,637,260	3,717,518	2,735,010	3,074,487
	6,108,606	6,012,152	6,226,293	6,456,977	6,271,913	5,598,784
	64,493	112,723	280,937	638,402	996,174	293,315
	1,833,048	1,238,262	1,793,516	790,419	886,328	657,023
	-	-	-	-	220,548	-
	-	-	-	-	-	-
	(688,029)	(502,262)	(1,083,062)	(771,167)	(613,190)	(1,754,689)
	<u>52,844,657</u>	<u>53,127,013</u>	<u>53,674,794</u>	<u>54,915,287</u>	<u>54,987,203</u>	<u>53,333,320</u>
	2,303,729	2,260,278	2,357,087	2,314,507	2,662,088	1,739,637
	5,198	29,031	56,616	148,265	227,124	69,232
	1,152,118	390,500	1,031,551	1,144,257	1,192,870	3,514,180
	-	-	-	-	-	-
	-	-	-	-	-	-
	772,518	2,053,026	1,083,062	774,500	633,190	1,238,189
	<u>4,233,563</u>	<u>4,732,835</u>	<u>4,528,316</u>	<u>4,381,529</u>	<u>4,715,272</u>	<u>6,561,238</u>
\$	<u>57,078,220</u>	<u>57,859,848</u>	<u>58,203,110</u>	<u>59,296,816</u>	<u>59,702,475</u>	<u>59,894,558</u>
\$	(1,482,336)	\$ (4,780,912)	\$ (4,660,394)	\$ 1,474,891	\$ (8,518,138)	\$ (109,556)
	(1,574,764)	(1,050,718)	(838,273)	(675,720)	(45,637)	(4,982,621)
\$	<u>(3,057,100)</u>	<u>(5,831,630)</u>	<u>(5,498,667)</u>	<u>799,171</u>	<u>(8,563,775)</u>	<u>(5,092,177)</u>

**Village of Hoffman Estates, Illinois**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011 *</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Fund</b>				
Nonspendable	\$ 1,148,877	\$ 1,360,549	\$ 294,059	\$ 230,761
Restricted	177,139	186,289	183,933	181,216
Assigned	876,935	1,083,418	3,165,374	2,537,181
Unrestricted	-	-	-	-
Unassigned	10,739,736	12,060,851	11,563,246	13,469,497
Total general fund	<u>\$ 12,942,687</u>	<u>\$ 14,691,107</u>	<u>\$ 15,206,612</u>	<u>\$ 16,418,655</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 66,688	\$ 57,648	\$ 184,664	\$ 21,262
Restricted	12,110,169	8,243,892	8,521,424	6,375,517
Assigned	7,487,942	7,446,603	5,365,498	4,167,991
Unrestricted	-	(4,124)	(98,405)	(13,584)
Unreserved, reported in				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total all other governmental funds	<u>\$ 19,664,799</u>	<u>\$ 15,744,019</u>	<u>\$ 13,973,181</u>	<u>\$ 10,551,186</u>

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

Data Source

Audited Financial Statements

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 209,139	\$ 277,704	\$ 198,904	\$ 204,701	\$ 171,820	\$ 183,447
173,576	172,034	183,232	-	47,469	40,679
2,799,639	4,719,896	2,794,747	1,104,220	5,336,101	4,415,706
-	-	-	-	-	-
<u>19,477,539</u>	<u>18,181,441</u>	<u>19,193,924</u>	<u>23,610,274</u>	<u>20,242,741</u>	<u>19,047,434</u>
<u>\$ 22,659,893</u>	<u>\$ 23,351,075</u>	<u>\$ 22,370,807</u>	<u>\$ 24,919,195</u>	<u>\$ 25,798,131</u>	<u>\$ 23,687,266</u>
\$ 1,153,464	\$ 273,375	\$ 30,080	\$ 34,157	\$ 573,551	\$ 548,170
4,705,051	1,728,678	2,183,862	1,820,471	4,451,677	4,568,873
4,205,874	6,083,147	5,253,240	4,940,599	5,845,727	5,275,433
(16,293)	(45,036)	-	(8,290)	(14,683)	(154,384)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,048,096</u>	<u>\$ 8,040,164</u>	<u>\$ 7,467,182</u>	<u>\$ 6,786,937</u>	<u>\$ 10,856,272</u>	<u>\$ 10,238,092</u>

**Village of Hoffman Estates, Illinois**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

<b>Fiscal Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Revenues</b>				
Taxes	\$ 45,643,831	\$ 44,912,765	\$ 45,783,285	\$ 61,147,865
Licenses and permits	2,049,297	1,682,898	1,493,182	1,291,098
Intergovernmental	14,606,305	15,123,272	16,116,827	19,919,884
Charges for services	6,703,490	6,538,068	8,481,038	7,479,744
Fines and forfeitures	1,965,165	1,148,229	1,556,969	1,871,677
Investment income	71,019	42,287	30,060	(234,463)
Miscellaneous	3,494,374	1,526,653	3,446,127	1,240,648
<b>Total revenues</b>	<b>74,533,481</b>	<b>70,974,172</b>	<b>76,907,488</b>	<b>92,716,453</b>
<b>Expenditures</b>				
General government	5,638,169	5,615,811	5,846,890	5,874,247
Public safety	32,067,394	32,290,740	33,487,343	33,816,834
Highways and streets	5,200,961	5,164,896	5,572,599	9,644,226
Sanitation	1,115,901	1,213,277	1,211,351	1,332,980
Health and welfare	1,661,144	1,687,017	1,670,982	1,609,731
Culture and recreation	216,819	319,509	336,655	336,225
Economic development	1,999,468	3,071,913	2,418,635	81,651,001
Capital outlay	4,313,811	4,865,388	6,928,824	8,396,097
Debt service				
Principal	18,598,968	16,053,442	15,374,258	27,606,103
Interest and other charges	3,015,117	2,911,079	2,852,106	2,479,036
<b>Total expenditures</b>	<b>73,827,752</b>	<b>73,193,072</b>	<b>75,699,643</b>	<b>172,746,480</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>705,729</b>	<b>(2,218,900)</b>	<b>1,207,845</b>	<b>(80,030,027)</b>
<b>Other Financial Sources (Uses)</b>				
Transfers in	5,786,586	5,607,877	4,761,322	3,588,403
Transfers (out)	(8,156,236)	(5,561,337)	(7,224,500)	(4,403,424)
Sale of capital assets	-	-	-	-
Bonds issued, at par	-	-	-	-
Notes issued, at par	-	-	-	78,635,096
Payment to escrow agent	-	-	-	-
Premium (discount) on issuance of bonds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,369,650)</b>	<b>46,540</b>	<b>(2,463,178)</b>	<b>77,820,075</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,663,921)</b>	<b>\$ (2,172,360)</b>	<b>\$ (1,255,333)</b>	<b>\$ (2,209,952)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>31.92%</b>	<b>28.08%</b>	<b>24.95%</b>	<b>17.88%</b>

Data Source  
Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	48,144,836	\$ 49,586,716	\$ 46,669,596	\$ 39,129,755	\$ 46,875,928	\$ 38,034,500
	2,080,207	1,774,407	1,707,137	2,080,112	2,008,952	1,744,758
	19,354,335	17,576,568	18,054,009	17,134,698	17,404,105	20,397,647
	10,034,296	9,435,945	10,168,721	9,794,675	10,232,720	9,953,848
	2,271,097	1,922,768	1,750,921	1,790,946	1,990,634	1,324,340
	64,493	119,737	280,937	638,402	996,174	260,539
	1,687,579	680,477	831,669	793,093	987,074	928,885
	<u>83,636,843</u>	<u>81,096,618</u>	<u>79,462,990</u>	<u>71,361,681</u>	<u>80,495,587</u>	<u>72,644,517</u>
	5,732,993	5,904,784	5,910,231	5,969,028	6,386,268	6,045,134
	33,838,561	34,703,000	36,098,087	36,100,476	36,959,044	37,996,208
	8,873,822	7,235,536	6,940,943	7,850,181	7,993,021	8,000,897
	2,437,875	2,843,463	2,917,600	2,982,280	3,037,119	2,979,804
	1,789,257	1,823,939	2,018,586	2,122,912	2,166,630	2,379,164
	297,900	321,265	310,459	315,852	275,239	152,351
	29,042,476	5,271,336	5,846,061	2,783,606	2,930,213	4,000,711
	7,173,225	8,328,496	9,949,220	6,429,502	6,080,497	9,625,363
	13,515,894	13,759,693	10,693,312	2,036,236	9,605,499	2,055,714
	2,452,802	2,368,908	2,322,815	2,222,409	2,132,273	2,226,102
	<u>105,154,805</u>	<u>82,560,420</u>	<u>83,007,314</u>	<u>68,812,482</u>	<u>77,565,803</u>	<u>75,461,448</u>
	<u>(21,517,962)</u>	<u>(1,463,802)</u>	<u>(3,544,324)</u>	<u>2,549,199</u>	<u>2,929,784</u>	<u>(2,816,931)</u>
	3,991,161	6,004,353	7,589,427	3,523,493	4,811,010	5,292,198
	(4,514,083)	(7,672,060)	(8,795,257)	(4,597,752)	(5,410,614)	(6,615,498)
	-	-	-	-	890,146	1,411,186
	1,640,000	8,975,000	2,970,000	29,580,000	1,727,945	-
	26,042,563	1,646,250	2,700,763	-	-	-
	-	(9,673,407)	(2,510,274)	(31,927,008)	-	-
	-	-	-	-	-	-
	96,469	866,916	182,988	2,593,638	-	-
	<u>27,256,110</u>	<u>147,052</u>	<u>2,137,647</u>	<u>(827,629)</u>	<u>2,018,487</u>	<u>87,886</u>
\$	<u>5,738,148</u>	<u>\$ (1,316,750)</u>	<u>\$ (1,406,677)</u>	<u>\$ 1,721,570</u>	<u>\$ 4,948,271</u>	<u>\$ (2,729,045)</u>
	<u>15.96%</u>	<u>21.19%</u>	<u>16.94%</u>	<u>7.16%</u>	<u>15.58%</u>	<u>6.40%</u>



## **Revenue Capacity**

**Village of Hoffman Estates, Illinois**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal 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
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	33.33%
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	33.33%
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	33.33%
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	33.33%
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	33.33%
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	33.33%
2017	1,015,939,978	343,474,918	43,251,062	80,912	286,946,621	1,689,693,491	1.470	5,069,080,473	33.33%
2018	997,720,511	330,207,432	42,651,480	106,305	279,504,242	1,650,189,970	1.528	4,950,569,910	33.33%
2019	1,141,146,061	388,353,448	55,875,519	106,305	220,773,753	1,806,255,086	1,377	5,418,765,258	33.33%
2020	(B)								

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

(B) 2020 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 Fiscal Years**

<b>Tax Levy Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Village Direct Rates (A)</b>										
General	0.762	0.831	0.907	0.906	0.000	0.000	0.000	0.000	0.000	(B)
Police protection services	0.000	0.000	0.000	0.000	0.462	0.408	0.403	0.413	0.357	
Fire protection services	0.000	0.000	0.000	0.000	0.475	0.420	0.416	0.426	0.368	
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	0.102	0.111	0.126	0.125	0.129	0.114	0.153	0.156	0.135	
Police pension	0.145	0.166	0.219	0.209	0.263	0.248	0.260	0.282	0.279	
Firefighters' pension	0.107	0.116	0.204	0.203	0.233	0.227	0.238	0.251	0.238	
Total direct rates	1.116	1.224	1.456	1.443	1.562	1.417	1.470	1.528	1.377	
<b>Overlapping Rates</b>										
School district #54	3.196	3.578	4.148	4.168	4.332	3.790	3.844	4.030	3.545	
Palatine Twp. H.S. #211	2.482	2.772	3.197	3.213	3.309	2.871	2.922	3.044	2.749	
Junior College District #512	0.334	0.373	0.444	0.451	0.466	0.416	0.425	0.443	0.403	
Forest Preserve District of Cook County	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.060	0.059	
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	0.321	0.331	0.384	0.386	0.402	0.352	0.357	0.372	0.294	
Township of Schaumburg (All Funds)	0.125	0.137	0.161	0.163	0.171	0.148	0.152	0.160	0.142	
Metropolitan Sanitary District of Greater Chicago	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	
Northwest Mosquito Abatement District	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011	0.010	
Hoffman Estates Park District	0.521	0.585	0.669	0.673	0.701	0.622	0.639	0.669	0.588	
Consolidated Elections	0.025	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.030	
County of Cook	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total tax rate per \$100 of assessed valuation	8.970	9.975	11.549	11.577	12.035	10.628	10.810	11.202	10.040	
<b>Share of Total Tax Rate Levied by by the Village</b>	<b>12.44%</b>	<b>12.27%</b>	<b>12.61%</b>	<b>12.46%</b>	<b>12.98%</b>	<b>13.33%</b>	<b>13.60%</b>	<b>13.64%</b>	<b>13.72%</b>	

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

(B) 2020 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 Fiscal Years**

<b>Tax Levy Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Village Direct Rates (A)</b>										
General	0.762	0.831	0.907	0.906	0.000	0.000	0.000	0.000	0.000	(B)
Police protection services	0.000	0.000	0.000	0.000	0.462	0.408	0.403	0.413	0.357	
Fire protection services	0.000	0.000	0.000	0.000	0.475	0.420	0.416	0.426	0.368	
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	0.102	0.111	0.126	0.125	0.129	0.114	0.153	0.156	0.135	
Police pension	0.145	0.166	0.219	0.209	0.263	0.248	0.260	0.282	0.279	
Firefighters' pension	0.107	0.116	0.204	0.203	0.233	0.227	0.238	0.251	0.238	
Total direct rates	1.116	1.224	1.456	1.443	1.562	1.417	1.470	1.528	1.377	
<b>Overlapping Rates</b>										
Unit School District #220	3.788	4.292	4.807	4.953	5.126	4.538	4.560	4.853	4.669	
Junior College District #512	0.334	0.373	0.444	0.451	0.466	0.416	0.425	0.443	0.403	
Forest Preserve District of Cook County	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.06	0.059	
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	0.195	0.223	0.248	0.258	0.266	0.231	0.230	0.248	0.244	
Township of Barrington (All Funds)	0.026	0.029	0.033	0.033	0.034	0.031	0.032	0.033	0.033	
Metropolitan Sanitary District of Greater Chicago	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	
Northwest Mosquito Abatement District	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011	0.010	
Hoffman Estates Park District	0.521	0.585	0.669	0.673	0.701	0.622	0.639	0.669	0.588	
Consolidated Elections	0.025	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.030	
County of Cook	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	
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	0.088	0.136	0.092	0.088	0.077	0.065	0.068	0.054	0.048	
Total tax rate per \$100 of assessed valuation	6.943	7.837	8.839	8.979	9.324	8.332	8.425	8.784	8.304	
<b>Share of Total Tax Rate Levied by the Village</b>	<b>16.07%</b>	<b>15.62%</b>	<b>16.47%</b>	<b>16.07%</b>	<b>16.75%</b>	<b>17.01%</b>	<b>17.45%</b>	<b>17.40%</b>	<b>16.58%</b>	

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

(B) 2020 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 Fiscal Years**

<b>Tax Levy Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Village Direct Rates (A)</b>										
General	0.762	0.831	0.907	0.906	0.000	0.000	0.000	0.000	0.000	(B)
Police protection services	0.000	0.000	0.000	0.000	0.462	0.408	0.403	0.413	0.357	
Fire protection services	0.000	0.000	0.000	0.000	0.475	0.420	0.416	0.426	0.368	
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	0.102	0.111	0.126	0.125	0.129	0.114	0.153	0.156	0.135	
Police pension	0.145	0.166	0.219	0.209	0.263	0.248	0.26	0.282	0.279	
Firefighters' pension	0.107	0.116	0.204	0.203	0.233	0.227	0.238	0.251	0.238	
Total direct rates	1.116	1.224	1.456	1.443	1.562	1.417	1.470	1.528	1.377	
<b>Overlapping Rates</b>										
School District #15	2.943	3.269	3.849	3.868	4.035	3.543	3.618	3.807	3.486	
Palatine Twp. H.S. #211	2.482	2.772	3.197	3.213	3.309	2.871	2.922	3.044	2.749	
Junior College District #512	0.334	0.373	0.444	0.451	0.466	0.416	0.425	0.443	0.403	
Forest Preserve District of Cook County	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.06	0.059	
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	0.222	0.248	0.293	0.295	0.308	0.268	0.276	0.291	0.344	
Township of Palatine (All Funds)	0.135	0.145	0.167	0.166	0.173	0.145	0.143	0.146	0.134	
Metropolitan Sanitary District of Greater Chicago	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	
Northwest Mosquito Abatement District	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011	0.010	
Hoffman Estates Park District	0.521	0.585	0.669	0.673	0.701	0.622	0.639	0.669	0.588	
Consolidated Elections	0.025	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.030	
County of Cook	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total tax rate per \$100 of assessed valuation	8.628	9.591	11.165	11.189	11.646	10.294	10.494	10.884	10.023	
<b>Share of Total Tax Rate Levied by the Village</b>	<b>12.93%</b>	<b>12.76%</b>	<b>13.04%</b>	<b>12.90%</b>	<b>13.41%</b>	<b>13.77%</b>	<b>14.01%</b>	<b>14.04%</b>	<b>13.74%</b>	

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

(B) 2020 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 Fiscal Years**

<b>Tax Levy Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Village Direct Rates (A)</b>										
General	0.762	0.831	0.907	0.906	0.000	0.000	0.000	0.000	0.000	(B)
Police protection services	0.000	0.000	0.000	0.000	0.462	0.408	0.403	0.413	0.357	
Fire protection services	0.000	0.000	0.000	0.000	0.475	0.420	0.416	0.426	0.368	
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	0.102	0.111	0.126	0.125	0.129	0.114	0.153	0.156	0.135	
Police pension	0.145	0.166	0.219	0.209	0.263	0.248	0.26	0.282	0.279	
Firefighters' pension	0.107	0.116	0.204	0.203	0.233	0.227	0.238	0.251	0.238	
Total direct rates	1.116	1.224	1.456	1.443	1.562	1.417	1.470	1.528	1.377	
<b>Overlapping Rates</b>										
School District #220	3.788	4.292	4.807	4.953	5.126	4.538	4.560	4.853	4.669	
Junior College District #512	0.334	0.373	0.444	0.451	0.466	0.416	0.425	0.443	0.403	
Forest Preserve District of Cook County	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.060	0.059	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library	0.449	0.515	0.631	0.632	0.663	0.580	0.590	0.621	0.546	
Township of Hanover (All Funds)	0.286	0.324	0.391	0.393	0.417	0.361	0.367	0.384	0.341	
Metropolitan Sanitary District of Greater Chicago	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	
Northwest Mosquito Abatement District	0.010	0.011	0.013	0.013	0.011	0.010	0.010	0.011	0.010	
Hoffman Estates Park District	0.521	0.585	0.669	0.673	0.701	0.622	0.639	0.669	0.588	
Consolidated Elections	0.025	0.000	0.031	0.000	0.034	0.000	0.031	0.000	0.030	
County of Cook	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	
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	0.044	0.050	0.061	0.061	0.058	0.057	0.059	0.063	0.057	
Lake County Tax Obj Ct Ord-220	0.088	0.136	0.092	0.088	0.077	0.065	0.068	0.054	0.048	
Total tax rate per \$100 of assessed valuation	7.501	8.474	9.641	9.774	10.162	9.068	9.179	9.571	8.971	
<b>Share of Total Tax Rate Levied by the Village</b>	<b>14.89%</b>	<b>14.44%</b>	<b>15.10%</b>	<b>14.76%</b>	<b>15.37%</b>	<b>15.63%</b>	<b>16.01%</b>	<b>15.96%</b>	<b>15.35%</b>	

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

(B) 2020 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	2019 Tax Levy			2010 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.	\$ 45,599,112	1	2.52%	\$ 186,638,143	1	8.07%
AT&T				130,888,897	2	5.66%
Property Tax Advisors				47,742,024	3	2.06%
Terry Kemp				34,703,011	4	1.50%
Hoffman Estates Acq.	32,318,495	2	1.79%			
Madkatstep Entertainment				24,931,447	5	1.08%
Amita Health/David Hill	21,976,323	3	1.22%			
Stonegate Properties				20,931,319	6	0.91%
Paul Hastings LLC	20,411,999	4	1.13%			
Lincoln Property Co.	19,307,772	5	1.07%			
Hmc Pt Poplar Creek Cr.	19,273,200	6	1.07%			
American Heritage	18,808,200	7	1.04%	17,132,745	8	0.74%
Cabelas	14,909,555	8	0.83%	18,480,505	7	0.80%
Tr Greenspoint LLC	13,883,210	9	0.77%			
TransAmerica				15,983,784	9	0.69%
Wells Fargo Bank	13,841,389	10	0.77%			
Thompson Property				14,395,930	10	0.62%
	<u>\$ 220,329,255</u>		<u>12.21%</u>	<u>\$ 511,827,805</u>		<u>22.13%</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
2011	\$ 17,340,949	\$ 17,020,527	98.15%	\$ 67,032	\$ 17,087,559	98.54%
2012	17,442,448	16,907,162	96.93%	87,236	16,994,398	97.43%
2013	18,286,478	17,680,341	96.69%	261,709	17,942,050	98.12%
2014	18,286,479	17,926,138	98.03%	163,643	18,089,781	98.92%
2015	19,161,057	18,794,772	98.09%	84,871	18,879,643	98.53%
2016	19,651,575	19,217,229	97.79%	55,728	19,272,957	98.07%
2017	20,619,983	19,820,426	96.12%	42,594	19,863,020	96.33%
2018	20,936,459	20,330,469	97.11%	57,323	20,387,792	97.11%
2019	21,832,978	21,167,992	96.95%	-	21,167,992	96.95%
2020	22,901,511	(A)				

(A) Collections for the 2020 tax levy year will not be received until fiscal year 2021.

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

Data Source

Office of the County Clerk



## **Debt Capacity**

**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			
2011	\$ 51,803,750	\$ -	\$ -	\$ 85,819,617	\$ 55,966,250	\$ -	\$ -	\$ 193,589,617	11.7%	\$ 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	-	117,652,586	51,921,250	(181,610)	2,683	218,016,052	12.5%	4,201
2015	48,248,750	755,003	-	136,147,963	56,151,250	(162,667)	-	241,140,299	12.9%	4,647
2016	46,968,750	1,249,522	-	130,239,359	53,891,250	(152,070)	-	232,196,811	12.2%	4,474
2017	45,887,500	1,347,733	-	128,268,667	57,442,500	119,323	-	233,065,723	12.0%	4,491
2018	42,380,000	3,473,673	-	131,721,091	55,175,000	644,406	-	233,394,170	11.6%	4,497
2019	42,447,945	3,266,923	-	127,935,095	60,687,905	615,626	-	234,953,494	11.7%	4,527
2020	40,616,580	3,060,173	-	133,191,109	57,757,450	586,845	-	235,212,157	11.6%	4,532

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
2011	\$ 107,770,000	\$ 1,542,308	\$ 106,227,692	1.89%	\$ 2,046.97
2012	105,020,000	853,148	104,166,852	2.00%	2,007.26
2013	102,978,162	633,706	102,344,456	2.22%	1,972.14
2014	100,360,783	439,080	99,921,703	2.14%	1,925.46
2015	104,992,336	228,267	104,764,069	2.30%	2,018.77
2016	101,957,452	65,109	101,892,343	2.06%	1,963.43
2017	104,797,056	39,469	104,757,587	2.07%	2,018.65
2018	101,673,079	23,533	101,649,546	2.05%	1,958.75
2019	107,018,399	27,299	106,991,100	1.97%	2,061.68
2020	102,021,048	23,494	101,997,554	1.78%	1,965.46

*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, 2020**

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the Village (A)</b>	<b>The Village's Share of Debt</b>
Village of Hoffman Estates	\$ 176,867,865	100%	\$ 176,867,865
Dundee Township Park District	2,071,355	0.085%	1,761
Hoffman Estates Park District	7,940,000	93.288%	7,407,067
Palatine Park District	4,630,000	2.587%	119,778
Schools			
District No. 15	43,375,000	8.589%	3,725,479
District No. 220	46,605,000	7.616%	3,549,437
District No. 300	236,816,782	1.499%	3,549,884
District No. U-46	218,313,638	2.966%	6,475,183
Junior College District No. 512	250,435,000	6.096%	15,266,518
Junior College District No. 509	156,860,000	2.137%	3,352,098
Metropolitan Water Reclamation District	2,694,934,289	0.968%	26,086,964
Cook County including Forest Preserve District	2,794,111,750	0.951%	26,572,003
Kane County including Forest Preserve District	115,640,000	0.011%	12,720
Gail Borden Library District	2,505,000	4.897%	122,670
Poplar Creek Library District	13,370,000	6.366%	851,134
East Dundee & Countryside Fire Bond District	3,990,000	0.014%	559
	<u>6,591,597,814</u>		<u>97,093,255</u>
	<u>\$ 6,768,465,679</u>		<u>\$ 273,961,120</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, 2020**

Under the 1970 Illinois Constitution, there is no 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	Available for Distribution	Incremental Property Taxes	Debt Service		Coverage
						Principal	Interest		
2011	\$ 10,634,233	\$ (14,500,872)	\$ (5,000)	\$ (3,871,639)	\$ -	\$ 15,988,968	\$ 15,988,968	\$ -	1.00
2012	8,421,354	(9,558,246)	(3,500)	(1,140,392)	-	14,588,442	14,588,442	-	1.00
2013	9,802,210	(9,385,159)	(1,500)	415,551	-	14,174,258	14,174,258	-	1.00
2014	14,465,972	(14,328,247)	(1,000)	136,725	-	10,973,414	10,973,414	-	1.00
2015	14,608,387	(14,539,087)	(69,300)	-	-	12,220,894	12,220,894	-	1.00
2016	14,432,790	(14,409,116)	(23,674)	-	-	12,079,693	12,079,693	-	1.00
2017	12,668,198	(12,646,577)	(21,621)	-	-	8,944,465	8,944,465	-	1.00
2018	15,255,254	(15,139,394)	(115,860)	-	-	7,661,977	7,661,977	-	1.00
2019	16,295,947	(9,925,676)	(350,000)	-	6,020,271 <sup>a</sup>	-	-	-	N/A
2020	10,974,813	(5,000,000)	(350,000)	-	5,624,813 <sup>a</sup>	-	-	-	N/A

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

<sup>a</sup> Due to pending litigation, the full Governmental Share and Tax Increment Financing Note payments were not made as of the end of the fiscal year.

## **Demographic and Economic Information**

**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
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	37,275	3.8
2018	51,895	2,014,304,425	38,815	2.8
2019	51,895	2,010,256,615	38,737	2.2
2020*	51,895	2,029,457,765	39,107	6.9

\*2020 Estimated-Census info not yet available

Data Source

(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	2020			2011		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Sears Holdings				6,200	1	11.9%
St. Alexius Medical Center	2,500	1	4.8%	2,750	2	5.3%
AT&T (Ameritech)				2,500	3	4.8%
GE Commercial Finance				800	4	1.5%
CDK Global	650	2	1.3%			
Automated Data Processing				600	5	1.2%
Siemens Medical Systems	600	3	1.2%	500	6	1.0%
Transformco	600	4	1.2%			
Liberty Mutual	400	5	0.8%	400	8	0.8%
Claire's	400	6	0.8%	350	10	0.7%
FANUC America	370	7	0.7%			
Village of Hoffman Estates	365	8	0.7%	350	9	0.7%
Vistex	330	9	0.6%			
Leopardo Companies Inc.	300	10	0.6%	400	7	0.8%
Wells Fargo	300	10	0.6%			
Total	<u>6,815</u>			<u>14,850</u>		

Data Source

Village Records

**Village of Hoffman Estates, Illinois**  
**Full-Time Equivalent Employees**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>										
Administration										
Management services	24	25	24	25	26	26	29	29	29	30
Finance	14	14	14	15	15	16	16	16	16	16
Public safety										
Police										
Officers	91	90	92	89	89	90	90	88	87	87
Civilians	20	20	20	20	20	20	20	20	21	21
Fire										
Firefighters and officers	94	94	99	96	96	96	96	93	94	94
Civilians	3	3	3	3	4	4	3	4	4	5
Highways and streets										
Administration	3	3	3	2	2	2	2	2	2	2
Engineering	9	9	9	10	9	9	10	9	9	9
Street maintenance	66	66	66	71	72	71	70	70	70	71
Sanitation	-	-	-	-	-	-	1	1	1	2
Health and welfare	17	17	17	18	20	21	23	23	23	23
Culture and recreation	2	2	2	1	1	1	1	1	1	1
Economic development	7	7	8	8	8	7	6	6	6	6
<b>Total full-time equivalent employees</b>	<b>350</b>	<b>350</b>	<b>357</b>	<b>358</b>	<b>362</b>	<b>363</b>	<b>367</b>	<b>362</b>	<b>363</b>	<b>367</b>

Data Source

Village Budget Documents

## **Operating Information**

## Village of Hoffman Estates, Illinois

### Operating Indicators

### Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public Safety</b>										
Police										
Physical arrests	1,661	1,407	1,713	1,666	1,413	1,422	1,366	1,125	1,117	1,014
Parking violations	2,262	2,613	4,147	4,023	2,549	1,911	2,090	3,305	2,547	1,387
Traffic violations	17,614	15,175	19,186	19,673	14,606	10,387	11,049	8,734	6,395	3,786
Fire										
Emergency responses	5,419	5,415	4,012	4,161	4,186	4,372	4,186	4,384	4,596	4,252
Fire/miscellaneous responses	1,802	1,645	1,372	1,588	1,615	1,676	1,618	1,406	1,386	1,246
Inspections	2,130	2,844	2,283	1,879	1,904	1,497	2,115	1,715	1,561	1,636
<b>Public Works</b>										
Vehicles maintained by department	225	225	225	225	228	243	239	246	250	246
Street reconstruction (miles)	1.0	1.4	1.4	2.8	2.4	2.2	1.5	1.6	0.5	0.5
Street resurfacing (miles)	1.6	2.4	-	4.3	3.5	5.2	5.5	2.6	8.8	8.2
<b>Water</b>										
New connections	12	10	16	5	42	37	67	78	59	2
Water main breaks	65	112	65	61	75	77	73	63	74	85
Average daily consumption	4,907,000	5,143,000	4,778,000	4,653,000	4,451,000	4,345,000	4,311,000	4,239,000	4,390,000	4,160,000
Peak daily consumption	8,554,000	8,377,000	7,458,000	6,523,000	6,362,000	6,699,000	6,341,000	6,173,000	6,715,000	6,951,000

#### Data Source

Various Village Departments

**Village of Hoffman Estates, Illinois**  
**Capital Asset Statistics**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public Safety</b>										
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	54	53	56	54	51	57	51	54	54	60
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	11	11	11	12	11	12	11	11	11	11
<b>Public Works</b>										
Miles of streets	158	158	158	160	160	160	160	161	161	151
Streetlights	2,464	2,512	2,512	2,529	2,529	2,529	2,533	2,533	2,551	2,571
Traffic signals	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Water main (miles)	235	247	257	243	243	247	255	257	257	256
Fire hydrants	3,076	3,084	3,092	3,091	3,091	3,093	3,129	3,180	3,186	3,163
Storage capacity (gallons)	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000
<b>Waterwaste</b>										
Sanitary sewers (miles)	201	201	201	205	205	205	205	205	256	191
Storm sewers (miles)	145	145	156	161	161	226	226	227	227	227

Data Source

Various Village Departments

**Village of Hoffman Estates, Illinois**  
**Continuing Disclosure Undertaking for the Fiscal Year Ended**  
**December 31, 2020**

**Annual Report**

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Assets</b>						
Cash and investments	\$ 18,376,003	\$ 19,443,123	\$ 20,170,755	\$ 22,960,706	\$ 24,501,284	\$ 20,495,371
Receivables						
Property taxes	17,472,029	17,798,039	18,229,735	18,499,548	19,385,360	21,039,359
Accounts	403,893	454,640	396,905	415,181	378,971	439,200
Accrued interest	10,199	33,043	82,303	132,557	121,768	6,391
Other	2,817,140	2,874,009	2,785,069	2,547,263	2,789,078	2,589,204
Prepaid items	53,471	121,943	50,851	59,185	62,459	70,911
Asset held by agents	-	-	-	108,367	110,910	139,138
Inventory	124,568	124,661	116,953	114,416	109,361	112,536
Due from other governments	5,105,238	4,838,202	4,183,443	4,075,309	4,339,878	4,391,870
Due from other funds	406,727	99,795	60,269	10,559	15,605	709,940
Due from fiduciary funds	-	-	-	-	63,959	-
Advance to fiduciary funds	31,100	31,100	31,100	-	-	-
	<u>44,800,368</u>	<u>45,818,555</u>	<u>46,107,383</u>	<u>48,923,091</u>	<u>51,878,633</u>	<u>49,993,920</u>
Total assets						
<b>Liabilities</b>						
Accounts payable	1,286,761	1,023,336	1,624,566	1,254,340	2,351,928	1,721,527
Accrued payroll	921,669	1,048,744	1,139,346	1,214,166	1,310,239	426,546
Unearned revenues	115,098	389,950	368,407	375,119	383,057	367,595
Due to FSA Participants	-	-	-	77,267	79,810	108,038
Due to other funds	62,756	-	-	-	-	-
Due to fiduciary funds	47,360	8,104	9,346	-	-	-
Deposits payable	1,123,953	967,471	1,155,449	1,356,809	1,204,590	1,204,406
Deferred inflows of resources	18,582,878	19,029,875	19,439,462	19,726,195	20,750,878	22,478,542
	<u>22,140,475</u>	<u>22,467,480</u>	<u>23,736,576</u>	<u>24,003,896</u>	<u>26,080,502</u>	<u>26,306,654</u>
Total liabilities						
<b>Fund Balances</b>						
Nonspendable for prepaid items	53,471	121,943	50,851	59,185	62,459	70,911
Nonspendable for inventory	124,568	124,661	116,953	114,416	109,361	112,536
Nonspendable for noncurrent receivables	31,100	31,100	31,100	31,100	-	-
Restricted for public safety	107,404	122,524	127,381	129,892	-	-
Restricted for employee loan program	66,172	49,510	55,851	43,426	47,469	40,679
Assigned for employee health	2,207,549	2,328,466	2,268,417	1,995,896	2,096,471	2,115,706
Assigned for subsequent budget	592,090	2,391,430	526,330	1,104,220	3,239,630	2,300,000
Unassigned	19,477,539	18,181,441	19,193,924	21,441,060	20,242,741	19,047,434
	<u>22,659,893</u>	<u>23,351,075</u>	<u>22,370,807</u>	<u>24,919,195</u>	<u>25,798,131</u>	<u>23,687,266</u>
Total equity and credits						
Total liabilities, equity and other credits	<u>\$ 44,800,368</u>	<u>\$ 45,818,555</u>	<u>\$ 46,107,383</u>	<u>\$ 48,923,091</u>	<u>\$ 51,878,633</u>	<u>\$ 49,993,920</u>

Source

Comprehensive Annual Financial Report, FY 2015-2020

**Village of Hoffman Estates, Illinois**  
**General Fund Revenues and Expenditures**  
**Fiscal Years Ended December 31**

	2015	2016	2017	2018	2019	2020	Budget 2021
<b>Revenues</b>							
Taxes	\$ 30,056,223	\$ 30,563,005	\$ 30,928,418	\$ 31,602,666	\$ 31,960,387	\$ 30,503,005	\$ 33,169,460
Licenses and permits	2,080,207	1,774,407	1,707,137	2,080,112	2,008,952	1,744,758	1,711,000
Intergovernmental	15,796,499	14,853,986	15,085,809	15,237,144	15,191,181	16,649,712	14,883,710
Charges for services	9,010,169	8,907,304	9,087,327	9,193,055	9,478,178	9,245,252	10,063,640
Fines and forfeits	2,035,952	1,496,652	1,279,213	1,363,279	1,343,809	1,110,521	1,226,000
Investment income	29,996	76,807	188,872	449,925	701,272	183,463	275,000
Miscellaneous	1,652,542	640,818	635,776	762,330	956,625	553,852	441,100
<b>Total revenues</b>	<b>60,661,588</b>	<b>58,312,979</b>	<b>58,912,552</b>	<b>60,688,511</b>	<b>61,640,404</b>	<b>59,990,563</b>	<b>61,769,910</b>
<b>Expenditures</b>							
General government	5,732,993	5,904,784	5,910,231	5,969,028	6,386,268	6,031,574	6,526,580
Public safety	33,300,683	34,229,399	35,385,440	35,818,822	36,704,779	37,555,497	40,922,970
Highways and streets	6,628,993	5,984,915	5,677,957	5,947,702	6,436,679	5,876,922	6,209,150
Sanitation	2,437,875	2,843,463	2,917,600	2,982,280	3,037,119	2,979,804	2,929,150
Health and welfare	1,789,257	1,823,939	2,018,586	2,122,912	2,166,630	2,379,164	2,422,770
Culture and recreation	297,900	321,265	310,459	315,852	275,239	152,351	334,850
Economic development	2,060,375	2,065,058	2,037,077	2,110,538	2,110,140	2,124,118	2,547,660
<b>Total expenditures</b>	<b>52,248,076</b>	<b>53,172,823</b>	<b>54,257,350</b>	<b>55,267,134</b>	<b>57,116,854</b>	<b>57,099,430</b>	<b>61,893,130</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>8,413,512</b>	<b>5,140,156</b>	<b>4,655,202</b>	<b>5,421,377</b>	<b>4,523,550</b>	<b>2,891,133</b>	<b>(123,220)</b>
<b>Other Financing Uses</b>	<b>(2,172,274)</b>	<b>(4,448,974)</b>	<b>(5,635,470)</b>	<b>(2,872,989)</b>	<b>(3,644,614)</b>	<b>(5,001,998)</b>	<b>(2,174,120)</b>
<b>Net Change in Fund Balance</b>	<b>6,241,238</b>	<b>691,182</b>	<b>(980,268)</b>	<b>2,548,388</b>	<b>878,936</b>	<b>(2,110,865)</b>	<b>(2,297,340)</b>
<b>Fund Balance, January 1</b>	<b>16,418,655</b>	<b>22,659,893</b>	<b>23,351,075</b>	<b>22,370,807</b>	<b>24,919,195</b>	<b>25,798,131</b>	<b>23,687,266</b>
<b>Ending Fund Balance</b>	<b>\$ 22,659,893</b>	<b>\$ 23,351,075</b>	<b>\$ 22,370,807</b>	<b>\$ 24,919,195</b>	<b>\$ 25,798,131</b>	<b>\$ 23,687,266</b>	<b>\$ 21,389,926</b>

Source

Comprehensive Annual Financial Report, FY 2015-2020



**Village of Hoffman Estates, Illinois**  
**Combined Statement – Fund Balances – All Funds**  
**Fiscal Years Ended December 31**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Governmental Fund Types</b>						
General Fund	\$ 22,659,893	\$ 23,351,075	\$ 22,370,807	\$ 24,919,195	\$ 25,798,131	\$ 23,687,266
Special revenue funds						
Motor fuel tax fund	531,906	642,655	726,902	215,087	373,924	1,369,793
Com. development block grant	1	1	17,773	8,442	1	10,436
Asset Seizure Fund	127,915	310,988	479,551	661,346	1,078,463	872,345
Econ. Dev. Area Admin.	514,545	-	-	-	-	-
E911	66,792	66,979	-	-	-	-
Roselle Rd TIF	325,762	145,377	273,649	720,692	1,061,133	1,647,962
Barrington Higgins TIF	-	281,861	204,886	181,427	173,526	611,153
Lakewood TIF	-	-	-	-	(2,924)	-
Higgins/Hassell Road TIF	(16,293)	170,672	9,668	11,461	11,927	12,194
Total special revenue	1,550,628	1,618,533	1,712,429	1,798,455	2,696,050	4,523,883
Debt service funds	228,267	65,109	39,469	13,726	16,035	(154,384)
Capital project funds	8,269,201	6,356,522	5,861,857	4,974,756	8,144,187	5,868,593
Total governmental	32,707,989	31,391,239	29,984,562	31,706,132	36,654,403	33,925,358
<b>Proprietary Fund Types</b>						
Waterworks and sewerage	22,855,045	22,896,309	22,208,778	20,630,000	21,042,751	17,133,829
NOW Arena*	28,718,349	28,365,250	28,214,508	27,591,598	27,133,210	26,059,511
Insurance	1,620,595	1,456,488	1,736,277	1,939,307	1,324,293	1,167,984
Information systems	712,613	939,595	887,555	452,186	707,024	768,122
Total proprietary	53,906,602	53,657,642	53,047,118	50,613,091	50,207,278	45,129,446
<b>Fiduciary Fund Types</b>						
Expendable trust funds	-	-	-	-	-	-
Pension trust						
Police pension	66,014,912	71,259,190	79,351,880	71,094,867	80,645,427	85,105,513
Firefighters' pension	70,999,525	74,595,928	83,543,889	78,152,578	93,396,628	105,768,041
Total fiduciary	137,014,437	145,855,118	162,895,769	149,247,445	174,042,055	190,873,554
Total all funds (memo only)	<u>\$ 223,629,028</u>	<u>\$ 230,903,999</u>	<u>\$ 245,927,449</u>	<u>\$ 231,566,668</u>	<u>\$ 260,903,736</u>	<u>\$ 269,928,358</u>

\*The Sears Centre Arena was renamed to NOW Arena, effective September 2020

Source

Comprehensive Annual Financial Report, FY 2015-2020

**Village of Hoffman Estates, Illinois**  
**Budget Summary – All Funds**  
**Fiscal Years Ended December 31**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Governmental Fund Types</b>						
General Fund	\$ 57,702,260	\$ 58,885,940	\$ 62,197,380	\$ 59,837,170	\$ 62,164,030	\$ 65,787,580
Special revenue funds						
Motor fuel tax fund	2,281,360	1,261,000	1,275,000	1,915,000	2,135,000	2,710,000
Com. development block grant	560,000	364,000	320,900	305,800	263,500	297,500
Asset Seizure Fund	363,710	377,950	736,710	288,780	183,020	321,350
Econ. Dev. Area Admin.	345,960	552,090	-	-	-	-
E911	26,670	-	70,000	-	-	-
Sears EDA General Account	12,220,900	12,079,700	8,944,500	-	-	-
Roselle Rd TIF	962,700	378,270	1,792,860	912,940	915,270	915,000
Barrington Higgins TIF	-	1,402,400	683,600	605,650	605,740	4,500
Lakewood Center TIF	-	-	-	-	-	269,100
Higgins/Hassell Road TIF	4,690	1,111,520	2,961,310	371,690	5,180	4,850
Total special revenue	16,765,990	17,526,930	16,784,880	4,399,860	4,107,710	4,522,300
Debt service funds	7,987,150	18,300,770	9,798,190	39,814,980	6,943,570	7,131,890
Capital project funds	44,373,720	14,150,760	19,036,140	15,255,240	13,173,430	15,492,820
Total governmental	126,829,120	108,864,400	107,816,590	119,307,250	86,388,740	92,934,590
<b>Proprietary Fund Types</b>						
Waterworks and sewerage	19,972,620	22,305,760	21,294,280	21,238,660	\$22,546,730	\$23,630,700
NOW Arena*	13,881,880	13,424,670	15,704,470	15,851,850	12,028,310	15,059,370
Insurance	1,806,560	1,791,860	1,656,300	1,821,200	1,748,980	1,781,510
Information systems	1,584,970	1,668,800	1,976,780	2,041,690	2,032,190	2,207,480
Total proprietary	37,246,030	39,191,090	40,631,830	40,953,400	\$38,356,210	\$42,679,060
<b>Fiduciary Fund Types</b>						
Expendable trust funds	-	-	-	-	-	-
Pension trust						
Police pension	4,288,290	5,015,980	5,488,400	6,207,330	6,255,780	6,857,410
Firefighters' pension	4,139,000	4,368,630	5,088,680	5,516,920	5,706,160	6,209,260
Total fiduciary	8,427,290	9,384,610	10,577,080	11,724,250	11,961,940	13,066,670
Total all funds (memo only)	<u>\$ 172,502,440</u>	<u>\$ 157,440,100</u>	<u>\$ 159,025,500</u>	<u>\$ 171,984,900</u>	<u>\$ 136,706,890</u>	<u>\$ 148,680,320</u>

\*The Sears Centre Arena was renamed to NOW Arena, effective September 2020

Source

Budgets – FY 2015-2020

**Village of Hoffman Estates, Illinois**  
**Combined Statement – Cash and Investments – All Funds**  
**As of December 31**

	2015	2016	2017	2018	2019	2020
General Fund	\$ 18,376,003	\$ 19,443,123	\$ 20,170,755	\$ 22,960,706	\$ 24,501,284	\$ 20,495,371
Special revenue funds	2,025,586	1,722,087	1,642,752	1,966,181	2,578,375	4,381,556
Debt service - GO bonds	216,330	111,194	35,318	23,533	27,299	23,494
Capital project funds	6,440,008	7,576,171	8,082,945	9,875,887	12,657,125	10,698,178
Capital projects - EDA, Series 1991*	2,909,863	2,002,704	1,605,974	-	-	-
Total capital project funds	9,349,871	9,578,875	9,688,919	9,875,887	12,657,125	10,698,178
Enterprise funds						
Waterworks and sewerage	4,503,642	4,079,870	10,119,022	10,670,787	19,407,022	12,978,306
NOW Arena*	2,989,202	2,359,200	3,048,986	2,646,349	2,690,380	1,253,159
Total enterprise funds	7,492,844	6,439,070	13,168,008	13,317,136	22,097,402	14,231,465
Internal service funds						
Insurance	2,615,565	2,842,503	2,913,510	3,152,797	2,596,865	2,855,656
Information systems	906,601	1,133,372	1,112,292	817,600	1,211,007	1,263,931
Total internal service funds	3,522,166	3,975,875	4,025,802	3,970,397	3,807,872	4,119,587
Pension funds	2,085,757	1,767,053	2,565,284	2,809,187	2,020,778	19,933
All other funds	458,539	4,152	2,526	17,862,795	10,945,947	11,470,756
Total	\$ 43,527,096	\$ 43,041,429	\$ 51,299,364	\$ 72,785,822	\$ 78,636,082	\$ 65,440,340

\*In 2018 EDA Series 1991 Project Fund was changed to Prairie Stone Capital Fund and is included with all Capital Project Funds.

\*The Sears Centre Arena was renamed to NOW Arena, effective September 2020

Source

Comprehensive Annual Financial Report, FY 2015-2020

**Village of Hoffman Estates, Illinois**  
**General Fund – Major Sources of Revenue**  
**Fiscal Years Ended December 31**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues						
Property taxes	\$ 16,393,056	\$ 16,355,691	\$ 16,278,379	\$ 16,041,276	\$ 16,169,960	\$ 16,162,780
Sales tax	8,220,338	7,887,857	8,252,713	7,980,164	7,010,330	7,335,166
Home rule sales tax	3,883,502	3,627,746	3,637,260	3,717,518	2,703,178	3,061,003
Local use tax	1,145,993	1,238,450	1,340,692	1,502,961	1,724,193	2,222,935
State income tax	5,611,360	4,985,594	4,714,638	5,005,989	5,567,999	5,714,698
Licenses and permits	1,996,964	1,693,448	1,630,591	2,006,956	1,939,751	1,681,770
Charges for services	8,503,649	8,229,658	8,589,632	8,709,155	8,960,277	8,910,577
Fines and forfeits	2,005,951	1,467,105	1,279,212	1,363,279	1,343,809	1,110,520
Investment income	29,996	76,807	188,873	449,925	701,272	183,464
Hotel tax	1,426,413	1,372,586	1,274,499	1,242,791	1,359,133	490,502
Real estate transfer tax	925,104	761,315	1,087,913	1,381,303	1,937,262	1,042,874
Telecommunications tax	2,052,086	2,172,136	1,808,685	1,559,160	1,351,147	1,135,971
All other	<u>8,771,100</u>	<u>8,645,060</u>	<u>8,829,465</u>	<u>9,728,034</u>	<u>10,873,059</u>	<u>10,938,303</u>
Total revenues	<u>\$ 60,965,512</u>	<u>\$ 58,513,453</u>	<u>\$ 58,912,552</u>	<u>\$ 60,688,511</u>	<u>\$ 61,641,370</u>	<u>\$ 59,990,563</u>

Source

Village Finance Department

**Village of Hoffman Estates, Illinois**  
**Direct and Overlapping General Obligation Debt**  
**As of December 31, 2020**

	Outstanding Bonds	Applicable to Village	
		Percentage	Amount
Direct Debt			
General obligation bonds outstanding	\$ 176,867,865	100.0%	<u>\$ 176,867,865</u>
Overlapping Debt			
Cook County	2,794,111,750	0.951%	26,572,003
Metropolitan Water Reclamation District	2,694,934,289	0.968%	26,086,964
Kane County	115,640,000	0.011%	12,720
Dundee Township Park District	2,071,355	0.085%	1,761
Hoffman Estates Park District	7,940,000	93.288%	7,407,067
Palatine Park District	4,630,000	2.587%	119,778
Gail Borden Public Library District	2,505,000	4.897%	122,670
Poplar Creek Library District	13,370,000	6.366%	851,134
East Dundee & Countryside Fire Bond District	3,990,000	0.014%	559
School District #15	43,375,000	8.589%	3,725,479
Community Unit School District #U-46	218,313,638	2.966%	6,475,183
Community Unit School District #220	46,605,000	7.616%	3,549,437
Community Unit School District #300	236,816,782	1.499%	3,549,884
Community College #509	156,860,000	2.137%	3,352,098
Community College #512	250,435,000	6.096%	<u>15,266,518</u>
			<u>97,093,255</u>
Total direct and overlapping general obligation bonded debt			<u><u>\$ 273,961,120</u></u>

Source

Cook and Kane County Clerk's Offices

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2020**

Year Ended (December 1)	Series 2015A Bonds			Series 2015B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2021	\$ 1,955,000	\$ 533,830	\$ 2,488,830	\$ 425,000	\$ 164,200	\$ 589,200
2022	2,165,000	475,180	2,640,180	440,000	147,200	587,200
2023	2,335,000	404,818	2,739,818	460,000	129,600	589,600
2024	2,425,000	317,255	2,742,255	475,000	115,800	590,800
2025	2,515,000	220,255	2,735,255	495,000	96,800	591,800
2026	2,620,000	114,626	2,734,626	515,000	77,000	592,000
2027	-	-	-	530,000	56,400	586,400
2028	-	-	-	430,000	35,200	465,200
2029	-	-	-	450,000	18,000	468,000
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 14,015,000</u>	<u>\$ 2,065,964</u>	<u>\$ 16,080,964</u>	<u>\$ 4,220,000</u>	<u>\$ 840,200</u>	<u>\$ 5,060,200</u>

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2020**

Year Ended (December 1)	Series 2015C Bonds			Series 2016 Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2021	\$ -	\$ 1,011,812	\$ 1,011,812	\$ 105,000	\$ 331,700	\$ 436,700
2022	-	1,011,812	1,011,812	-	329,600	329,600
2023	-	1,011,812	1,011,812	-	329,600	329,600
2024	-	1,011,812	1,011,812	-	329,600	329,600
2025	-	1,011,812	1,011,812	1,150,000	329,600	1,479,600
2026	110,000	1,011,812	1,121,812	-	283,600	283,600
2027	2,855,000	1,007,138	3,862,138	2,270,000	283,600	2,553,600
2028	2,975,000	885,800	3,860,800	2,355,000	192,800	2,547,800
2029	3,105,000	755,644	3,860,644	2,465,000	98,600	2,563,600
2030	3,240,000	619,800	3,859,800	-	-	-
2031	3,390,000	474,000	3,864,000	-	-	-
2032	3,555,000	304,500	3,859,500	-	-	-
2033	2,535,000	126,750	2,661,750	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
	<u>\$ 21,765,000</u>	<u>\$ 10,244,504</u>	<u>\$ 32,009,504</u>	<u>\$ 8,345,000</u>	<u>\$ 2,508,700</u>	<u>\$ 10,853,700</u>

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2020**

Year Ended (December 1)	Series 2017A Bonds			Series 2017B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2021	\$ 325,000	\$ 178,862	\$ 503,862	\$ 35,000	\$ 123,300	\$ 158,300
2022	340,000	169,112	509,112	35,000	122,600	157,600
2023	345,000	158,912	503,912	35,000	121,900	156,900
2024	355,000	148,562	503,562	35,000	120,850	155,850
2025	375,000	137,912	512,912	40,000	119,800	159,800
2026	380,000	126,662	506,662	40,000	118,600	158,600
2027	390,000	115,262	505,262	40,000	117,400	157,400
2028	410,000	99,662	509,662	45,000	115,800	160,800
2029	425,000	83,262	508,262	45,000	114,000	159,000
2030	200,000	66,262	266,262	45,000	112,200	157,200
2031	210,000	58,262	268,262	50,000	110,400	160,400
2032	215,000	51,962	266,962	50,000	108,400	158,400
2033	225,000	45,512	270,512	50,000	106,400	156,400
2034	230,000	38,762	268,762	480,000	104,400	584,400
2035	235,000	31,576	266,576	500,000	85,200	585,200
2036	245,000	24,232	269,232	520,000	65,200	585,200
2037	250,000	16,576	266,576	545,000	44,400	589,400
2038	260,000	8,450	268,450	565,000	22,600	587,600
	<u>\$ 5,415,000</u>	<u>\$ 1,559,802</u>	<u>\$ 6,974,802</u>	<u>\$ 3,155,000</u>	<u>\$ 1,833,450</u>	<u>\$ 4,988,450</u>



**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2020**

Year Ended (December 1)	Series 2018 Bonds			Series 2019 Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2021	\$ 1,625,000	\$ 1,485,338	\$ 3,110,338	\$ 563,305	\$ 195,414	\$ 758,719
2022	1,705,000	1,404,088	3,109,088	575,420	183,304	758,724
2023	1,790,000	1,318,838	3,108,838	587,790	170,932	758,722
2024	1,880,000	1,229,338	3,109,338	600,425	158,294	758,719
2025	925,000	1,135,338	2,060,338	613,335	145,384	758,719
2026	2,105,000	1,089,088	3,194,088	626,520	132,198	758,718
2027	-	983,838	983,838	639,995	118,728	758,723
2028	-	983,838	983,838	653,750	104,968	758,718
2029	-	983,838	983,838	667,810	90,912	758,722
2030	2,250,000	983,838	3,233,838	682,165	76,554	758,719
2031	2,365,000	871,338	3,236,338	696,830	61,888	758,718
2032	2,485,000	753,090	3,238,090	711,815	46,906	758,721
2033	2,605,000	628,838	3,233,838	727,120	31,602	758,722
2034	2,345,000	498,588	2,843,588	742,750	15,970	758,720
2035	2,435,000	404,788	2,839,788	-	-	-
2036	2,520,000	307,388	2,827,388	-	-	-
2037	2,610,000	206,588	2,816,588	-	-	-
2038	2,725,000	102,205	2,827,205	-	-	-
	<u>\$ 32,370,000</u>	<u>\$ 15,370,203</u>	<u>\$ 47,740,203</u>	<u>\$ 9,089,030</u>	<u>\$ 1,533,054</u>	<u>\$ 10,622,084</u>

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2020**

Year Ended (December 1)	Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service
2021	\$ 5,033,305	\$ 4,024,456	\$ 9,057,761
2022	5,260,420	3,842,896	9,103,316
2023	5,552,790	3,646,412	9,199,202
2024	5,770,425	3,431,511	9,201,936
2025	6,113,335	3,196,901	9,310,236
2026	6,396,520	2,953,586	9,350,106
2027	6,724,995	2,682,366	9,407,361
2028	6,868,750	2,418,068	9,286,818
2029	7,157,810	2,144,256	9,302,066
2030	6,417,165	1,858,654	8,275,819
2031	6,711,830	1,575,888	8,287,718
2032	7,016,815	1,264,858	8,281,673
2033	6,142,120	939,102	7,081,222
2034	3,797,750	657,720	4,455,470
2035	3,170,000	521,564	3,691,564
2036	3,285,000	396,820	3,681,820
2037	3,405,000	267,564	3,672,564
2038	3,550,000	133,255	3,683,255
	<u>\$ 98,374,030</u>	<u>\$ 35,955,877</u>	<u>\$ 134,329,907</u>
	<u>\$ 98,374,030</u>	<u>\$ 35,955,877</u>	<u>\$ 134,329,907</u>

**Village of Hoffman Estates, Illinois**  
**Local Share of State Sales Tax History by Month - Cash Basis**  
**December 31, 2020**

<b>Cash Received</b>	<b>Liability Month</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018 v. 2019</b>	<b>2019 v. 2020</b>
January	October	\$ 690,471	\$ 692,442	\$ 651,611	\$ 661,036	\$ 649,509	\$ 656,640	(1.7)%	1%
February	November	703,304	677,641	733,723	661,890	624,801	669,165	(5.6)%	7%
March	December	759,870	765,188	797,913	818,723	776,804	777,941	(5.1)%	0%
April	January	625,945	588,417	627,003	606,091	543,459	561,888	(10.3)%	3%
May	February	636,691	891,044	913,135	569,254	538,209	553,176	(5.5)%	3%
June	March	696,765	665,715	681,271	689,379	653,022	557,618	(5.3)%	(15)%
July	April	660,897	578,366	632,481	642,936	663,619	441,481	3%	(33)%
August	May	689,914	666,792	671,704	671,102	594,333	524,511	(11)%	(12)%
September	June	739,532	709,821	683,359	778,406	751,297	667,393	(3)%	(11)%
October	July	694,684	625,010	632,394	614,132	608,693	682,139	(1)%	12%
November	August	676,143	650,999	655,097	692,350	607,071	636,043	(12)%	5%
December	September	686,451	652,270	649,630	642,349	583,363	672,250	(9)%	15%
Year totals		<u>\$ 8,260,667</u>	<u>\$ 8,163,705</u>	<u>\$ 8,329,321</u>	<u>\$ 8,047,648</u>	<u>\$ 7,594,180</u>	<u>\$ 7,400,245</u>	<u>(6)%</u>	<u>(3)%</u>

Source

Village Finance Department

**Village of Hoffman Estates, Illinois**  
**Home Rule Sales Tax History by Month - Cash Basis**  
**December 31, 2020**

<b>Cash Received</b>	<b>Liability Month</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2018 v. 2019</b>	<b>2019 v. 2020</b>
January	October	\$ 322,359	\$ 325,328	\$ 294,622	\$ 315,451	\$ 297,562	\$ 304,537	(6)%	2%
February	November	338,435	338,938	293,827	318,585	275,771	291,273	(13)%	6%
March	December	381,857	399,214	362,163	416,923	373,684	343,198	(10)%	(8)%
April	January	305,139	282,498	256,181	288,863	259,337	273,057	(10)%	5%
May	February	300,617	281,360	261,040	276,142	243,487	238,252	(12)%	(2)%
June	March	322,770	310,833	336,913	314,742	269,698	263,959	(14)%	(2)%
July	April	290,790	258,906	270,068	301,729	253,055	155,042	(16)%	(39)%
August	May	317,104	308,936	298,333	312,103	183,888	176,310	(41)%	(4)%
September	June	367,835	347,470	314,356	339,286	400,241	258,952	18%	(35)%
October	July	313,928	282,606	289,669	264,129	256,408	262,625	(3)%	2%
November	August	316,948	283,174	315,203	332,155	247,821	271,299	(25)%	9%
December	September	318,883	294,039	313,498	316,982	255,094	295,070	(20)%	16%
Year totals		<u>\$ 3,896,665</u>	<u>\$ 3,713,302</u>	<u>\$ 3,605,873</u>	<u>\$ 3,797,090</u>	<u>\$ 3,316,046</u>	<u>\$ 3,133,574</u>	<u>(13)%</u>	<u>(6)%</u>

Source

Village Finance Department