



Village of Hoffman Estates, Illinois

Single Audit Report

For the Year Ended December 31, 2025

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1-3
Schedule of Expenditures of Federal Awards.....	4
Notes to Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs.....	6-7

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Village of Hoffman Estates, Illinois’ (the Village) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village’s major federal programs for the year ended December 31, 2025. The Village’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further describes in the Auditor’s Responsibility for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated June 15, 2026 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sibich CPA LLC

Naperville, Illinois
June 15, 2026

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor	Pass-Through Grantor	Program Title	Federal ALN Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
U.S. Department of Homeland Security	Illinois Emergency Management Agency	Emergency Management Preparedness Grant Total U.S. Department of Homeland Security	97.042	N/A	\$ 27,629 <u>27,629</u>	\$ - <u>-</u>
U.S. Department of Justice	Bureau of Justice Assistance	Bulletproof Vest Program Total U.S. Department of Justice	16.607	N/A	6,465 <u>6,465</u>	- <u>-</u>
U.S. Department of Transportation	Illinois Department of Transportation	Highway Planning and Construction Total Highway Planning and Construction	20.205	N/A	107,682 <u>107,682</u>	- <u>-</u>
	Illinois Department of Transportation	Highway Safety Cluster State and Community Highway Safety Total State and Community Highway Safety/Highway Safety Cluster	20.600	N/A	48,541 <u>48,541</u>	- <u>-</u>
		Total U.S. Department of Transportation			<u>156,223</u>	<u>-</u>
U.S. Department of Housing and Urban Development	N/A N/A	Community Development Block Grants/Entitlement Grant Cluster Community Development Block Grants/Entitlement Grants COVID-19 Community Development Block Grants/Entitlement Grants Total U.S. Department of Housing and Urban Development	14.218 14.218	N/A N/A	198,429 48,545 <u>246,974</u>	- - <u>-</u>
U.S. Department of the Treasury	N/A Cook County	Equitable Sharing Program COVID-19 Coronavirus State and Local Fiscal Recovery Funds Total U.S. Department of the Treasury	21.016 21.027	N/A N/A	97,159 80,130 <u>177,289</u>	- - <u>-</u>
U.S. Department of Energy	N/A	Energy Efficiency and Conservation Block Grant Program Total U.S. Department of Energy	81.128	N/A	114,480 <u>114,480</u>	- <u>-</u>
U.S. Department of Homeland Security	Federal Emergency Management Agency Cook County	Assistance to Firefighters Grant Homeland Security Grant Program Total U.S. Department of Homeland Security	*97.044 97.067	EMW-2022-FG-05036 EMW-2021-SS-00001	639,287 180,000 <u>819,287</u>	- - <u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 1,548,347</u>	<u>\$ -</u>

*Denotes Major Federal Program

(See independent auditor's report on supplementary information.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2025

Note A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the Village's federal award programs prepared on the accrual basis of accounting. Accordingly, revenues are recognized when the qualifying expenditure has been incurred and expenditures are recognized when the fund liability has been incurred.

Note B - Other Information

The Village did not have any federal expenditures related to loans, loan guarantees, insurance or noncash items.

Note C - Illinois Environmental Protection Agency Loans

The Village had Illinois Environmental Protection Agency Loans outstanding in the amount of \$2,084,154 at December 31, 2025. The loans were initially partially funded with federal monies. The loans have no continuing compliance requirements aside from loan repayment.

Note D - 15% De Minimis Indirect Cost Rate

The Village did not elect to use the 15% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:
Material weaknesses identified? yes no
Significant deficiency (ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major federal programs:
Material weaknesses identified? yes no
Significant deficiency (ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as a low-risk auditee? yes no

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2025

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None