

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
DECEMBER 31, 2022**



**VILLAGE OF HOFFMAN ESTATES,  
ILLINOIS**

# **Village of Hoffman Estates, Illinois**

Annual Comprehensive Financial Report  
Fiscal Year Ended December 31, 2022

Prepared by Finance Department

Rachel Musiala  
Director of Finance

# Village of Hoffman Estates

## December 31, 2022

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## **Introductory Section**

# VILLAGE OF HOFFMAN ESTATES, ILLINOIS

## PRINCIPAL OFFICIALS

December 31, 2022

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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

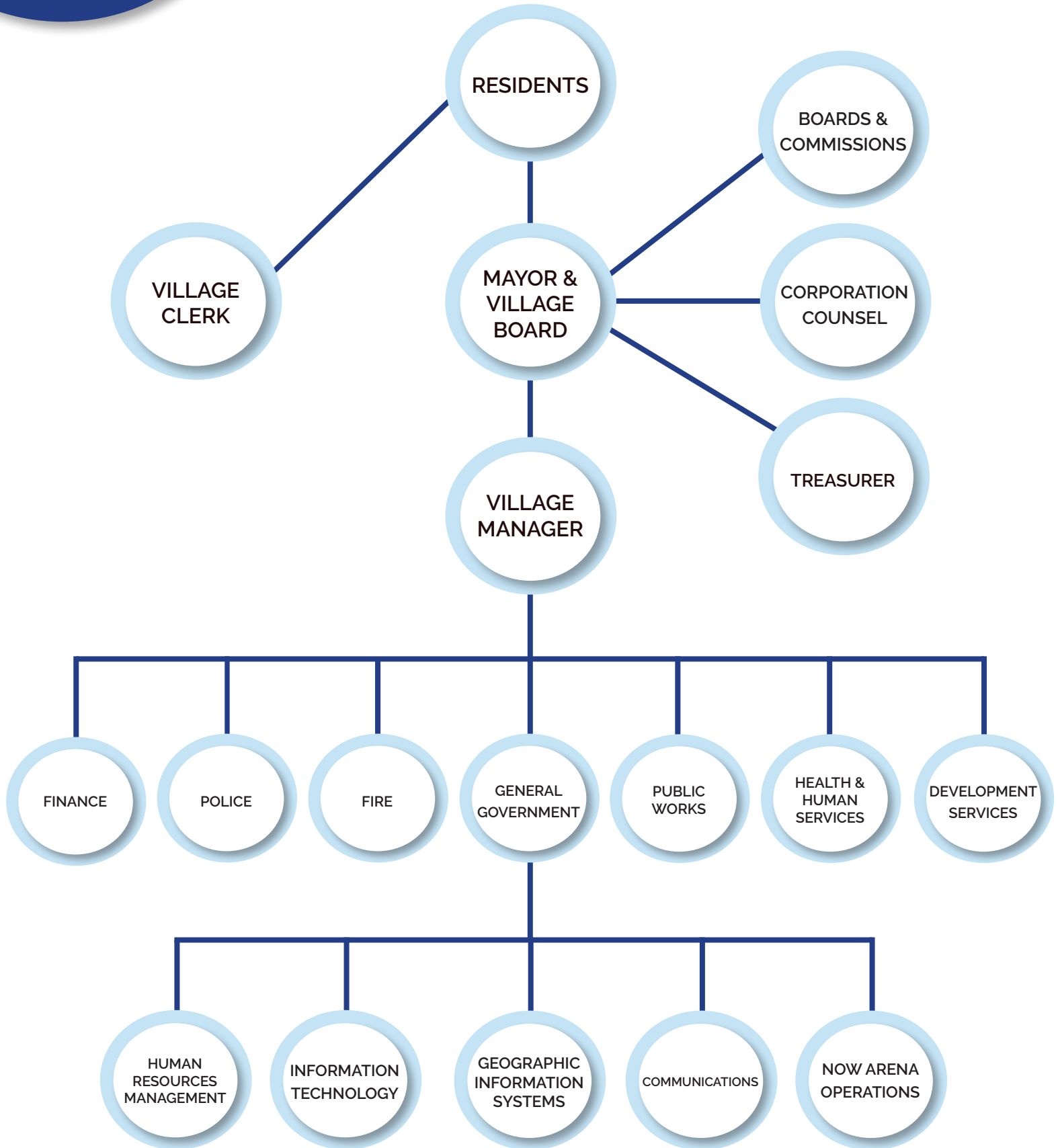
Eric Palm, Village Manager

### 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



# HOFFMAN ESTATES

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July 31, 2023

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 a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2022.

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 FORVIS 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, 2022, 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 2020 Census were received in June, 2021 and show the Village's total population at 52,530. This figure represents an increase of 635 from the last decennial census, which was completed in 2010. The Village is projected to reach its population maximum at 58,000 residents.

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

The Village provides a full range of general governmental services, including police and fire protection, health and social services, water and sewer utilities, street construction and maintenance, code enforcement, planning and zoning, and general administrative services. The financial reporting entity of the Village of Hoffman Estates is comprised of all funds of the primary government (i.e., the Village of Hoffman

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

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

### **Local Economy**

The economy improved through most sectors in Hoffman Estates during 2022 as observed in retail, residential, office, and industrial.

**Office/Light Industrial:** The Village continued capitalizing on the increase of industrial demand as Microsoft continued construction of their large data center facility on 53 acres along Lakewood Boulevard which brought substantial revenue to the Village. Other data centers showed interest in Hoffman Estates but none have finalized site plans. Hoffman Estates hosted a table at the Bisnow Midwest Data Center conference to help solidify the industry's image of Hoffman Estates being the place to develop data centers. Data centers help diversify the tax base by bringing in a different type of income stream from electrical utility taxes and substantial property taxes.

**Retail/Restaurants:** Many retail and restaurant locations in the Village have held ribbon cuttings over the past year. HomeGoods, Crumbl Cookies and Bath & Body Works all opened in the Poplar Creek Crossing shopping center, and numerous new restaurants opened across Hoffman Estates.

#### ***Village TIF Districts:***

##### ***Lakewood Center TIF District:***

Significant activity continued at Bell Works Chicagoland, the redevelopment of the former AT&T campus by Inspired by Somerset Development. Several new tenants recently held grand opening celebrations at Bell Works, including Heritage Crystal Clean, an environmental services firm that relocated its 140-employee headquarters to the Village from Elgin. Other new tenants include Headline Solar and Club Colors screen printing.

##### ***Roselle Road TIF District:***

Roselle, Higgins and Golf continued to be one of the most active economic development areas in 2022. By the end of 2022, 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 completing construction and buildout of an outlot on the south side of the center with a Banfield Pet Hospital. Sterling then sold the center to Amcap and the new owners began strategizing filling and building out the rest of the center. The Village continued to work with the owner and developer of 80 West Higgins Road to improve the stormwater system along Roselle Road by installing new infrastructure on the east side of Roselle Road where crumbling storm pipes were in place. They also plan to make improvements to the stormwater in front of their site in 2023.

##### ***Higgins Hassell TIF District:***

Facade construction was completed on the in-line building of the center while plan preparation began for the construction of a Popeye's Louisiana Kitchen on the outlot between Buona Beef and McDonald's. This is expected to begin construction in 2024. The center owner also entered into a contract with a multi-family

developer to construct 600 Class A apartment units on the mixed-use site. The developer will work through the entitlement process in 2023

*Barrington Higgins TIF District:*

Ala Carte Entertainment, owners of four restaurant buildings within the District and managers of the Property Owners Association, resurfaced the private ring road which connects the five sites to Barrington and Higgins Roads. Additionally, the Village worked with an engineering firm to design and install a new handrail along the sidewalk on Higgins Road protecting pedestrians from the open pond.

*Higgins-Old Sutton TIF District:*

This TIF was created in January 2020 yet has not had any development activity. The Village is working with the owner on a development agreement to bring utilities to the site while also working with a developer who could construct several hundred multi-family units on the northwest corner of Higgins Road and Old Sutton Road.

**Residential:**

A new 296-unit, townhome-style multifamily project began construction in 2022 at the southeast corner of Higgins Road and Moon Lake Boulevard. "Seasons at Hoffman Estates" will feature eight three-story buildings with a mix of market-rate apartment units ranging from studios to three bedrooms. Milwaukee-based Fiduciary Real Estate Development plans to feature a clubhouse, pool and fitness center on the thirteen-acre site surrounding the existing Poplar Creek Office Plaza. Additionally Somerset Development continued its sustained Metroburbs vision for the former AT&T campus, Bell Works, whereby the 1.6 million square foot former office site is transforming into a mixed-use hub for office, residential, retail, service, hotel, and conference center uses. While the initial work continues towards the townhouses, apartments, and hotel, all public areas are fully remodeled on the East phase of the building. Other single-family subdivisions continued through planning stages while several interested parties considered sites in Hoffman Estates but did not finalize contracts by the end of 2022.

### **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 to begin in 2024. The Comprehensive Plan is intended to guide the long range development policy of the Village. A broad array of development related issues are discussed in the plan, including transportation, land use, and economic development. The general guidance provided by the plan is considered when new developments are proposed and when specific programs are considered for implementation by the Village. Over time, it is expected that the broad policies in the plan may need to be adapted to meet changing conditions. Many of the policies of the plan are proposed with this need for flexibility in mind.

The Village also takes stringent steps in preparing for long-term capital planning. Every year, the Village produces a five-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, 2022, General Fund unassigned fund balance is 40.1% 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 an Annual Comprehensive 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 priorities and 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 priorities are:

#### *Strategic Planning Priorities:*

- *Communication* – Effectively communicate the Village priorities and information to the community in a clear, direct and proactive manner that increases engagement and understanding of Village services, initiatives and programs.

- *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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the thirty-ninth 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

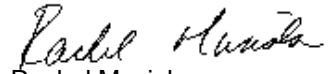
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village of Hoffman Estates received the GFOA's Distinguished Budget Presentation Award for its annual budget for the 2022 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 thirteenth 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,

A handwritten signature in black ink, appearing to read "Rachel Musiala". The signature is written in a cursive, flowing style.

Rachel Musiala  
Director of Finance

## **Financial Section**

## **Independent Auditor's Report**



1901 S. Meyers Road, Suite 500 / Oakbrook Terrace, IL 60181

P 630.282.9500 / F 630.282.9495

[forvis.com](http://forvis.com)

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, as of December 31, 2022, 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.

We did not audit the financial statements of the EDA Special Tax Allocation Fund, the custodial fund of the Village which represent 0.00%, 0.00% and 31%, respectively, of assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion for the aggregate remaining fund information, insofar as it relates to the amounts included for the EDA Special Tax Allocation Fund, the custodial fund of the Village is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions. The financial statements of the EDA Special Tax Allocation Fund audited by other auditors were not audited in accordance with *Governmental Auditing Standards*.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, in 2022, the Village adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **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.

## **Supplementary Information**

Our audit for the year ended December 31, 2022, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information for the year ended December 31, 2022, 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. 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 for the year ended December 31, 2022, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 20, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules and other supplementary information for the year ended December 31, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2021.

### **Other Information in Annual Comprehensive Financial Report**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, the statistical section, and continuing disclosure – Annual Financial Information – Annual Report, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023, on our consideration of 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 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 Village's internal control over financial reporting and compliance.

**FORVIS, LLP**

Oakbrook Terrace, Illinois  
July 31, 2023

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

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

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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, 2022. 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 5). Comparative amounts for 2021 within this discussion and analysis have not been restated for the effects of adoption of GASB Statement No. 87, *Leases*.

## **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 5 through 8 of this report.

### **Fund Financial Statements**

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

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

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

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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 revenue, expenditures, and changes in fund balances for the General Fund and the Lakewood Center TIF Fund, which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 9 through 15 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 16 through 20 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 21 and 22 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 23 through 71 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 72 through 85 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 86 through 150 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, 2022. Comparative amounts for 2021 within this discussion and analysis have not been restated for the effects of adoption of GASB Statement No. 87, *Leases*.

**Net Position**

The table below reflects the condensed Statement of Net Position.

**Table 1**  
**Statement of Net Position**  
**As of December 31, 2022 and 2021**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current and Other Assets	\$ 115,114.1	\$ 92,835.0	\$ 32,647.2	\$ 26,861.2	\$ 147,761.3	\$ 119,696.2
Capital Assets	148,232.7	152,314.5	91,705.4	90,167.7	239,938.1	242,482.2
<i>Total Assets</i>	263,346.8	245,149.5	124,352.6	117,028.9	387,699.4	362,178.4
Deferred Outflows of Resources	42,621.5	18,715.4	2,303.9	2,709.5	44,925.4	21,424.9
<b>Total Assets and Deferred Outflows</b>	<b>305,968.3</b>	<b>263,864.9</b>	<b>126,656.5</b>	<b>119,738.4</b>	<b>432,624.8</b>	<b>383,603.3</b>
Long-Term Liabilities	206,943.1	149,369.3	55,876.1	59,146.8	262,819.2	208,516.1
Other Liabilities	18,392.3	14,228.1	4,724.9	3,691.2	23,117.2	17,919.3
<i>Total Liabilities</i>	225,335.4	163,597.4	60,601.0	62,838.0	285,936.4	226,435.4
Deferred Inflows of Resources	55,684.7	68,154.9	4,326.0	2,903.9	60,010.7	71,058.8
<b>Total Liabilities and Deferred Inflows</b>	<b>281,020.1</b>	<b>231,752.3</b>	<b>64,927.0</b>	<b>65,741.9</b>	<b>345,947.1</b>	<b>297,494.2</b>
Net Position:						
Net Investment in Capital Assets	107,087.5	109,680.8	40,813.5	36,057.0	147,901.0	145,737.8
Restricted	12,631.0	6,322.1	4,506.8	2,708.8	17,137.8	9,030.9
Unrestricted	(94,770.3)	(83,890.3)	16,409.2	15,230.7	(78,361.1)	(68,659.6)
<b>Total Net Position</b>	<b>\$ 24,948.2</b>	<b>\$ 32,112.6</b>	<b>\$ 61,729.5</b>	<b>\$ 53,996.5</b>	<b>\$ 86,677.7</b>	<b>\$ 86,109.1</b>

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

The Village's combined Net Position increased \$568,475, from \$86,109,164 to \$86,677,639, during the fiscal year. Net Position decreased for governmental activities by (\$7,164,461) and net position for business-type activities increased by \$7,732,936.

The Village's combined unrestricted deficit net position increased by \$9,701,549, from (\$68,659,565) to (\$78,361,114), during this fiscal year. This additional deficit is primarily related to net pension and total Other Post-Employment Benefits (OPEB) liabilities, which increased \$38,135,277 from \$90,810,607 as of December 31, 2021 to \$128,945,884 as of December 31, 2022. 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, 2021 actuarial valuation from the Illinois Municipal Retirement Fund in order to continue its dedication to timely financial reporting.

The second portion of the Village's net position, in the amount of \$17,137,797, represents resources that are subject to external restrictions on how they may be used (*i.e.* capital projects, public safety, and economic development).

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

**Table 2**  
**Net Position: Net Investment in Capital Assets**  
**As of December 31, 2022 and 2021**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Capital Assets	\$ 148,232.7	\$ 152,314.5	\$ 91,705.4	\$ 90,167.7	\$ 239,938.1	\$ 242,482.2
Less Outstanding Related Debt:						
2015A G.O. Bonds	-	-	(9,895.0)	(12,060.0)	(9,895.0)	(12,060.0)
2015B G.O. Bonds	(820.0)	(950.0)	(2,535.0)	(2,845.0)	(3,355.0)	(3,795.0)
2015C G.O. Bonds	-	-	(21,765.0)	(21,765.0)	(21,765.0)	(21,765.0)
2016 G.O. Bonds	(8,240.0)	(8,240.0)	-	-	(8,240.0)	(8,240.0)
2017A G.O. Bonds	(350.0)	(395.0)	(4,400.0)	(4,695.0)	(4,750.0)	(5,090.0)
2017B G.O. Bonds	(2,300.0)	(2,330.0)	(785.0)	(790.0)	(3,085.0)	(3,120.0)
2018 G.O. Bonds	(23,440.0)	(25,145.0)	(5,600.0)	(5,600.0)	(29,040.0)	(30,745.0)
2019 G.O. Bonds	(1,427.2)	(1,530.5)	(6,523.1)	(6,995.3)	(7,950.3)	(8,525.8)
IEPA Loan	-	-	(2,326.6)	(1,614.1)	(2,326.6)	(1,614.1)
Equipment Loan	(1,445.5)	(1,724.4)	-	-	(1,445.5)	(1,724.4)
Less Accounts Payable						
related to capital assets	(1,484.0)	(221.0)	(78.4)	(796.5)	(1,562.4)	(1,017.5)
Less Outstanding Premiums	(2,646.7)	(2,853.4)	(698.0)	(752.1)	(3,344.7)	(3,605.5)
Plus Outstanding Discounts	-	-	168.7	194.1	168.7	194.1
Plus Loss on Refunding	669.6	745.0	797.9	899.4	1,467.5	1,644.4
Plus Unspent Bond Proceeds	338.6	10.6	2,747.6	2,708.8	3,086.2	2,719.4
<b>Total</b>	<b>\$ 107,087.5</b>	<b>\$ 109,680.8</b>	<b>\$ 40,813.5</b>	<b>\$ 36,057.0</b>	<b>\$ 147,901.0</b>	<b>\$ 145,737.8</b>

For more detailed information, see the Statement of Net Position on page 5 and 6.

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, 2022 and 2021**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 19,742.7	\$ 17,572.1	\$ 30,755.6	\$ 25,338.3	\$ 50,498.3	\$ 42,910.4
Operating Grants	2,823.9	2,597.9	249.2	7,004.4	3,073.1	9,602.3
Capital Grants/Contributions	1,676.7	1,235.8	4,533.7	1,458.4	6,210.4	2,694.2
General Revenues:						
Property Taxes	27,992.3	31,035.3	-	-	27,992.3	31,035.3
Other Taxes	38,054.5	34,156.5	3,039.5	2,396.0	41,094.0	36,552.5
Other	740.4	131,638.9	1,593.2	1,105.2	2,333.6	132,744.1
<b>Total Revenues</b>	<b>91,030.5</b>	<b>218,236.5</b>	<b>40,171.2</b>	<b>37,302.3</b>	<b>131,201.7</b>	<b>255,538.8</b>
<b>EXPENSES</b>						
General Government	7,038.2	6,746.2	-	-	7,038.2	6,746.2
Public Safety	50,136.9	35,580.4	-	-	50,136.9	35,580.4
Highways and Streets	14,822.8	11,295.9	-	-	14,822.8	11,295.9
Sanitation	3,112.0	2,807.1	-	-	3,112.0	2,807.1
Health and Welfare	2,338.8	2,378.3	-	-	2,338.8	2,378.3
Culture and Recreation	114.8	201.5	-	-	114.8	201.5
Economic Development	18,904.4	10,767.3	-	-	18,904.4	10,767.3
Water and Sewer	-	-	18,485.7	18,676.3	18,485.7	18,676.3
NOW Arena	-	-	13,860.8	8,997.2	13,860.8	8,997.2
Interest on Long-Term Debt	1,818.7	6,708.7	-	-	1,818.7	6,708.7
<b>Total Expenses</b>	<b>98,286.6</b>	<b>76,485.4</b>	<b>32,346.5</b>	<b>27,673.5</b>	<b>130,633.1</b>	<b>104,158.9</b>
<b>Excess (Deficiency) Before Transfers</b>	<b>(7,256.1)</b>	<b>141,751.1</b>	<b>7,824.7</b>	<b>9,628.8</b>	<b>568.6</b>	<b>151,379.9</b>
Transfers In (Out)	91.7	(1,174.4)	(91.7)	1,174.4	-	-
<b>Change in Net Position</b>	<b>\$ (7,164.4)</b>	<b>\$ 140,576.7</b>	<b>\$ 7,733.0</b>	<b>\$ 10,803.2</b>	<b>\$ 568.6</b>	<b>\$ 151,379.9</b>
<b>Net Position, January 1</b>	<b>\$ 32,112.6</b>	<b>\$ (108,464.1)</b>	<b>\$ 53,996.5</b>	<b>\$ 43,193.3</b>	<b>\$ 86,109.1</b>	<b>\$ (65,270.8)</b>
<b>Net Position, December 31</b>	<b>\$ 24,948.2</b>	<b>\$ 32,112.6</b>	<b>\$ 61,729.5</b>	<b>\$ 53,996.5</b>	<b>\$ 86,677.7</b>	<b>\$ 86,109.1</b>

For the fiscal year ended December 31, 2022, revenues from governmental activities totaled \$91,030,531. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to \$27,992,282. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

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

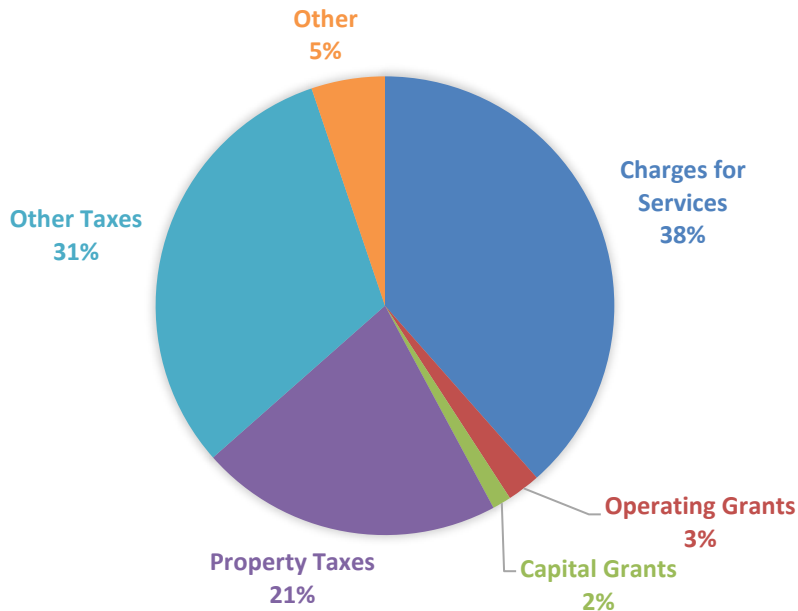
VILLAGE OF HOFFMAN ESTATES, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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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 2022, total sales tax revenues, including both state-shared and home-rule, were \$14,710,896 compared to \$13,615,081 in 2021, an increase of \$1,095,815, or 8%. These sales taxes have been a positive source of revenue for the Village and continue to grow each year.

**Chart 1**  
**Revenues by Source – Primary Government**  
**For the Fiscal Year Ended December 31, 2022**



Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2021 and 2022, the Village's income and local use tax revenues increased from \$9,126,402 to \$10,692,964. According to the IL Commission on Government Forecasting and Accountability, this was due to the significant growth in withholding taxes and large tax payments on capital gains and "strong economic performance with the aid of federal stimulus dollars also lead to robust levels of corporate profits."

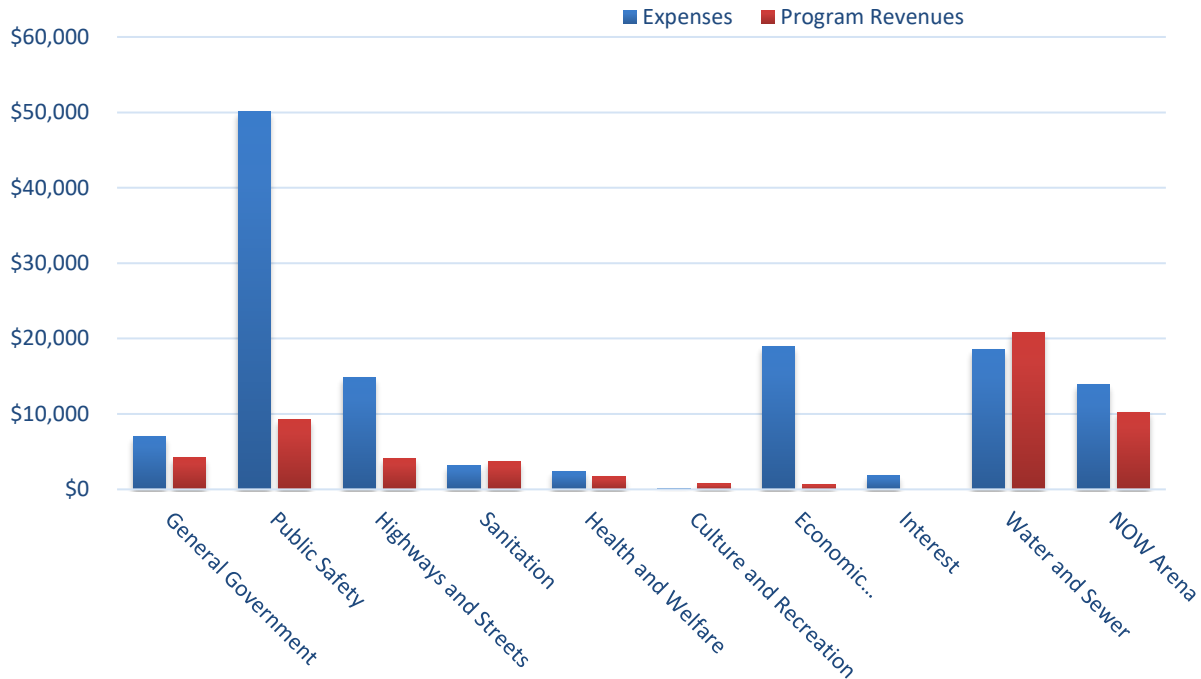
Water and sewer capital contributions increased from \$1,432,736 to \$4,533,725 in 2022. This increase largely relates to the \$4,472,970 in sanitary sewer construction project reimbursements the Village received from developers in 2022.

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)

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**Chart 2**  
**Expenses and Program Revenues**  
**For the Fiscal Year Ended December 31, 2022**  
**(Dollars in Thousands)**

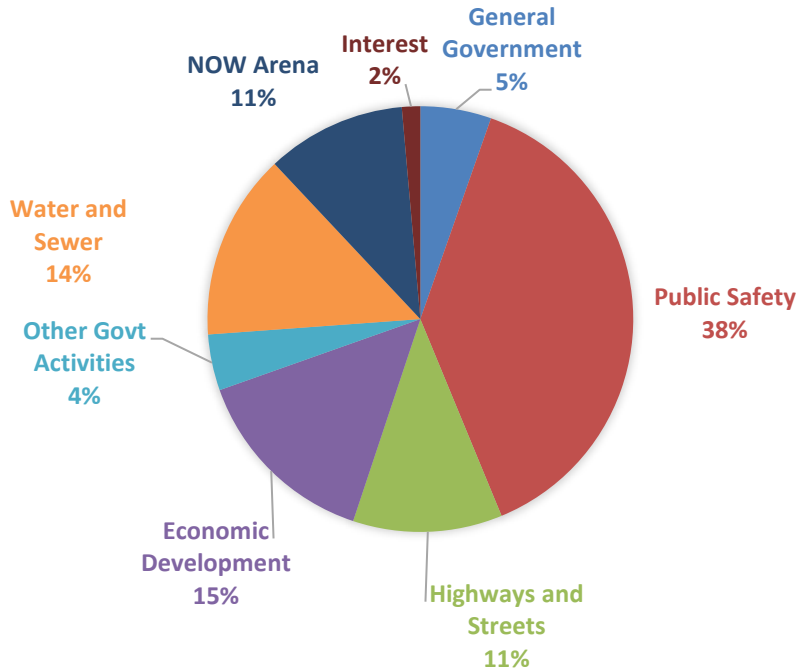


Village expenses amounted to \$130,633,137 in 2022. The largest share is related to Public Safety in the amount of \$54,084,727.

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 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 awarded at an average of 5.0% increase for non-union employees for 2022. 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.

Additionally, the NOW Arena saw operations expenses increase from \$5,276,446 in 2021 to \$10,142,208 in 2022. These expenses are a return to pre-pandemic levels as the arena saw increased events in 2022. These expenses were offset by NOW Arena charges for services revenue increasing from \$4,323,795 in 2021 to \$9,952,817.

**Chart 3**  
**Expenses by Function**  
**For the Fiscal Year Ended December 31, 2022**



#### **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, 2022, the governmental funds reported combined ending fund balances of \$56,533,966. 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 \$29,284,599 while total fund balance equaled \$36,329,242. 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 40.17% of budgeted General Fund expenditures and transfers out, while total fund balance represents 49.83% of that same amount.

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

**Table 4**  
**General Fund Budgetary Highlights**  
**For the Fiscal Year Ended December 31, 2022**  
**(in thousands)**

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			<i>2022</i>	<i>2021</i>
<b>REVENUES &amp; SALE OF CAPITAL ASSETS</b>				
Taxes	\$32,624.6	\$34,261.6	\$33,741.4	\$35,232.2
Inter-Governmental	20,107.5	21,668.0	24,609.5	22,043.3
Other	13,465.8	14,535.8	18,419.7	17,239.1
Transfers In	205.0	205.0	-	754.0
<b>Total Revenues</b>	<b>66,402.9</b>	<b>70,670.4</b>	<b>76,770.6</b>	<b>75,268.6</b>
<b>EXPENDITURES AND TRANSFERS</b>				
Expenditures	(65,068.7)	(66,835.7)	(65,503.8)	(60,364.5)
Transfers Out	(3,568.7)	(6,069.2)	(5,566.4)	(7,962.6)
<b>Total Expenditures and Transfers</b>	<b>(68,637.4)</b>	<b>(72,904.9)</b>	<b>(71,070.2)</b>	<b>(68,327.1)</b>
<b>Change in Fund Balance</b>	<b>(\$2,234.5)</b>	<b>(\$2,234.5)</b>	<b>\$5,700.4</b>	<b>\$6,941.5</b>

Originally, the Village was planning to use approximately \$2.2 million of fund balance to fund capital projects due to concerns of a potential recession proceeding the COVID-19 pandemic. However, revenues came in higher than expected across several areas of the Village's revenue structure. Additionally, the Village also received the second allotment of the American Rescue Plan funds in the amount of \$2,832,994. As a result, the fund balance of the Village's General Fund increased by \$5,700,412 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 25.0% of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. The utilization of General Fund surplus will be brought before the Village President and Board of Trustees annually, when applicable, during the Operating Budget process via a recommendation by the Village Manager.

Actual General Fund revenues were more than originally budgeted revenues by \$10,572,689 during fiscal year 2022. These higher revenue levels can be attributed to increased income taxes, hotel tax, sales & home rule sales tax, engineering & building permit fees, and Ground Emergency Medical Transport (GEMT) income. Actual General Fund expenditures and transfers ended up being less than the amended budget by \$1,834,733 in 2022.

With respect to the business-type activities, in 2022, the Waterworks and Sewerage Fund recorded a increase in net position in the amount of \$7,262,759. This increase in net position was a planned savings for the use on future capital projects. Restricted and unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$4,506,824 and \$11,169,419, 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, 2022, this fund had an unrestricted net position in the amount of \$5,239,767. The Village received the Shuttered Venue Operators grant through the Small Business Association. These funds may be used to help reimburse the Village for costs incurred during the COVID-19 pandemic.

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

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The Village Board amended the fiscal year 2022 budget once throughout the year. The budget amendment was primarily for the following purposes:

- Increase in Other Contractual Services (\$1,070,000), Maintenance of Fire Vehicles (\$105,000), Sales Tax Incentive (\$250,000) and Transfer to Capital Replacement Fund (\$2,500,000) in the General Fund for GEMT payments to the State of Illinois, increased maintenance costs, and transfers of fund surplus for future capital.
- Increase in Other Capital Expenditures (\$13,762,000) and Professional Services (\$120,000) in the Lakewood Center TIF Fund for the issuance of notes and reimbursing the Village for staff time and costs associated with the TIF.
- Increase in Professional Services (\$345,000) and Principal Expense (\$240,000) in the Higgins/Hassell TIF Fund to reimburse the Village for project costs associated with the TIF and the issuance of a note.

## **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, 2022 amounted to \$239,938,150 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, and storm sewers. The total investment in capital assets for the current fiscal year decreased by 1.48% from 2021.

Major capital asset events during 2022 included the following:

- The Village reconstructed nine (9) streets and resurfaced 24 streets in 2022, resulting in the addition of \$2,545,820 in new streets.
- The Village purchased and took delivery of 9 new vehicles totaling \$1,004,291: seven for Public Works, five for Police Department, and one for the Fire Department.
- The Village had various building improvements totaling \$2,437,149 located at NOW Arena.
- The Village purchased numerous pieces of equipment for departments totaling \$353,592 including an electric vehicle charging station, underhung bridge crane for servicing Village fleet, a tornado siren, and software storage systems and servers.
- The Village assumed responsibility for infrastructure totaling \$2,699,549 including right-of-way and storm sewers in Lakeside plaza, and on Eagle Way and Arizona Boulevard.

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

The following schedule reflects the Village's capital asset balances as of December 31, 2022.

**Table 5**  
**Capital Assets**  
**As of December 31, 2022 and 2021**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Land and Land Right of Way	\$ 50,187.6	\$ 50,944.2	\$ 6,499.0	\$ 6,499.0	\$ 56,686.6	\$ 57,443.2
Plant System and Equipment	-	-	63,197.9	60,731.5	63,197.9	60,731.5
Buildings and Improvements	50,541.2	50,268.0	78,399.0	75,961.8	128,940.2	126,229.8
Machinery, Vehicles and Equipment	18,766.5	17,925.6	8,378.2	8,148.6	27,144.7	26,074.2
Infrastructure	141,064.1	138,285.1	-	-	141,064.1	138,285.1
Construction in Progress	1,356.3	2,332.6	2,579.1	2,565.8	3,935.4	4,898.4
Less:						
Accumulated Depreciation	(113,683.0)	(107,441.0)	(67,347.8)	(63,739.0)	(181,030.8)	(171,180.0)
<b>Total</b>	<b>\$ 148,232.7</b>	<b>\$ 152,314.5</b>	<b>\$ 91,705.4</b>	<b>\$ 90,167.7</b>	<b>\$ 239,938.1</b>	<b>\$ 242,482.2</b>

Additional information on the Village's capital assets can be found in note 4 on pages 34 and 35 of this report.

**Long-Term Debt**

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

**Table 6**  
**Bonded and Similar Indebtedness**  
**As of December 31, 2022 and 2021**  
**(in thousands)**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
General Obligation Bonds	\$ 36,577.2	\$ 38,590.5	\$ 51,503.1	\$ 54,750.3	\$ 88,080.3	\$ 93,340.8
IEPA Loans Payable	-	-	2,326.6	1,614.1	2,326.6	1,614.1
Unamortized Prem/(Discount)	2,646.7	2,853.4	529.4	558.1	3,176.1	3,411.5
TIF Revenue Notes	27,985.2	14,194.0	-	-	27,985.2	14,194.0
Equipment Financing Loan	1,445.5	1,724.4	-	-	1,445.5	1,724.4
Compensated Absences	2,891.3	2,754.6	298.5	322.9	3,189.8	3,077.5
Total OPEB Liability	7,696.9	9,037.3	879.0	1,032.0	8,575.9	10,069.3
Net Pension Liability - IMRF	(5,571.0)	1,678.1	(1,759.3)	529.9	(7,330.3)	2,208.0
Net Pension Liability - Police	76,100.1	54,806.5	-	-	76,100.1	54,806.5
Net Pension Liability - Fire	51,600.1	23,726.8	-	-	51,600.1	23,726.8
Asset Retirement Obligation	-	-	339.5	339.5	339.5	339.5
Termination Benefit	-	3.8	-	-	-	3.8
<b>Total</b>	<b>\$ 201,372.0</b>	<b>\$ 149,369.4</b>	<b>\$ 54,116.8</b>	<b>\$ 59,146.8</b>	<b>\$ 255,488.8</b>	<b>\$ 208,516.2</b>

At the end of the current fiscal year, the Village had total debt outstanding of \$255,488,810. Of this amount, \$88,080,305 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 revenue derived from separately created tax increment financing districts. These notes are not obligations of the Village and are secured only by the incremental revenues generated by the TIF districts. Compared to 2021 figures, the Village's total long-term debt increased by \$46,972,608, or 22.5%, in 2022.

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

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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 was completed in 2022. The amount of loan payable is \$2,326,596 as of December 31, 2022.

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 36 through 41 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, were held flat in tax levy year 2022 (fiscal year 2023). 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 2020 census found that the median household income was \$92,423 and the median home value was \$286,600. The Village's population, per the 2020 census, is 52,530, an increase of 635 from the 2010 census figure of 51,895. This increase in population means that the Village will be entitled to larger portions of state-shared revenues such as income taxes and motor fuel taxes.

All of these factors were considered in preparing the Village's budget for the 2023 fiscal year. The Village anticipated the economy to continue to rebound in 2023. However, the Village is planning on utilizing \$4,850,000 of fund balance in the 2023 fiscal year budget for more capital projects that were delayed from prior years and supply chain issues.

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 FY2022, the Village implemented a four percent (4.0%) increase to water and sewer rates.

### **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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 60,279,012	\$ 22,809,657	\$ 83,088,669
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	34,789,656	-	34,789,656
Accounts	562,182	3,680,630	4,242,812
Accrued interest	83,722	1,863	85,585
Lease	3,073,442	196,629	3,270,071
Other	3,324,759	815,202	4,139,961
Deposits	55,000	-	55,000
Prepaid expenses	895,411	156,679	1,052,090
Inventories	122,439	414,773	537,212
Restricted cash	338,492	2,747,554	3,086,046
Internal balances	(64,910)	64,910	-
Asset held by agents	206,581	-	206,581
Due from other governments	5,877,293	-	5,877,293
Net pension asset	5,571,023	1,759,270	7,330,293
Capital assets			
Not depreciated	51,543,870	9,078,113	60,621,983
Depreciated (net of accumulated depreciation)	96,688,869	82,627,298	179,316,167
Total assets	263,346,841	124,352,578	387,699,419

## Deferred Outflows of Resources

Pension items			
IMRF	2,624,141	828,677	3,452,818
Firefighters' Pension	18,343,037	-	18,343,037
Police Pension	17,848,149	-	17,848,149
OPEB items	3,136,510	358,181	3,494,691
Asset retirement obligation	-	319,130	319,130
Unamortized loss on refunding	669,647	797,893	1,467,540
Total deferred outflows of resources	42,621,484	2,303,881	44,925,365

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position**  
**December 31, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Accounts payable	\$ 6,338,729	\$ 1,541,611	\$ 7,880,340
Accrued payroll	646,979	60,978	707,957
Accrued interest payable	899,292	173,389	1,072,681
Claims payable	427,171	-	427,171
Benefits payable	539,023	-	539,023
Unearned revenues	446,366	2,942,036	3,388,402
Due to FSA participants	175,481	-	175,481
Due to fiduciary funds	2,413,329	-	2,413,329
Deposits payable	6,505,977	6,918	6,512,895
Long-term liabilities			
Due within one year	4,968,961	3,648,599	8,617,560
Due in more than one year	201,974,104	52,227,439	254,201,543
Total liabilities	225,335,412	60,600,970	285,936,382
<b>Deferred Inflows of Resources</b>			
Pension items			
IMRF	9,319,649	2,943,047	12,262,696
Firefighters' Pension	2,719,594	-	2,719,594
Police Pension	2,662,590	-	2,662,590
OPEB items	10,422,044	1,190,172	11,612,216
Leases	2,999,885	192,806	3,192,691
Property taxes	27,560,976	-	27,560,976
Total deferred inflows of resources	55,684,738	4,326,025	60,010,763
<b>Net Position</b>			
Net investment in capital assets	107,087,502	40,813,454	147,900,956
Restricted for			
Employee loan program	30,088	-	30,088
Highways and streets	1,452,046	-	1,452,046
Capital improvements	35,794	2,747,554	2,783,348
Public safety	712,609	-	712,609
Economic development	4,829,413	-	4,829,413
Employee retirement	5,571,023	1,759,270	7,330,293
Unrestricted (deficit)	(94,770,300)	16,409,186	(78,361,114)
Total net position	\$ 24,948,175	\$ 61,729,464	\$ 86,677,639

**Village of Hoffman Estates, Illinois**  
**Statement of Activities**  
**Year Ended December 31, 2022**

Functions/Programs Primary Government	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 7,038,155	\$ 4,055,451	\$ 129,209	\$ -
Public safety	54,084,727	8,944,206	260,238	34,602
Highways and streets	10,875,090	346,244	2,098,227	1,642,107
Sanitation	3,111,958	3,669,176	-	-
Health and welfare	2,338,814	1,704,521	-	-
Culture and recreation	114,801	747,787	-	-
Economic development	18,904,402	275,298	336,271	-
Interest	1,818,708	-	-	-
Total governmental activities	<u>98,286,655</u>	<u>19,742,683</u>	<u>2,823,945</u>	<u>1,676,709</u>
<b>Business-Type Activities</b>				
Waterworks and sewerage	18,485,664	20,802,811	-	4,472,970
NOW Arena	13,860,808	9,952,817	249,198	60,755
Total business-type activities	<u>32,346,472</u>	<u>30,755,628</u>	<u>249,198</u>	<u>4,533,725</u>
Total primary government	<u>\$ 130,633,127</u>	<u>\$ 50,498,311</u>	<u>\$ 3,073,143</u>	<u>\$ 6,210,434</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

Grants - American Recovery Plan Funds

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		
Governmental Activities	Business-Type Activities	Total
\$ (2,853,495)	\$ -	\$ (2,853,495)
(44,845,681)	-	(44,845,681)
(6,788,512)	-	(6,788,512)
557,218	-	557,218
(634,293)	-	(634,293)
632,986	-	632,986
(18,292,833)	-	(18,292,833)
(1,818,708)	-	(1,818,708)
<u>(74,043,318)</u>	<u>-</u>	<u>(74,043,318)</u>
-	6,790,117	6,790,117
-	(3,598,038)	(3,598,038)
<u>-</u>	<u>3,192,079</u>	<u>3,192,079</u>
<u>(74,043,318)</u>	<u>3,192,079</u>	<u>(70,851,239)</u>
27,992,282	-	27,992,282
5,211,868	-	5,211,868
1,091,137	-	1,091,137
1,438,091	-	1,438,091
979,778	-	979,778
668,312	-	668,312
172,256	3,039,451	3,211,707
1,028,031	-	1,028,031
4,440,084	-	4,440,084
9,499,028	-	9,499,028
10,692,964	-	10,692,964
2,832,994	-	2,832,994
139,096	256,440	395,536
601,273	1,336,629	1,937,902
91,663	(91,663)	-
<u>66,878,857</u>	<u>4,540,857</u>	<u>71,419,714</u>
(7,164,461)	7,732,936	568,475
<u>32,112,636</u>	<u>53,996,528</u>	<u>86,109,164</u>
<u>\$ 24,948,175</u>	<u>\$ 61,729,464</u>	<u>\$ 86,677,639</u>

**Village of Hoffman Estates, Illinois**  
**Balance Sheet – Governmental Funds**  
**December 31, 2022**

	General Fund	Lakewood Center TIF	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and investments	\$ 31,116,301	\$ 166,261	\$ 25,348,152	\$ 56,630,714
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	29,707,472	875,146	4,207,038	34,789,656
Accounts	418,419	-	143,763	562,182
Accrued interest	71,849	-	-	71,849
Leases	3,073,442	-	-	3,073,442
Other	2,764,175	-	560,584	3,324,759
Prepaid items	79,169	-	816,242	895,411
Asset held by agents	206,581	-	-	206,581
Inventory	122,439	-	-	122,439
Due from other governments	5,672,266	-	205,027	5,877,293
Due from other funds	1,072,120	-	-	1,072,120
Restricted cash	-	-	338,492	338,492
	<u>-</u>	<u>-</u>	<u>338,492</u>	<u>338,492</u>
Total assets	<u>\$ 74,304,233</u>	<u>\$ 1,041,407</u>	<u>\$ 31,619,298</u>	<u>\$ 106,964,938</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 3,380,487	\$ 6,892	\$ 2,834,828	\$ 6,222,207
Accrued payroll	634,688	-	-	634,688
Unearned revenues	397,846	-	48,520	446,366
Due to FSA participants	175,481	-	-	175,481
Due to other funds	-	-	1,066,310	1,066,310
Due to fiduciary funds	2,413,329	-	-	2,413,329
Deposits payable	1,952,825	-	4,553,152	6,505,977
	<u>8,954,656</u>	<u>6,892</u>	<u>8,502,810</u>	<u>17,464,358</u>
Total liabilities	<u>8,954,656</u>	<u>6,892</u>	<u>8,502,810</u>	<u>17,464,358</u>
<b>Deferred Inflows of Resources</b>				
Property taxes	24,191,786	-	3,369,190	27,560,976
Leases	2,999,885	-	-	2,999,885
Unavailable state taxes	1,828,664	577,089	-	2,405,753
	<u>29,020,335</u>	<u>577,089</u>	<u>3,369,190</u>	<u>32,966,614</u>
Total deferred inflows of resources	<u>29,020,335</u>	<u>577,089</u>	<u>3,369,190</u>	<u>32,966,614</u>
Total liabilities and deferred inflows of resources	<u>37,974,991</u>	<u>583,981</u>	<u>11,872,000</u>	<u>50,430,972</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Balance Sheet – Governmental Funds**  
**December 31, 2022**

	General Fund	Lakewood Center TIF	Nonmajor Governmental Funds	Total
<b>Fund Balances</b>				
Nonspendable				
Prepaid items	\$ 79,169	\$ -	\$ 816,242	\$ 895,411
Inventories	122,439	-	-	122,439
Restricted				
Employee loan program	30,088	-	-	30,088
Highways and streets	-	-	1,452,046	1,452,046
Public safety	-	-	712,609	712,609
Capital improvements	-	-	35,794	35,794
Economic development	-	457,426	4,371,987	4,829,413
Debt service	-	-	23,844	23,844
Assigned				
Employee health	1,962,947	-	-	1,962,947
Subsequent budget	4,850,000	-	-	4,850,000
Capital improvements	-	-	12,398,361	12,398,361
Unassigned	29,284,599	-	(63,585)	29,221,014
	<u>36,329,242</u>	<u>457,426</u>	<u>19,747,298</u>	<u>56,533,966</u>
Total fund balances				
	<u>36,329,242</u>	<u>457,426</u>	<u>19,747,298</u>	<u>56,533,966</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,304,233</u>	<u>\$ 1,041,407</u>	<u>\$ 31,619,298</u>	<u>\$ 106,964,938</u>

**Village of Hoffman Estates, Illinois**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Governmental Activities in the Statement of Net Position**  
**December 31, 2022**

<b>Fund Balances of Governmental Funds</b>	\$ 56,533,966
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	148,232,739
Less capital assets of internal service funds included above	(496,916)
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	(2,891,269)
Plus compensated absences of internal service funds included above	30,897
Unamortized bond premium	(2,646,673)
Loss on refundings	669,647
General obligation bonds payable	(36,577,165)
Equipment financing loans	(1,445,509)
Tax increment financing notes payable	(27,985,243)
Total other postemployment benefit liabilities and related termination benefits	(7,696,932)
Plus total other postemployment benefit liabilities of internal service funds included above	118,780
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	(7,285,534)
Less OPEB related to deferred outflows and inflows of internal service funds included above	112,431
Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position	5,571,023
Less net pension asset of internal service funds included above	(293,211)
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	(6,695,508)
Less IMRF related deferred outflows and inflows of resources of internal service funds included above	352,396
Net pension liability for the Police and Firefighters' Pension Funds is shown as a liability on the statement of net position	(127,700,274)

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Governmental Activities in the Statement of Net Position**  
**December 31, 2022**

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	\$ 30,809,002
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(899,292)
Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position	2,405,753
The net position of the internal service funds is included in the governmental activities in the statement of net position	<u>2,725,067</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 24,948,175</u></u>

**Village of Hoffman Estates, Illinois**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances – Governmental Funds**  
**Year Ended December 31, 2022**

	<b>General Fund</b>	<b>Lakewood Center TIF</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>				
Taxes	\$ 33,741,401	\$ 301,391	\$ 7,477,375	\$ 41,520,167
Licenses and permits	2,443,280	-	-	2,443,280
Intergovernmental	24,609,492	-	4,229,058	28,838,550
Charges for services	14,061,102	-	721,637	14,782,739
Fines and forfeits	1,356,320	-	260,238	1,616,558
Investment income (loss)	(14,960)	1,478	152,578	139,096
Miscellaneous	573,934	-	71,968	645,902
Total revenues	<u>76,770,569</u>	<u>302,869</u>	<u>12,912,854</u>	<u>89,986,292</u>
<b>Expenditures</b>				
Current				
General government	7,567,003	301	-	7,567,304
Public safety	43,080,002	-	156,427	43,236,429
Highways and streets	6,180,518	-	3,000,919	9,181,437
Sanitation	3,111,958	-	-	3,111,958
Health and welfare	2,593,275	-	-	2,593,275
Culture and recreation	139,061	-	-	139,061
Economic development	2,831,973	14,058,496	2,321,025	19,211,494
Capital outlay	-	-	5,551,982	5,551,982
Debt service				
Principal retirement	-	-	2,527,501	2,527,501
Interest and fiscal charges	-	-	1,683,903	1,683,903
Total expenditures	<u>65,503,790</u>	<u>14,058,797</u>	<u>15,241,757</u>	<u>94,804,344</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>11,266,779</u>	<u>(13,755,928)</u>	<u>(2,328,903)</u>	<u>(4,818,052)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	6,965,042	6,965,042
Transfers out	(5,566,367)	-	(1,458,001)	(7,024,368)
Proceeds from sale of capital assets	-	-	785,835	785,835
Issuance of debt	-	13,761,879	264,642	14,026,521
Total other financing sources (uses)	<u>(5,566,367)</u>	<u>13,761,879</u>	<u>6,557,518</u>	<u>14,753,030</u>
<b>Net Change in Fund Balances</b>	5,700,412	5,951	4,228,615	9,934,978
<b>Fund Balances</b>				
January 1	<u>30,628,830</u>	<u>451,475</u>	<u>15,518,683</u>	<u>46,598,988</u>
December 31	<u>\$ 36,329,242</u>	<u>\$ 457,426</u>	<u>\$ 19,747,298</u>	<u>\$ 56,533,966</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, 2022**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 9,934,978
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	2,950,934
Less capital outlay of internal service fund	(215,270)
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(808,462)
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	2,527,501
Certain items are reported as interest expense on the statement of activities	
Change in accrued interest payable	(266,121)
Amortization of bond premiums	206,750
Amortization of gain or loss on refunding	(75,431)
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(6,404,818)
Less depreciation expense of internal service fund	34,660
Certain revenues recognition is different on the full accrual basis than on the modified accrual basis	759,263
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	(14,026,521)
The change in the total other postemployment benefit liabilities and termination benefits is shown as an increase in expense on the statement of activities	1,344,141
Less change in the total other postemployment liabilities of internal service fund	(20,685)
The change in deferred inflows and outflows of resources for the other postemployment benefit fund is reported only on the statement of activities	(873,823)
Less change in deferred inflows and outflows of resources for the other postemployment benefit of internal service fund	13,485
The change in the net pension asset for the Illinois Municipal Retirement Fund is reported only on the statement of activities	7,249,098
Less change in the net pension asset for the Illinois Municipal Retirement Fund of internal service fund	(381,532)

(Cont.)

**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, 2022**

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	\$ (4,518,463)
Less change in deferred inflows and outflows of resources for the Illinois Municipal Retirement of internal service fund	237,814
The change in the net pension liability for the Police and Firefighters' Pension Funds is reported only on the statement of activities	(49,166,937)
The change in deferred inflows and outflows for the Police and Firefighters' Pension Funds is reported only on the statement of activities	43,444,014
The change in compensated absences payable is shown as an expense on the statement of activities	(136,692)
Less change in compensated absences payable is shown as an expense on the statement of activities of internal service fund	(27,187)
The change in net position of internal service funds	<u>1,054,843</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (7,164,461)</u></u>

# Village of Hoffman Estates, Illinois

## Proprietary Funds

### Statement of Net Position

December 31, 2022

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage Fund	NOW Arena Operating Fund	Total	Internal Service Fund
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 15,455,455	\$ 7,354,202	\$ 22,809,657	\$ 3,648,298
Receivables				
Accounts	3,365,844	314,786	3,680,630	-
Leases	-	196,629	196,629	-
Accrued interest	1,666	197	1,863	11,873
Other	3,524	811,678	815,202	-
Deposits	-	-	-	55,000
Due from other funds	70,720	-	70,720	-
Prepaid expenses	12,349	144,330	156,679	-
Inventories	414,773	-	414,773	-
Restricted cash	2,747,554	-	2,747,554	-
Total current assets	<u>22,071,885</u>	<u>8,821,822</u>	<u>30,893,707</u>	<u>3,715,171</u>
<b>Capital Assets</b>				
Not depreciated	3,078,113	6,000,000	9,078,113	-
Depreciated	68,211,400	81,763,741	149,975,141	743,874
Accumulated depreciation	(38,775,021)	(28,572,822)	(67,347,843)	(246,958)
Net capital assets	<u>32,514,492</u>	<u>59,190,919</u>	<u>91,705,411</u>	<u>496,916</u>
<b>Other Assets</b>				
Net pension asset	<u>1,759,270</u>	<u>-</u>	<u>1,759,270</u>	<u>293,211</u>
Total assets	<u>56,345,647</u>	<u>68,012,741</u>	<u>124,358,388</u>	<u>4,505,298</u>
<b>Deferred Outflows of Resources</b>				
Pension items - IMRF	828,677	-	828,677	138,112
OPEB items	358,181	-	358,181	48,403
Asset retirement obligation	319,130	-	319,130	-
Unamortized loss on refunding	<u>211,486</u>	<u>586,407</u>	<u>797,893</u>	<u>-</u>
Total deferred outflows of resources	<u>1,717,474</u>	<u>586,407</u>	<u>2,303,881</u>	<u>186,515</u>

(Cont.)

# Village of Hoffman Estates, Illinois

## Proprietary Funds

### Statement of Net Position

December 31, 2022

	Waterworks and Sewerage Fund	NOW Arena Operating Fund	Total	Internal Service Fund
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,212,450	\$ 329,161	\$ 1,541,611	\$ 116,522
Accrued payroll	60,978	-	60,978	12,291
Accrued interest payable	55,337	118,052	173,389	-
Unearned revenue	-	2,942,036	2,942,036	-
Claims payable	-	-	-	427,171
Benefits payable	-	-	-	539,023
Deposits payable	6,918	-	6,918	-
General obligation bonds payable	1,055,665	2,335,000	3,390,665	-
Due to other funds	5,810	-	5,810	70,720
Total OPEB liability	56,610	-	56,610	6,417
Compensated absences payable	201,324	-	201,324	30,897
Total current liabilities	2,655,092	5,724,249	8,379,341	1,203,041
<b>Long-Term Liabilities</b>				
General obligation bonds payable	19,485,465	29,156,293	48,641,758	-
IEPA loans payable	2,326,596	-	2,326,596	-
Compensated absences payable	97,224	-	97,224	-
Net pension liability	-	-	-	-
Total OPEB liability	822,361	-	822,361	112,363
Asset retirement obligation	339,500	-	339,500	-
Total long-term liabilities	23,071,146	29,156,293	52,227,439	112,363
Total liabilities	25,726,238	34,880,542	60,606,780	1,315,404
<b>Deferred Inflows of Resources</b>				
Pension item - IMRF	2,943,047	-	2,943,047	490,508
Leases	-	192,806	192,806	-
OPEB items	1,190,172	-	1,190,172	160,834
Total deferred inflows of resources	4,133,219	192,806	4,326,025	651,342
Total liabilities and deferred inflows of resources	29,859,457	35,073,348	64,932,805	1,966,746
<b>Net Position</b>				
Net investment in capital assets	12,527,421	28,286,033	40,813,454	496,916
Restricted for				
Capital improvements	2,747,554	-	2,747,554	-
Employee retirement	1,759,270	-	1,759,270	293,211
Unrestricted	11,169,419	5,239,767	16,409,186	1,934,940
Total net position	\$ 28,203,664	\$ 33,525,800	\$ 61,729,464	\$ 2,725,067

# Village of Hoffman Estates, Illinois

## Proprietary Funds

### Statement of Revenues, Expenses and

### Changes in Net Position

Year Ended December 31, 2022

	Business-Type Activities		Governmental Activities
	Waterworks and Sewerage Fund	NOW Arena Operating Fund	Internal Service Fund
		Total	
<b>Operating Revenues</b>			
Charges for services	\$ 20,802,811	\$ 9,952,817	\$ 30,755,628
<b>Operating Expenses</b>			
Operations	-	-	1,387,362
Claims and insurance	-	-	711,086
Water division	13,423,944	-	-
Sewer division	2,839,186	-	-
NOW Arena	-	10,142,208	-
Depreciation	1,557,336	2,124,146	34,660
Total operating expenses	17,820,466	12,266,354	2,133,108
<b>Operating Income (Loss)</b>	2,982,345	(2,313,537)	883,418
<b>Nonoperating Revenues (Expenses)</b>			
Entertainment and food and beverage tax	-	3,039,451	-
Lease revenue	-	38,561	-
Investment income	176,130	80,310	5,443
Interest expense	(672,799)	(1,594,454)	-
Gain on sale of capital assets	7,601	-	-
Shuttered Venue Operator's Grant	-	249,198	-
Miscellaneous revenue (expense)	296,512	1,001,556	14,993
Total nonoperating revenues	(192,556)	2,814,622	20,436
<b>Net Income Before Transfers and Contributions</b>	2,789,789	501,085	903,854
<b>Transfers</b>			
Transfers in	-	-	150,989
Transfers out	-	(91,663)	-
Total transfers	-	(91,663)	150,989
<b>Contributions</b>			
Capital contributions	4,472,970	60,755	-
<b>Change in Net Position</b>	7,262,759	470,177	1,054,843
<b>Net Position, January 1</b>	20,940,905	33,055,623	53,996,528
<b>Net Position, December 31</b>	\$ 28,203,664	\$ 33,525,800	\$ 61,729,464

**Village of Hoffman Estates, Illinois**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	<b>Business-Type Activities</b>			<b>Governmental Activities Internal Service Fund</b>
	<b>Waterworks and Sewerage Fund</b>	<b>NOW Arena Operating Fund</b>	<b>Total</b>	
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 20,573,949	\$ 10,621,118	\$ 31,195,067	\$ -
Receipts from interfund services transactions	-	-	-	3,102,047
Miscellaneous income receipts	296,512	1,040,117	1,336,629	-
Payments to suppliers	(12,623,003)	(10,556,612)	(23,179,615)	(2,374,392)
Payments to employees for services	(4,555,469)	-	(4,555,469)	(884,054)
Net cash provided by (used in) operating activities	3,691,989	1,104,623	4,796,612	(156,399)
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers in	-	-	-	150,989
Transfers out	-	(91,663)	(91,663)	-
Interfund borrowing	-	-	-	-
Entertainment and food and beverage tax	-	3,039,451	3,039,451	-
Terminal reserve	-	-	-	-
Net cash provided by noncapital financing activities	-	2,947,788	2,947,788	150,989
<b>Cash Flows From Capital and Related Financing Activities</b>				
Capital assets purchased	(3,182,755)	(1,982,399)	(5,165,154)	(215,270)
Capital contribution	4,472,970	60,755	4,533,725	-
Shuttered Venue Operator's Grant receipts	-	249,198	249,198	-
Proceeds from sale of capital assets	7,601	-	7,601	2,236
Principal payment on bonds	(1,082,125)	(2,165,000)	(3,247,125)	-
Principal payment on loan	(3,500)	-	(3,500)	-
Proceeds from the issuance of debt	715,979	-	715,979	-
Interest and fiscal charges paid on bonds	(770,103)	(1,486,796)	(2,256,899)	1,880
Net cash used in capital and related financing activities	158,067	(5,324,242)	(5,166,175)	(211,154)
<b>Cash Flows From Investing Activities</b>				
Interest received	181,355	80,113	261,468	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,031,411	(1,191,718)	2,839,693	(216,564)
<b>Cash and Cash Equivalents</b>				
January 1	14,171,598	8,545,920	22,717,518	3,864,862
December 31	\$ 18,203,009	\$ 7,354,202	\$ 25,557,211	\$ 3,648,298

(Cont.)

# Village of Hoffman Estates, Illinois

## Proprietary Funds

### Statement of Cash Flows

Year Ended December 31, 2022

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage Fund	NOW Arena Operating Fund	Total	Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating income (loss)	\$ 2,982,345	\$ (2,313,537)	\$ 668,808	\$ 883,418
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,557,336	2,124,146	3,681,482	34,660
Miscellaneous income receipts	296,512	1,040,117	1,336,629	-
Changes in				
Receivables	(167,685)	(712,780)	(880,465)	-
Inventories	(119,017)	-	(119,017)	-
Prepaid expenses	-	(127,846)	(127,846)	-
Accounts payable	132,487	(286,558)	(154,071)	66,328
Unearned revenue	-	1,188,275	1,188,275	-
Due to other funds	5,810	-	5,810	70,720
Due from other funds	(70,720)	-	(70,720)	-
Accrued payroll	4,350	-	4,350	(11,577)
Claims payable	-	-	-	(904,132)
Benefits payable	-	-	-	(117,712)
Deposits payable	3,733	-	3,733	-
Compensated absences payable	(24,377)	-	(24,377)	(27,187)
Deferred outflows of resources - pension	237,387	-	237,387	39,565
Deferred outflows of resources - OPEB	60,008	-	60,008	8,109
Deferred outflows of resources - ARO	6,790	-	6,790	-
Net pension liabilities	(2,289,188)	-	(2,289,188)	(381,531)
Total OPEB liability	(153,060)	-	(153,060)	(20,685)
Deferred inflows of resources - leases	-	192,806	192,806	-
Deferred inflows of resources - pension	1,189,496	-	1,189,496	198,249
Deferred inflows of resources - OPEB	39,782	-	39,782	5,376
Net cash provided by (used in) operating activities	<u>\$ 3,691,989</u>	<u>\$ 1,104,623</u>	<u>\$ 4,796,612</u>	<u>\$ (156,399)</u>
<b>Schedule of Noncash Capital and Related Financing Activities</b>				
Amortization loss on bond refunding	\$ 13,499	\$ 87,983	\$ 101,482	\$ -
Amortization bond premium (discount)	54,124	(25,343)	28,781	-
Capital assets in accounts payable	<u>78,385</u>	<u>-</u>	<u>78,385</u>	<u>-</u>
Total	<u>\$ 4,618,978</u>	<u>\$ 62,640</u>	<u>\$ 4,681,618</u>	<u>\$ -</u>

# Village of Hoffman Estates, Illinois

## Fiduciary Funds

### Statement of Fiduciary Net Position

December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
<b>Assets</b>		
Cash and short-term investments	\$ 9,114,708	\$ 22,860
Investments, at fair value		
Pooled investments	171,441,001	-
Due from the Village	2,413,329	-
Prepaid expenses	11,354	-
Total assets	182,980,392	22,860
<b>Liabilities</b>		
Accounts payable	6,863	45
<b>Net Position</b>		
Restricted for pensions	182,973,529	-
Restricted for economic development	-	22,815
Total net position	\$ 182,973,529	\$ 22,815

**Village of Hoffman Estates, Illinois**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2022**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Custodial Fund</b>
<b>Additions</b>		
Contributions		
Employer	\$ 10,607,433	\$ -
Employee	1,835,589	-
	<u>12,443,022</u>	<u>-</u>
Total contributions		
	<u>-</u>	<u>783,074</u>
Property taxes		
	<u>-</u>	<u>783,074</u>
Investment income (loss)		
Net change in fair value of investments	(29,162,087)	-
Investment income	1,596,405	45
Total investment income (loss)	(27,565,682)	45
Less investment expense	(136,533)	-
Net investment income (loss)	(27,702,215)	45
	<u>(15,259,193)</u>	<u>783,119</u>
Total additions		
	<u>(15,259,193)</u>	<u>783,119</u>
<b>Deductions</b>		
Benefits and refunds	15,855,250	-
Miscellaneous	101,720	-
Economic development	-	800,304
	<u>15,956,970</u>	<u>800,304</u>
Total deductions		
	<u>15,956,970</u>	<u>800,304</u>
<b>Net Decrease in Fiduciary Net Position</b>	(31,216,163)	(17,185)
<b>Net Position</b>		
January 1	214,189,692	40,000
	<u>214,189,692</u>	<u>40,000</u>
December 31	\$ 182,973,529	\$ 22,815
	<u>\$ 182,973,529</u>	<u>\$ 22,815</u>

**Village of Hoffman Estates, Illinois**  
**Index to Notes to Financial Statements**  
**December 31, 2022**

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# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

#### **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 Statement No. 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, 2022

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 and Lakewood Center TIF Fund as major funds.

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

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

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.

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

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.

Additionally, the Village reports 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 84, 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

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports unearned revenue 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.

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 2022 attach as an enforceable lien on January 1, 2022, 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, 2022 and August 1, 2022, and are payable in two installments, on or about March 1, 2022 and September 1, 2022. The Counties collect such taxes and remit them periodically. Since the 2022 levy is intended to finance the 2022 fiscal year, the levy has been recorded as receivable and deferred inflows of revenues. The revenues in the current year financial statements represent the 2021 property tax levy.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### ***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. The Village uses the same threshold capitalization policy for leases as capital assets.

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

### ***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

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

**December 31, 2022**

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 construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

**Village of Hoffman Estates, Illinois**  
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***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 deficit fund balances at December 31, 2022:

<b>Fund</b>	<b>Deficit</b>
2016 General Obligation Refunding Debt Service Fund	\$ 10,586
Western Corridor	52,999

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future 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

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

resources, represents an acquisition of net assets 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.

#### ***Change in Accounting Principle***

The Village adopted the provisions of GASB Statements No. 87, *Leases*, for fiscal year ended December 31, 2022. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption had no impact on beginning net position/fund balance.

#### **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

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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.

At December 31, 2022, the Village’s depository accounts have a carrying value of \$57,321,740, including the Custodial EDA Special Tax Allocation Fund of \$22,860. The depository accounts have bank balances of \$57,681,477. These amounts are fully covered by the FDIC insurance or fully collateralized. Cash and investments also have balances in Illinois Funds of \$14,146,815. These amounts are fully covered by FDIC insurance or fully collateralized.

### ***Investments***

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater Than 10
Negotiable certificates of deposit	\$ 465,602	\$ 465,602	\$ -	\$ -	\$ -
U.S. Treasury obligations	12,264,183	12,264,183	-	-	-
Municipal bonds	1,976,374	1,976,374	-	-	-
Total	\$ 14,706,160	\$ 14,706,160	\$ -	\$ -	\$ -

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

**Village of Hoffman Estates, Illinois**  
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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, 2022. The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The municipal bonds and negotiable certificate of deposit are valued using quoted matrix pricing models (Level 2 inputs).

The Village's U.S. Treasury obligations were rated Aaa by a national rating agency. The municipal bonds are rated Aaa to Aa1. 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 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, 2022, the Village's negotiable certificates of deposit are fully insured or collateralized.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### Note 3: Receivables

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

Governmental activities	
Hotel tax	\$ 93,196
Ambulance fees	105,572
Wholesale vehicle tax	14,119
Transportation tax	7,520
Ground emergency medical transportation	290,812
Entertainment tax	16,313
Cannabis use tax	13,313
Cable franchise fees	168,031
IPBC terminal reserve	1,962,947
Grants	281,081
Employee computer program	30,088
Other miscellaneous	<u>341,767</u>
Total governmental activities	<u><u>\$ 3,324,759</u></u>
Business-type activities	
Entertainment tax	\$ 23,007
Food and beverage taxes	262,455
Video gaming tax	49,470
Ticketing revenues	7,217
Other miscellaneous	<u>473,053</u>
Total business-type activities	<u><u>\$ 815,202</u></u>

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

Governmental activities	
Sales tax	\$ 2,593,849
Home rule sales tax	1,418,105
Income tax	781,805
Local use tax	628,583
Municipal motor fuel tax	205,027
Simplified telecommunications tax	236,440
Court fines	<u>13,484</u>
Total governmental activities	<u><u>\$ 5,877,293</u></u>

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

#### **Lease Receivables**

The Village, as lessor, leases portions of its property to various third parties, the terms of which expire 2023 through 2080. The Village initially measures lease receivables at the present value of lease payments expected to be received during the lease terms, reduced by any provision for estimated uncollectible amounts. Payments increase annually based on terms of the agreements. The leases were measured based upon the Index at lease commencement. The Village also leases certain tower equipment to third parties where lease payments are established in the agreements. The Village uses the same threshold capitalization policy for leases as capital assets.

Revenue recognized under lease contracts during the year ended December 31, 2022, was \$907,582 which includes both lease revenue and interest. The Village recognized lease revenue of \$34,509 for the year ended December 31, 2022, for variable payments not previously included in the measurement of the lease receivable.

#### **Note 4: Capital Assets**

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
Governmental activities				
Capital assets not being depreciated				
Land	\$ 7,037,285	\$ -	\$ 756,624	\$ 6,280,661
Land right of way	43,906,871	-	-	43,906,871
Construction in progress	2,332,571	-	976,233	1,356,338
	<u>53,276,727</u>	<u>-</u>	<u>1,732,857</u>	<u>51,543,870</u>
Capital assets being depreciated				
Buildings and improvements	50,267,995	273,248	-	50,541,243
Department equipment	3,450,365	353,594	38,774	3,765,185
Vehicles	14,375,664	701,978	175,909	14,901,733
Software	99,615	-	-	99,615
Infrastructure	138,285,113	2,778,963	-	141,064,076
	<u>206,478,752</u>	<u>4,107,783</u>	<u>214,683</u>	<u>210,371,852</u>
Less accumulated depreciation for				
Buildings and improvements	19,920,505	1,262,990	-	21,183,495
Department equipment	2,199,324	202,208	-	2,401,532
Vehicles	6,717,403	989,390	162,845	7,543,948
Software	2,853	2,490	-	5,343
Infrastructure	78,600,925	3,947,740	-	82,548,665
	<u>107,441,010</u>	<u>6,404,818</u>	<u>162,845</u>	<u>113,682,983</u>
Total capital assets being depreciated, net	<u>99,037,742</u>	<u>(2,297,035)</u>	<u>51,838</u>	<u>96,688,869</u>
Governmental activities capital assets, net	<u>\$ 152,314,469</u>	<u>\$ (2,297,035)</u>	<u>\$ 1,784,695</u>	<u>\$ 148,232,739</u>

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

	Balances January 1	Increases	Decreases	Balances December 31
Business-type activities				
Capital assets not being depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in progress	2,565,777	468,086	454,750	2,579,113
	<u>9,064,777</u>	<u>468,086</u>	<u>454,750</u>	<u>9,078,113</u>
Capital assets being depreciated				
Buildings and improvements	75,961,815	2,437,149	-	78,398,964
Plant system and equipment	60,731,509	2,466,409	-	63,197,918
Vehicles	1,978,653	302,314	72,630	2,208,337
Software	14,077	-	-	14,077
Department equipment	6,155,845	-	-	6,155,845
	<u>144,841,899</u>	<u>5,205,872</u>	<u>72,630</u>	<u>149,975,141</u>
Less accumulated depreciation for				
Buildings and improvements	23,318,533	1,982,958	-	25,301,491
Plant system and equipment	34,186,602	1,287,410	-	35,474,012
Vehicles	1,317,803	152,243	72,630	1,397,416
Software	14,076	-	-	14,076
Department equipment	4,901,977	258,871	-	5,160,848
	<u>63,738,991</u>	<u>3,681,482</u>	<u>72,630</u>	<u>67,347,843</u>
Total capital assets being depreciated, net	<u>81,102,908</u>	<u>1,524,390</u>	<u>-</u>	<u>82,627,298</u>
Business-type activities capital assets, net	<u>\$ 90,167,685</u>	<u>\$ 1,992,476</u>	<u>\$ 454,750</u>	<u>\$ 91,705,411</u>

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

Governmental activities	
General government	\$ 315,437
Public safety	1,572,639
Highways and streets, including depreciation of general infrastructure assets	4,482,077
Health and welfare	12,341
Culture and recreation	14,675
Economic development	<u>7,649</u>
Total depreciation expense - governmental activities	<u>\$ 6,404,818</u>
Business-type activities	
Waterworks and sewerage	\$ 1,557,336
NOW Arena operating	<u>2,124,146</u>
Total depreciation expense - business-type activities	<u>\$ 3,681,482</u>

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

#### 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	\$ 12,060,000	\$ -	\$ 2,165,000	\$ 9,895,000	\$ 2,335,000
\$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  Water	950,000  2,845,000	-  -	130,000  310,000	820,000  2,535,000	135,000  325,000
\$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	8,240,000	-	-	8,240,000	-
\$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  Water	395,000  4,695,000	-  -	45,000  295,000	350,000  4,400,000	45,000  300,000
\$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  Water	2,330,000  790,000	-  -	30,000  5,000	2,300,000  785,000	30,000  5,000

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

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 Water	\$ 25,145,000 5,600,000	\$ - -	\$ 1,705,000 -	\$ 23,440,000 5,600,000	\$ 1,790,000 -
\$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 Water	1,530,460 6,995,265	- -	103,295 472,125	1,427,165 6,523,140	105,515 482,275
Total General Obligation Bonds			\$ 93,340,725	\$ -	\$ 5,260,420	\$ 88,080,305	\$ 5,552,790

### ***Tax Increment Financing Notes***

The Village also issues notes where the Village pledges 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 increment financing notes are issued for the purpose of TIF district improvements. 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
Tax increment redevelopment note due in annual installments only if incremental tax revenues are available.	Higgins/Hassell TIF Fund	\$ 6,581,584	\$ 264,642	\$ 235,307	\$ 6,610,919	\$ -
Tax increment redevelopment note due in annual installments only if incremental tax revenues are available.	Lakewood Center TIF Fund	7,612,445	13,761,879	-	21,374,324	-
Total tax increment financing notes		\$ 14,194,029	\$ 14,026,521	\$ 235,307	\$ 27,985,243	\$ -

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.

In 2021, the Village issued two notes to reimburse the redevelopment expenses incurred by developers related to Lakewood Center TIF Fund. At the end of December 31, 2022, the Village had issued \$17,099,459 and \$4,274,865 of notes payable A and B, respectively. The Lakewood 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 interest rate on the note is set at 6.50% until stabilization (defined as 75% of the office space is leased), then a one-time

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

adjustment may be requested by the developer, depending on the prime interest rate at that time. Therefore, at December 31, 2022, no set debt service schedule is available.

***Debt Service Requirements to Maturity***

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	General Obligation Bonds Governmental Activities		Direct Borrowing - Equipment Financing Loan Governmental Activities		General Obligation Bonds Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 2,105,515	\$ 1,565,734	\$ 282,246	\$ 17,346	\$ 3,447,275	\$ 2,080,680
2024	2,202,785	1,467,665	285,633	13,959	3,567,640	1,963,848
2025	2,420,100	1,363,498	289,061	10,532	3,693,235	1,833,406
2026	2,457,465	1,260,331	292,529	7,063	3,939,055	1,693,256
2027-2031	11,684,665	4,701,878	296,040	3,552	22,195,885	5,977,360
2032-2036	10,861,635	2,316,060	-	-	12,550,050	1,464,003
2037-2038	4,845,000	282,300	-	-	2,110,000	118,501
	<u>\$ 36,577,165</u>	<u>\$ 12,957,466</u>	<u>\$ 1,445,509</u>	<u>\$ 52,452</u>	<u>\$ 51,503,140</u>	<u>\$ 15,131,054</u>

***Direct Borrowing – Equipment Financing Agreement***

On January 20, 2021, the Village entered into a \$2,000,000 equipment financing agreement with a bank. The agreement carries an interest rate of 1.20% per year. The financing agreement is secured by the equipment purchased under the agreement.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

#### ***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	\$ 38,590,460	\$ -	\$ 2,013,295	\$ 36,577,165	\$ 2,105,515
Unamortized bond premium	2,853,423	-	206,750	2,646,673	-
Tax increment financing notes payable***	14,194,029	14,026,521	235,307	27,985,243	-
Direct borrowing - equipment financing loans	1,724,408	-	278,899	1,445,509	282,246
Compensated absences payable - governmental funds*	2,696,493	2,090,152	1,926,273	2,860,372	2,062,269
Compensated absences payable - Internal Service Fund	58,084	30,897	58,084	30,897	30,897
Total OPEB liability**	8,897,781	-	1,319,629	7,578,152	431,428
Total OPEB liability - Internal Service Fund**	139,465	-	20,685	118,780	56,606
Net pension liability (asset) - IMRF**	1,589,755	2,723,149	9,590,715	(5,277,811)	-
Net pension liability (asset) - IMRF** - Internal Service Fund	88,320	151,286	532,818	(293,212)	-
Net pension liability - Police Pension**	54,806,498	28,863,558	7,569,917	76,100,139	-
Net pension liability - Firefighters' Pension**	23,726,839	33,521,907	5,648,611	51,600,135	-
Termination benefit**	3,827	-	3,827	-	-
Total governmental activities	<u>\$ 149,369,382</u>	<u>\$ 81,407,470</u>	<u>\$ 29,404,810</u>	<u>\$ 201,372,042</u>	<u>\$ 4,968,961</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.

\*\*\*See Tax Increment Financing Notes for the explanation of increases and decreases.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

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

Issue	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds payable	\$ 54,750,265	\$ -	\$ 3,247,125	\$ 51,503,140	\$ 3,390,665
IEPA loans payable*	1,614,117	715,979	3,500	2,326,596	-
Unamortized bond discount	(194,050)	-	(25,343)	(168,707)	-
Unamortized bond premium	752,114	-	54,124	697,990	-
Compensated absences payable	322,925	161,036	185,413	298,548	201,324
Total OPEB liability	1,032,031	-	153,060	878,971	56,610
Net pension liability (asset) - IMRF	529,918	-	2,289,189	(1,759,270)	-
Asset retirement obligation	339,500	-	-	339,500	-
Total business-type activities	<u>\$ 59,146,820</u>	<u>\$ 877,015</u>	<u>\$ 5,907,068</u>	<u>\$ 54,116,768</u>	<u>\$ 3,648,599</u>

\*The total eligible Illinois Environmental Protection Agency (IEPA) loans are \$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 by the Village as of December 31, 2022, 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.

### **Legal Debt Margin**

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

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

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

### **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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

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 employees' health insurance premiums for the period covered. The Village has calculated the premium payments for the remaining period of the benefit based on the 2021 actual rates.

The Village makes monthly insurance payments for the premium amount in conjunction with their regular health insurance premium payments. Final monthly payments were made in 2022 so there is no remaining liability.

### ***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 Statement No. 75 for the Village's OPEB Plan. See Note 13 for further information regarding the Total OPEB Liability at December 31, 2022.

### **Note 6: Interfund Transactions**

Due from/to other funds at December 31, 2022, consist of the following:

	<b>Due From</b>	<b>Due to</b>
General fund	\$ 1,072,120	\$ (2,413,329)
Waterworks and sewerage fund	70,720	(5,810)
Internal service fund	-	(70,720)
Nonmajor governmental funds	<u>2,413,329</u>	<u>(1,066,310)</u>
Total	<u>\$ 3,556,169</u>	<u>\$ (3,556,169)</u>

- 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.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

Interfund transfers during the year ended December 31, 2022, consisted of the following:

	<u>Transfer in</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 5,566,367
Nonmajor governmental funds	6,965,042	1,458,001
Waterworks and Sewerage Fund	-	-
NOW Arena Operating Fund	-	91,663
Internal service funds	<u>150,989</u>	<u>-</u>
Total	<u>\$ 7,116,031</u>	<u>\$ 7,116,031</u>

The purposes of significant interfund transfers are as follows:

- \$6,965,042 transfers to nonmajor funds are for the following:
  - \$120,552 transfer to 2015B General Obligation Debt Service Fund from General Fund for debt service cost
  - \$180,702 transfer to 2017 A&B General Obligation Debt Service Fund from General Fund for debt service cost
  - \$940,970 transfer to 2018 General Obligation Debt Service Fund from General Fund for debt service cost
  - \$136,200 transfer to 2019 General Obligation Debt Service Fund from General Fund for debt service cost
  - \$1,458,001 transfer to nonmajor capital projects funds from other nonmajor capital project funds to fund capital improvements
  - \$4,128,617 transfer to nonmajor capital projects funds from General Fund to fund capital improvements, vehicle and equipment purchases

#### **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 \$1,962,947 available on deposit for use by the Village.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

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:

	2022	2021
Unpaid claims, beginning of year	\$ 1,331,303	\$ 1,029,044
Incurred claims (including IBNR)	(131,642)	1,047,806
Claim payments	(772,490)	(745,547)
Unpaid claims, end of year	<u>\$ 427,171</u>	<u>\$ 1,331,303</u>

### **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.

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

**December 31, 2022**

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

### **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.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### 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>
2023	\$ 9,120,000
2024	9,120,000
2025	9,120,000
2026	9,120,000
2027	9,120,000
2028-2032	45,600,000

\*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.

#### **Construction Commitments**

As of December 31, 2022, the Village had the following commitments with respect to unfinished projects:

<b>Project</b>	<b>Remaining Commitments</b>
General Fund Projects	\$ 554,792
Water & Sewer Fund Projects	<u>577,813</u>
Total	<u><u>\$ 1,132,605</u></u>

### 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 (\$13,079,839 paid as of December 31, 2022) 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

# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

State or the Village for the prior fiscal year or quarterly. During the fiscal year ended December 31, 2022, approximately \$492,397 in property taxes, \$34,992 in wholesale vehicle taxes and \$221,688 in sales taxes were rebated under these agreements. At December 31, 2022, the Village has accrued an estimated rebate liability of \$622,446 for amounts collected by the State and the Village through December 31, 2022. 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 Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the *Intergovernmental Cooperation Act* of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

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

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

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

JAWA has entered into water supply agreements with the seven member municipalities for a term of 40 years, extending to 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.

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
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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 \$8,630,454 to JAWA for 2022. The Village does not have an equity interest in JAWA at December 31, 2022.

***Solid Waste Agency of Northern Cook County***

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the *Intergovernmental Cooperation Act* of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of the mayor or president from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws. SWANCC has no power to levy taxes.

Complete financial statements for SWANCC can be obtained from the SWANCC's administrative office at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026. Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies and (3) all income, fees, service charges and all grants, rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

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

In accordance with the contract, the Village made payments totaling \$743,793 to SWANCC in 2022. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2022.

**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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

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).

The table below is a summary for all pension plans as of and for the year ended December 31, 2022:

	<b>Governmental Activities</b>	<b>Business-Type Activities*</b>	<b>Total Village</b>
Net pension liability (asset)			
IMRF	\$ (5,571,023)	\$ (1,759,270)	\$ (7,330,293)
Police	76,100,139	-	76,100,139
Firefighters'	51,600,135	-	51,600,135
	<u>\$ 122,129,251</u>	<u>\$ (1,759,270)</u>	<u>\$ 120,369,981</u>
Deferred outflows of resources			
IMRF	\$ 2,624,141	\$ 828,677	\$ 3,452,818
Police	17,848,149	-	17,848,149
Firefighters'	18,343,037	-	18,343,037
	<u>\$ 38,815,327</u>	<u>\$ 828,677</u>	<u>\$ 39,644,004</u>
Deferred inflows of resources			
IMRF	\$ 9,319,649	\$ 2,943,047	\$ 12,262,696
Police	2,662,590	-	2,662,590
Firefighters'	2,719,594	-	2,719,594
	<u>\$ 14,701,833</u>	<u>\$ 2,943,047</u>	<u>\$ 17,644,880</u>
Pension expense			
IMRF	\$ (1,465,314)	\$ (462,731)	\$ (1,928,045)
Police	9,914,612	-	9,914,612
Firefighters'	6,415,745	-	6,415,745
	<u>\$ 14,865,043</u>	<u>\$ (462,731)</u>	<u>\$ 14,402,312</u>

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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### ***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, 2021, the latest actuarial valuation date, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	214
Inactive employees entitled to but not yet receiving benefits	113
Active employees	172
	<hr/>
	499
	<hr/>

#### *Benefits Provided*

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

#### *Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar years ended 2021 and 2022 were 12.25% and 11.59%, respectively, of covered payroll. Contributions to the plan by the Village were \$1,664,900 for 2022.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

#### *Actuarial Assumptions*

The Village's net pension liability(asset) was measured as of December 31, 2021, 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, 2021
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market value of assets
Assumptions	
Investment Rate of Return	7.25%
Salary Increases	2.85% to 13.75%
Price Inflation	2.25%

Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality: For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

#### *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

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

return as of the December 31, 2021 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	39%	4.50%
International equities	15%	5.75%
Fixed income	25%	2.00%
Real estate	10%	5.90%
Alternatives	10%	4.30 - 8.10%
Cash equivalents	1%	1.70%

***Discount Rate***

The discount rate used to measure the total pension liability at the December 31, 2021 measurement date was 7.25% (7.50% in 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.

***Changes in the Net Pension Liability (Asset)***

	<b>(a) Total Pension Liability</b>	<b>(b) Plan Fiduciary Net Position</b>	<b>(a) - (b) Net Pension Liability(Asset)</b>
Balances at, January 1, 2022	\$ 95,080,608	\$ 92,872,615	\$ 2,207,993
Changes for the period			
Service cost	1,251,653	-	1,251,653
Interest	6,761,707	-	6,761,707
Difference between expected and actual experience	651,820	-	651,820
Changes in assumptions	-	-	-
Employer contributions	-	1,665,456	(1,665,456)
Employee contributions	-	611,907	(611,907)
Net investment income	-	15,732,262	(15,732,262)
Benefit payments and refunds	(4,883,028)	(4,883,028)	-
Other (net transfer)	-	193,841	(193,841)
Net changes	3,782,152	13,320,438	(9,538,286)
Balances at, December 31, 2022	\$ 98,862,760	\$ 106,193,053	\$ (7,330,293)

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

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

For the year ended December 31, 2022, the Village recognized pension expense of \$(1,928,045). At December 31, 2022, 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	\$ 1,787,918	\$ -
Changes of assumption	-	315,734
Net difference between projected and actual earnings on Pension Plan investments	-	11,946,962
Contributions made subsequent to the measurement date	<u>1,664,900</u>	<u>-</u>
Total	<u><u>\$ 3,452,818</u></u>	<u><u>\$ 12,262,696</u></u>

\$1,664,900 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(asset) in the year ending December 31, 2023. 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>
2023	\$ (1,851,744)
2024	(3,978,600)
2025	(2,827,148)
2026	<u>(1,817,286)</u>
Total	<u><u>\$ (10,474,778)</u></u>

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

#### *Discount Rate Sensitivity*

The following is a sensitivity analysis of the Village's net pension liability(asset) to changes in the discount rate. The table below presents the net pension liability(asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability(asset) 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 (asset)	\$ 4,265,381	\$ (7,330,293)	\$ (16,627,468)

#### **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.

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, 2022, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	110
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	85
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Total	213
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# **Village of Hoffman Estates, Illinois**

## **Notes to Financial Statements**

### **December 31, 2022**

#### ***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.

#### ***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, 2022, the Village's contributions were 72.62% of covered payroll and amounted to \$6,070,101.

#### ***Police Pension Fund Deposits and Investments***

Investments of the Police' Pension Plan are combined in a commingled external investment pool and held by the Illinois Police Officers' Pension Investment Fund (IPOPIF). IPOPIF is an investment trust fund established by Illinois Public Act 101- 0610, which was effective as of

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

January 1, 2020. Participation in IPOPIF is mandatory for Illinois police pension funds. IPOPIF consolidates the assets of the state's police pension fund assets under its management for the purpose of obtaining a total return on investments to provide pension benefits to the beneficiaries of the participating pension funds.

IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

For additional information on IPOPIF's investments, please refer to their annual reports as of June 30, 2021 and 2022. A copy of the reports can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, IL 61602 or at [www.IPOPIF.org](http://www.IPOPIF.org).

On December 17, 2021, the IPOPIF Board adopted its Investment Policy, which provided for a short-term asset allocation to accommodate the initial transition of investment assets from Participating Pension Funds and the subsequent buildout of diversified strategies. The policy was amended to provide long-term allocation targets.

Asset Classes	Target Allocation	Short Term			Long Term
		Rebalancing Range			Target Allocation
		Brand	Lower	Upper	
Growth	58.00%	10.00%	53.00%	63.00%	65.00%
US Large	23.00%	4.00%	21.00%	25.00%	23.00%
US Small	5.00%	2.00%	4.00%	6.00%	5.00%
International Developed	18.00%	4.00%	16.00%	20.00%	18.00%
International Developed Small	5.00%	2.00%	4.00%	6.00%	5.00%
Emerging Markets	7.00%	2.00%	6.00%	8.00%	7.00%
Private Equity (Direct)	-	N/A	N/A	N/A	7.00%
Income	16.00%	4.00%	14.00%	18.00%	14.00%
Bank Loans	-	N/A	N/A		3.00%
High Yield Corp. Credit	10.00%	2.00%	9.00%	11.00%	3.00%
Emerging Market Debt	6.00%	2.00%	5.00%	7.00%	3.00%
Private Credit	-	N/A	N/A	-	5.00%
Inflation Protection	9.00%	4.00%	7.00%	11.00%	11.00%
US TIPS	3.00%	2.00%	2.00%	4.00%	3.00%
REITs	4.00%	2.00%	3.00%	5.00%	-
Real Estate/Infrastructure	2.00%	N/A	N/A		8.00%
Risk Mitigation	17.00%	8.00%	13.0%	21.00%	10.00%
Cash	1.00%	2.00%	13.00%	2.00%	1.00%
Short-Term Gov't/Credit	13.00%	4.00%	11.00%	15.00%	3.00%
US Treasury	-	N/A	N/A	N/A	3.00%
Core Fixed Income	3.00%	2.00%	20.00%	4.00%	-
Core Plus Fixed Income	-	N/A	N/A	N/A	3.00%

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

The long-term expected rate of return of the Police' Pension Fund's investments of 7.25% was determined using best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) developed for each major asset 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, 2022, are listed in the table above.

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.97%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

All investments in the plan are stated at fair value and recorded as of the trade date. Fair value measurements are categorized based on a hierarchy established by generally accepted accounting principles using one of three levels determined by valuation inputs used to measure the fair value of the asset.

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1, which are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

The Police' Pension Fund had no investments subject to these fair value measurements at December 31, 2022.

The valuation method for the pooled investment in IPOPIF is measured at the net asset value (NAV) per share (or its equivalent). The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$79,745,227 at December 31, 2022. The pooled investments consist of the investments as noted in the target allocation table available at [www.IPOPIF.org](http://www.IPOPIF.org). Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2022. The Plan may redeem shares by submitting requests at least seven calendar days prior to the requested transfer date to ensure availability and to minimize costs. IPOPIF may, in its sole discretion and based on the circumstances, process cash withdrawal requests with fewer than seven calendar days before the requested transfer date. Multiple transactions can be entered up to 13 months in advance.

The Police' Pension Fund holds its available cash at two financial institutions. The amount of available cash is based on the level of current expenses of the Fund. Any excess is required to be transferred to IPOPIF for investment.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. At December 31, 2022, the bank balances did not exceed FDIC coverage levels.

### *Changes in Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at, January 1, 2022	\$ 152,229,441	\$ 97,422,943	\$ 54,806,498
Changes for the period			
Service cost	1,741,834	-	1,741,834
Interest	11,100,344	-	11,100,344
Difference between expected and actual experience	(537,323)	-	(537,323)
Changes in assumptions	4,810,760	-	4,810,760
Changes in benefit terms	(63,925)	-	(63,925)
Employer contributions	-	6,070,101	(6,070,101)
Employee contributions	-	829,128	(829,128)
Other contributions	-	69,439	(69,439)
Net investment income	-	(11,169,813)	11,169,813
Benefit payments and refunds	(8,449,699)	(8,449,699)	-
Administrative expense	-	(40,806)	40,806
Net changes	8,601,991	(12,691,650)	21,293,641
Balances at, December 31, 2022	\$ 160,831,432	\$ 84,731,293	\$ 76,100,139

### *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2022
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market Value
Assumptions	
Rate of Return	7.25%
Salary Increases	3.25% to 10.08%
Inflation	2.25%

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

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, 2022, was 7.25% (7.50% in 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 7.25% 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	\$ 98,226,010	\$ 76,100,139	\$ 58,047,348

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

For the year ended December 31, 2022, the Village recognized police pension expense of \$9,914,612. At December 31, 2022, 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	\$ 3,074,974	\$ 2,662,590
Changes of assumption	5,998,549	-
Net difference between projected and actual earnings on pension plan investments	8,774,626	-
Total	\$ 17,848,149	\$ 2,662,590

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

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:

Year Ending December 31,	Amount
2023	\$ 3,102,776
2024	4,030,229
2025	3,515,852
2026	4,348,770
2027	187,932
Thereafter	-
Total	<u>\$ 15,185,559</u>

#### ***Firefighters' Pension Plan***

##### *Plan Administration*

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

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

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

##### *Plan Membership*

At December 31, 2022, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	92
Active plan members	<u>94</u>
Total	<u><u>186</u></u>

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

*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 10 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 10 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 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, 2022, the Village's contributions were 45.83% of covered payroll and amounted to \$4,537,332.

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### *Firefighters' Pension Fund Deposits and Investments*

Investments of the Firefighters' Pension Plan are combined in a commingled external investment pool and held by the Illinois Firefighters' Pension Investment Fund (IFPIF). IFPIF is an investment trust fund established by Illinois Public Act 101-0610, which was effective as of January 1, 2020. Participation in IFPIF is mandatory for Illinois firefighter pension funds. IFPIF consolidates the assets of the state's firefighter pension fund assets under its management for the purpose of obtaining a total return on investments to provide pension benefits to the beneficiaries of the participating pension funds.

IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

For additional information on IFPIF's investments, please refer to their annual reports as of June 30, 2021 and 2022. A copy of the reports can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

On June 18, 2021, the IFPIF Board adopted its Investment Policy, which included interim and long-term asset allocations.

<b>Asset Allocation</b>	<b>Interim Asset Allocation (%)</b>	<b>Long-Term Asset Allocation (%)</b>	<b>Interim Ranges (%)</b>
Equity			
US Equity	36	25	+/- 5
Developed Market Equity (non-US)	19	13	+/- 4
Emerging Market Equity	10	7	+/- 3
Private Equity	0	10	+/- 10
Credit			
Public Credit	3	3	+/- 1
Private Credit	0	7	+/- 7
Rate Sensitive			
Core Fixed Income	12	9	+/- 3
Core Plus Fixed Income	12	9	+/- 3
Short-Term Treasuries	3	3	+/- 1
Real Assets			
Real Estate	5	10	+/- 2
Infrastructure	0	4	+/- 4

The long-term expected rate of return of the Firefighters' Pension Fund's investments of 7.25% was determined using best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) developed for each major asset 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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

each major asset class included in the Fund's target asset allocation as of December 31, 2022, are listed in the table above.

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -2.67%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

All investments in the plan are stated at fair value and recorded as of the trade date. Fair value measurements are categorized based on a hierarchy established by generally accepted accounting principles using one of three levels determined by valuation inputs used to measure the fair value of the asset.

**Level 1** includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2** includes inputs other than quoted prices included with Level 1, which are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** includes unobservable inputs for an asset or liability.

The Firefighters' Pension Fund had no investments subject to these fair value measurements at December 31, 2022.

The valuation method for the pooled investment in IFPIF is measured at the net asset value (NAV) per share (or its equivalent). The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$91,695,774 at December 31, 2022. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2022. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

The Firefighters' Pension Fund holds its available cash at two financial institutions. The amount of available cash is based on the level of current expenses of the Fund. Any excess is required to be transferred to IFPIF for investment.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. At December 31, 2022, the bank balances did not exceed FDIC coverage levels.

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at, January 1, 2022	\$ 140,493,588	\$ 116,766,749	\$ 23,726,839
Changes for the period			
Service cost	2,248,621	-	2,248,621
Interest	10,259,311	-	10,259,311
Change in benefit terms	(121,887)	-	(121,887)
Difference between expected and actual experience	(52,369)	-	(52,369)
Changes in assumptions	4,420,658	-	4,420,658
Employer contributions	-	4,537,332	(4,537,332)
Employee contributions	-	937,022	(937,022)
Net investment income	-	(16,532,402)	16,532,402
Benefit payments and refunds	(7,405,551)	(7,405,551)	-
Other (net transfer)	-	(60,914)	60,914
Net changes	9,348,783	(18,524,513)	27,873,296
Balances at, December 31, 2022	\$ 149,842,371	\$ 98,242,236	\$ 51,600,135

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2022
Actuarial Cost Method	Entry-age normal
Asset Valuation Method	Market Value
Assumptions	
Rate of Return	7.25%
Salary Increases	3.75% to 9.79%
Inflation	2.25%

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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### *Changes in Assumptions*

Assumption changes includes the change in the High-Quality 20 Year Tax-Exempt General Obligation Bond Rate assumption was changed from 2.06% in 2021 to 3.72% in 2022. The Discount Rate used in the determination of the Total Pension Liability was changed from 7.50% in 2021 to 7.25% in 2022.

### *Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2022, was 7.25% (7.50% in 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 7.25% 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>\$ 71,603,143</u>	<u>\$ 51,600,135</u>	<u>\$ 35,102,110</u>

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

For the year ended December 31, 2022, the Village recognized firefighters' pension expense of \$6,415,745. At December 31, 2022, 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	\$ 1,171,868	\$ 2,358,152
Changes of assumption	4,881,155	361,442
Net difference between projected and actual earnings on pension plan investments	<u>12,290,014</u>	<u>-</u>
Total	<u>\$ 18,343,037</u>	<u>\$ 2,719,594</u>

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

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>
2023	\$ 1,075,337
2024	3,205,210
2025	4,840,843
2026	5,669,806
2027	423,136
Thereafter	409,111
Total	<u>\$ 15,623,443</u>

**Combining Pension Plan Financial Statements**

*Fiduciary Net Position*

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
Assets			
Cash and short-term investments	\$ 3,602,582	\$ 5,512,126	\$ 9,114,708
Investments, at fair value			
Pooled Investments	79,745,227	91,695,774	171,441,001
Due from the Village	1,382,176	1,031,153	2,413,329
Prepaid expenses	5,043	6,311	11,354
Total assets	84,735,028	98,245,364	182,980,392
Liabilities			
Accounts payable	3,735	3,128	6,863
Net position restricted for pensions	<u>\$ 84,731,293</u>	<u>\$ 98,242,236</u>	<u>\$ 182,973,529</u>

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

*Changes in Plan Net Position*

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
Additions			
Contributions			
Employer contributions	\$ 6,070,101	\$ 4,537,332	\$ 10,607,433
Employee contributions	898,567	937,022	1,835,589
Total contributions	<u>6,968,668</u>	<u>5,474,354</u>	<u>12,443,022</u>
Investment income			
Net appreciation in fair value of investments	(12,123,552)	(17,038,535)	(29,162,087)
Investment income	1,036,259	560,146	1,596,405
Total investment income	<u>(11,087,293)</u>	<u>(16,478,389)</u>	<u>(27,565,682)</u>
Less investment expense	(82,520)	(54,013)	(136,533)
Net investment income	<u>(11,169,813)</u>	<u>(16,532,402)</u>	<u>(27,702,215)</u>
Total additions	<u>(4,201,145)</u>	<u>(11,058,048)</u>	<u>(15,259,193)</u>
Deductions			
Benefits and refunds	8,449,699	7,405,551	15,855,250
Miscellaneous	40,806	60,914	101,720
Total deductions	<u>8,490,505</u>	<u>7,466,465</u>	<u>15,956,970</u>
Net increase in fiduciary net position	(12,691,650)	(18,524,513)	(31,216,163)
Net position restricted for pensions January 1	<u>97,422,943</u>	<u>116,766,749</u>	<u>214,189,692</u>
December 31	<u>\$ 84,731,293</u>	<u>\$ 98,242,236</u>	<u>\$ 182,973,529</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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

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, 2022, membership consisted of:

Retirees and beneficiaries currently receiving benefits	72
Active employees	337
	<hr/>
Total	409
	<hr/> <hr/>

#### **Total OPEB Liability**

The Village's total OPEB liability of \$8,575,903 was measured as of December 31, 2022, determined by an actuarial valuation as of January 1, 2022.

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the December 31, 2022 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

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	3.72% *
Healthcare Cost Trend Rates - PPO Plans	1.20% First-Year then 5.50% decreasing 0.25% every 2 years to ultimate rate of 5.00% by 2028.
Healthcare Cost Trend Rates - HMO Plans	0.90% First-Year then 5.50% decreasing 0.25% every 2 years to ultimate rate of 5.00% by 2028.
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, 2022. The discount rate at December 31, 2021, was 2.06%.

**IMRF Mortality Rates** - follow PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020.

**Police Mortality Rates** - Active 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 then improved generationally using MP-2019 Improvement Rates. Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Disabled 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. These rates are then improved generationally using MP-2019 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS- 2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

**Fire Mortality Rates** - Active 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 then improved generationally using MP-2019 Improvement Rates. Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Disabled 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. These rates are then improved generationally using MP-2019 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

### December 31, 2022

for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

The actuarial assumptions used in the December 31, 2022 valuation, are based on 50% participation assumed, with 50% electing spouse coverage.

#### *Assumption Changes*

Effective January 1, 2022, the Village offers Benistar for Medicare eligible retirees. Benistar does not generate any liability. Based on the retirees who elected Benistar, the retiree lapse rate assumption changed at age 65 from 50% to 85%. Plan participation assumption was also updated.

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.06% to 3.72% for the current year. The underlying index used is the Bond Buyer 20-Bond GO Index. Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 2.06% to 3.72%.

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

	<b>Total OPEB Liability</b>
Balances at, January 1, 2022	<u>\$ 10,069,277</u>
Changes for the period	
Service cost	603,300
Interest	201,739
Changes of assumptions	(1,746,124)
Benefit payments	<u>(552,289)</u>
Net changes	<u>(1,493,374)</u>
Balances at, December 31, 2022	<u><u>\$ 8,575,903</u></u>

# Village of Hoffman Estates, Illinois

## Notes to Financial Statements

December 31, 2022

### 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 3.72% 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 (2.72%) or 1 percentage point higher (4.72%) than the current rate:

	1% Decrease (2.72)%	Current Discount Rate (3.72)%	1% Increase (4.72)%
Total OPEB liability	\$ 9,553,058	\$ 8,575,903	\$ 7,773,891

The table below presents the Village's total OPEB liability of the Village calculated using the healthcare rate of 1.20% 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 (0.20% to 4.00%) or 1 percentage point higher (2.20% to 6.00%) than the current rate:

	1% Decrease 0.20% to 4.00%	Current Healthcare Rate 1.20% to 5.00%	1% Increase 2.20% to 6.00%
Total OPEB liability	\$ 7,459,373	\$ 8,575,903	\$ 9,980,117

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$32,528. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,534,200
Changes of assumption	3,494,691	8,078,016
Total	\$ 3,494,691	\$ 11,612,216

**Village of Hoffman Estates, Illinois**  
**Notes to Financial Statements**  
**December 31, 2022**

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>
2023	\$ (772,511)
2024	(772,511)
2025	(772,511)
2026	(772,511)
2027	(731,469)
Thereafter	<u>(4,296,012)</u>
Total	<u><u>\$ (8,117,525)</u></u>

## **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, 2022

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 32,624,580	\$ 34,261,580	\$ 33,741,401
Licenses and permits	1,745,700	1,745,700	2,443,280
Intergovernmental	20,107,490	21,667,990	24,609,492
Charges for services	10,232,610	11,302,610	14,061,102
Fines and forfeits	1,066,000	1,066,000	1,356,320
Investment income (loss)	20,000	20,000	(14,960)
Miscellaneous	401,500	401,500	573,934
Total revenues	<u>66,197,880</u>	<u>70,465,380</u>	<u>76,770,569</u>
<b>Expenditures</b>			
Current			
General government	7,540,000	7,952,000	7,567,003
Public safety	42,370,500	43,440,500	43,080,002
Highways and streets	6,382,740	6,417,740	6,180,518
Sanitation	3,111,930	3,111,930	3,111,958
Health and welfare	2,725,890	2,725,890	2,593,275
Culture and recreation	155,070	155,070	139,061
Economic development	2,782,560	3,032,560	2,831,973
Total expenditures	<u>65,068,690</u>	<u>66,835,690</u>	<u>65,503,790</u>
<b>Excess Revenues Over Expenditures</b>	<u>1,129,190</u>	<u>3,629,690</u>	<u>11,266,779</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	205,000	205,000	-
Transfers out	<u>(3,568,700)</u>	<u>(6,069,200)</u>	<u>(5,566,367)</u>
Total other financing uses	<u>(3,363,700)</u>	<u>(5,864,200)</u>	<u>(5,566,367)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,234,510)</u>	<u>\$ (2,234,510)</u>	5,700,412
<b>Fund Balance, January 1</b>			<u>30,628,830</u>
<b>Fund Balance, December 31</b>			<u>\$ 36,329,242</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, 2022**

	2022		
	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Property taxes	\$ 590,000	\$ 590,000	\$ 301,391
Investment income	-	-	1,478
Total revenues	<u>590,000</u>	<u>590,000</u>	<u>302,869</u>
<b>Expenditures</b>			
Current			
General government	680	680	301
Economic development	178,500	14,060,500	14,058,496
Total expenditures	<u>179,180</u>	<u>14,061,180</u>	<u>14,058,797</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	410,820	(13,471,180)	(13,755,928)
<b>Other Financing Sources</b>			
Issuance of debt	-	13,882,000	13,761,879
<b>Net Change in Fund Balance</b>	<u>\$ 410,820</u>	<u>\$ 410,820</u>	5,951
<b>Fund Balance, January 1</b>			<u>451,475</u>
<b>Fund Balance, December 31</b>			<u>\$ 457,426</u>

**Village of Hoffman Estates, Illinois**  
**Notes to Required Supplementary Information**  
**December 31, 2022**

**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 Eight 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>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 1,625,405	\$ 1,666,090	\$ 1,570,726	\$ 1,683,897	\$ 1,415,327	\$ 1,711,402	\$ 1,656,890	\$ 1,638,443
Contributions in relation to the actually 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>	<u>1,665,456</u>	<u>1,664,900</u>
Contribution deficiency (excess)	<u>\$ 117,845</u>	<u>\$ 9,052</u>	<u>\$ (63)</u>	<u>\$ 33,148</u>	<u>\$ 15,200</u>	<u>\$ 46,125</u>	<u>\$ 8,566</u>	<u>\$ 26,457</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>	<u>\$ 13,592,210</u>	<u>\$ 14,359,711</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>	<u>12.25%</u>	<u>11.59%</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 23 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 7.25% 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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 2,392,818	\$ 2,710,874	\$ 2,609,029	\$ 3,178,239	\$ 3,380,781	\$ 3,570,025	\$ 3,788,068	\$ 4,338,900	\$ 5,422,671	\$ 5,954,497
Contributions in relation to the actuarially determined contributions	2,387,875	2,698,444	2,670,802	3,228,471	3,407,918	3,557,124	3,785,342	4,324,074	5,349,815	6,070,101
Contribution deficiency (excess)	<u>\$ 4,943</u>	<u>\$ 12,430</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>\$ 72,856</u>	<u>\$ (115,604)</u>
Covered payroll	<u>\$ 8,609,981</u>	<u>\$ 8,378,076</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>\$ 8,247,853</u>	<u>\$ 8,358,302</u>
Contributions as a percentage of covered payroll	<u>27.73%</u>	<u>32.21%</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>	<u>64.86%</u>	<u>72.62%</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 21 years; the asset valuation method was at 5-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.25% to 10.08% compounded annually and postretirement benefit increases of 3.00% compounded annually.

# Village of Hoffman Estates, Illinois

## Schedule of Village Contributions

### Firefighters' Pension Fund

### Last Ten Fiscal Years

Fiscal Year Ended December 31,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 2,306,816	\$ 2,529,741	\$ 2,531,184	\$ 2,819,396	\$ 3,097,747	\$ 3,280,541	\$ 3,372,772	\$ 3,700,885	\$ 4,272,701	\$ 4,444,257
Contributions in relation to the actuarially determined contributions	<u>2,062,868</u>	<u>2,520,362</u>	<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>4,209,054</u>	<u>4,537,332</u>
Contribution deficiency (excess)	<u>\$ 243,948</u>	<u>\$ 9,379</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>\$ 63,647</u>	<u>\$ (93,075)</u>
Covered payroll	<u>\$ 8,509,061</u>	<u>\$ 9,015,322</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>\$ 9,610,716</u>	<u>\$ 9,900,503</u>
Contributions as a percentage of covered payroll	<u>24.24%</u>	<u>27.96%</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>	<u>43.80%</u>	<u>45.83%</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 21 years; the asset valuation method was at 5-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.75% to 9.79% compounded annually and postretirement benefit increases of 3.00% compounded annually.

# Village of Hoffman Estates, Illinois

## Schedule of Changes in the Village's Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund Last Eight Fiscal Years

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019	2020*****	2021*****
Total pension liability								
Service cost	\$ 1,360,773	\$ 1,301,536	\$ 1,272,512	\$ 1,256,345	\$ 1,212,867	\$ 1,314,119	\$ 1,364,028	\$ 1,251,653
Interest	4,933,202	5,325,516	5,483,537	5,732,635	5,827,822	6,111,417	6,409,567	6,761,707
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(529,106)	(1,490,827)	(217,172)	207,724	751,530	774,853	2,456,180	651,820
Changes of assumptions*	2,294,879	92,788	(281,937)	(2,503,516)	2,388,193	-	(663,476)	-
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)	(4,423,005)	(4,883,028)
Net change in total pension liability	5,558,060	2,336,214	3,142,166	1,365,615	6,703,408	4,397,544	5,143,294	3,782,152
Total pension liability, beginning	66,434,307	71,992,367	74,328,581	77,470,747	78,836,362	85,539,770	89,937,314	95,080,608
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>	<u>\$ 95,080,608</u>	<u>\$ 98,862,760</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	\$ 1,757,528	\$ 1,665,456
Contributions - member	551,845	569,687	567,924	579,056	581,098	609,298	632,973	611,907
Net investment income	3,655,142	314,408	4,270,357	11,379,574	(3,833,930)	13,135,332	11,558,168	15,732,262
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)	(4,423,005)	(4,883,028)
Other (net transfer)	(152,063)	(680,586)	(117,629)	(841,452)	1,402,281	191,608	432,809	193,841
Net change in plan fiduciary net position	3,187,029	(946,040)	3,281,020	9,360,331	(3,610,510)	11,563,920	9,958,473	13,320,438
Plan fiduciary net position, beginning	60,078,392	63,265,421	62,319,381	65,600,401	74,960,732	71,350,222	82,914,142	92,872,615
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>	<u>\$ 92,872,615</u>	<u>\$ 106,193,053</u>
Village's net pension liability(asset)	<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>	<u>\$ 2,207,993</u>	<u>\$ (7,330,293)</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%	97.68%	107.41%
Covered payroll	\$ 11,708,241	\$ 11,821,130	\$ 12,143,510	\$ 12,242,605	\$ 12,913,319	\$ 13,440,899	\$ 13,891,248	\$ 13,592,210
Employer's net pension liability(asset) as a percentage of covered payroll	74.50%	101.60%	97.80%	31.70%	109.88%	52.25%	15.89%	-53.93%

\*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.

\*\*\*\*\*Changes in assumptions related to price inflation, salary increases, and retirement and mortality rates 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 Nine Fiscal Years

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019*****	2020*****	2021*****	2022*****
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	\$ 1,746,995	\$ 1,741,834
Interest	7,215,478	7,426,526	9,230,804	8,609,603	9,047,750	9,525,137	10,529,604	10,674,792	11,100,344
Changes of benefit terms	-	-	-	-	-	551,939	-	-	(63,925)
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	(3,611,862)	(537,323)
Changes of assumptions*	6,443,602	10,336,137	(11,653,118)	-	-	5,453,081	-	-	4,810,760
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)	(7,716,960)	(8,449,699)
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	1,092,965	8,601,991
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	151,136,476	152,229,441
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>	<u>\$ 152,229,441</u>	<u>\$ 160,831,432</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	\$ 5,349,815	\$ 6,070,101
Contributions - member	1,026,505	852,743	813,215	865,157	832,191	827,082	874,298	817,306	829,128
Contributions - other	-	-	-	-	34,601	-	-	165,726	69,439
Net investment income	1,545,937	(1,410,523)	6,063,204	9,200,616	(6,599,074)	11,675,797	6,557,880	13,741,336	(11,169,813)
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)	(7,716,960)	(8,449,699)
Administrative expense	(21,217)	(49,601)	(38,109)	(39,392)	(46,183)	(51,852)	(50,174)	(39,823)	(40,806)
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	12,317,400	(12,691,650)
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	85,105,513	97,422,913
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>	<u>\$ 97,422,913</u>	<u>\$ 84,731,263</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>	<u>\$ 54,806,528</u>	<u>\$ 76,100,169</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%	64.00%	52.68%
Covered payroll	\$ 8,378,076	\$ 8,465,859	\$ 8,205,983	\$ 8,493,193	\$ 8,397,491	\$ 8,289,966	\$ 8,748,348	\$ 8,247,853	\$ 8,358,302
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%	664.49%	910.47%

\*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.

(Cont.)

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

\*\*\*\*\*There was a change in 2021 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 2022 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 Nine Fiscal Years

Measurement Date December 31,	2014	2015*	2016**	2017***	2018****	2019*****	2020*****	2021*****	2022*****
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	\$ 2,175,005	\$ 2,248,621
Interest	6,556,239	7,120,712	7,734,740	8,298,776	8,645,416	8,984,188	9,466,598	9,704,590	10,259,311
Changes of benefit terms	-	-	-	-	-	517,294	-	-	(121,887)
Differences between expected and actual experience	1,252,030	(800,017)	(15,879)	(391,154)	(688,021)	589,331	1,528,347	(2,822,095)	(52,369)
Changes of assumptions*	3,396,442	4,562,482	949,835	(1,540,149)	-	2,234,460	-	(6,433)	4,420,658
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)	(6,917,879)	(7,405,551)
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	2,133,188	9,348,783
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	138,360,400	140,493,588
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>	<u>\$ 140,493,588</u>	<u>\$ 149,842,371</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	\$ 4,209,054	\$ 4,537,332
Contributions - member	851,857	863,860	973,790	863,963	909,020	943,556	927,910	1,038,858	937,022
Net investment income	3,594,816	213,616	3,899,334	9,817,442	(4,280,100)	16,674,359	13,991,335	12,718,215	(16,532,402)
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)	(6,917,879)	(7,405,551)
Administrative expense	(77,973)	(55,131)	(71,449)	(53,790)	(42,092)	(52,787)	(48,314)	(49,540)	(60,914)
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	10,998,708	(18,524,513)
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	105,768,041	116,766,749
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>	<u>\$ 116,766,749</u>	<u>\$ 98,242,236</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>	<u>\$ 23,726,839</u>	<u>\$ 51,600,135</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%	83.11%	65.56%
Covered payroll	\$ 9,015,322	\$ 9,274,129	\$ 9,221,092	\$ 9,543,830	\$ 9,070,725	\$ 9,364,199	\$ 9,813,969	\$ 9,610,716	\$ 9,900,503
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%	246.88%	521.19%

\*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.

\*\*\*\*\*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.

(Cont.)

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

\*\*\*\*\*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 was a change in 2021 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 was also a change in the Projected Individual Pay Increases in 2021.

\*\*\*\*\*There was a change in 2022 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 was also a change in the Projected Individual Pay Increases in 2021.

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 Five Fiscal Years**

<b>Measurement Date December 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020*</b>	<b>**2021</b>	<b>***2022</b>
Total OPEB liability					
Service cost	\$ 457,751	\$ 391,145	\$ 575,005	\$ 808,718	\$ 603,300
Interest	537,136	595,177	545,453	356,900	201,739
Changes of assumptions*	(1,537,238)	5,004,129	760,752	(6,936,018)	(1,746,124)
Change of benefit terms	-	-	(280,819)	-	-
Differences between expected and actual experience	-	-	(4,093,701)	(723,242)	-
Benefit payments	<u>(517,209)</u>	<u>(580,123)</u>	<u>(613,666)</u>	<u>(543,970)</u>	<u>(552,289)</u>
Net change in total pension liability	(1,059,560)	5,410,328	(3,106,976)	(7,037,612)	(1,493,374)
Total OPEB liability, beginning	<u>15,863,097</u>	<u>14,803,537</u>	<u>20,213,865</u>	<u>17,106,889</u>	<u>10,069,277</u>
Total OPEB liability, ending	<u>\$ 14,803,537</u>	<u>\$ 20,213,865</u>	<u>\$ 17,106,889</u>	<u>\$ 10,069,277</u>	<u>\$ 8,575,903</u>
Covered - employee payroll	\$ 30,381,535	\$ 31,147,318	\$ 31,743,858	\$ 31,086,495	\$ 32,623,875
Village's net pension liability as a percentage of covered - employee payroll	48.73%	64.90%	53.89%	32.39%	26.29%

\*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: Mortality rates, Mortality improvement rates, retirement rates, termination rates and disability rates.

\*\*There was a change in 2021 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. The actuary for the Illinois Municipal Retirement Fund performed an actuarial experience study of IMRF employees dated December 14, 2020. The following changes impacted the OPEB assumptions: Mortality rates, Mortality improvement rates, retirement rates, termination rates and disability rates. Participation rates were also updated.

\*\*\*There was a change in 2022 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. The actuary for the Illinois Municipal Retirement Fund performed an actuarial experience study of IMRF employees dated December 14, 2020. The following changes impacted the OPEB assumptions: Mortality rates, Mortality improvement rates, retirement rates, termination rates and disability rates. Participation rates were also updated.

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 Nine 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>	<b>2021</b>	<b>2022</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%	16.40%	(1.97%)

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 Nine 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>	<b>2021</b>	<b>2022</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%	12.12%	(2.67%)

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, 2022**  
**(With Comparative Totals for 2021)**

	<b>2022</b>			
	<b>General Fund</b>	<b>Municipal Waste System Account</b>	<b>Total</b>	<b>2021</b>
<b>Assets</b>				
Cash and investments	\$ 30,549,799	\$ 566,502	\$ 31,116,301	\$ 28,135,495
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	29,707,472	-	29,707,472	24,140,147
Accounts	156,624	261,795	418,419	358,156
Accrued interest	71,849	-	71,849	61,949
Leases	3,073,442	-	3,073,442	-
Other	2,761,025	3,150	2,764,175	3,301,205
Prepaid items	20,191	58,978	79,169	93,358
Assets held by agents	206,581	-	206,581	176,237
Inventories	122,439	-	122,439	121,665
Due from other governments	5,672,266	-	5,672,266	5,369,799
Due from other funds	1,072,120	-	1,072,120	24,766
Total assets	<u>\$ 73,413,808</u>	<u>\$ 890,425</u>	<u>\$ 74,304,233</u>	<u>\$ 61,782,777</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 3,175,462	\$ 205,025	\$ 3,380,487	\$ 2,850,925
Accrued payroll	633,883	805	634,688	601,762
Unearned revenues	167,425	230,421	397,846	382,821
Due to FSA participants	175,481	-	175,481	145,137
Due to fiduciary fund	2,413,329	-	2,413,329	-
Deposits payable	1,952,825	-	1,952,825	1,271,671
Total liabilities	<u>8,518,405</u>	<u>436,251</u>	<u>8,954,656</u>	<u>5,252,316</u>
<b>Deferred Inflows of Resources</b>				
Property taxes	24,191,786	-	24,191,786	24,074,464
Leases	2,999,885	-	2,999,885	-
Unavailable state taxes	1,828,664	-	1,828,664	1,827,167
Total deferred inflows of resources	<u>29,020,335</u>	<u>-</u>	<u>29,020,335</u>	<u>25,901,631</u>
Total liabilities and deferred inflows of resources	<u>37,538,740</u>	<u>436,251</u>	<u>37,974,991</u>	<u>31,153,947</u>
<b>Fund Balances</b>				
Nonspendable				
Prepaid items	20,191	58,978	79,169	93,358
Inventories	122,439	-	122,439	121,665
Restricted				
Employee loan program	30,088	-	30,088	41,167
Assigned				
Employee health	1,962,947	-	1,962,947	2,155,657
Subsequent budget	4,850,000	-	4,850,000	2,450,000
Unassigned	28,889,403	395,196	29,284,599	25,766,983
Total fund balances	<u>35,875,068</u>	<u>454,174</u>	<u>36,329,242</u>	<u>30,628,830</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 73,413,808</u>	<u>\$ 890,425</u>	<u>\$ 74,304,233</u>	<u>\$ 61,782,777</u>

**Village of Hoffman Estates, Illinois**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance by Account**  
**General Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actuals for 2021)**

	<b>2022</b>			<b>2021</b>		
	<b>General Account</b>	<b>Municipal Waste System Account</b>	<b>Total</b>	<b>General Account</b>	<b>Municipal Waste System Account</b>	<b>Total</b>
<b>Revenues</b>						
Taxes	\$ 33,741,401	\$ -	\$ 33,741,401	\$ 35,232,190	\$ -	\$ 35,232,190
Licenses and permits	2,443,280	-	2,443,280	3,976,507	-	3,976,507
Intergovernmental	24,609,492	-	24,609,492	22,043,255	-	22,043,255
Charges for service	11,047,783	3,013,319	14,061,102	8,557,306	2,897,445	11,454,751
Fines and forfeits	1,356,320	-	1,356,320	1,206,299	-	1,206,299
Investment income (loss)	(19,217)	4,257	(14,960)	(87,762)	110	(87,652)
Miscellaneous	465,389	108,545	573,934	588,249	101,039	689,288
Total revenues	<u>73,644,448</u>	<u>3,126,121</u>	<u>76,770,569</u>	<u>71,516,044</u>	<u>2,998,594</u>	<u>74,514,638</u>
<b>Expenditures</b>						
Current						
General government	7,567,003	-	7,567,003	6,766,026	-	6,766,026
Public safety	43,080,002	-	43,080,002	39,552,321	-	39,552,321
Highways and streets	6,138,946	41,572	6,180,518	6,170,242	39,507	6,209,749
Sanitation	-	3,111,958	3,111,958	-	2,807,057	2,807,057
Health and welfare	2,593,275	-	2,593,275	2,447,797	-	2,447,797
Culture and recreation	139,061	-	139,061	205,532	-	205,532
Economic development	2,831,973	-	2,831,973	2,376,024	-	2,376,024
Total expenditures	<u>62,350,260</u>	<u>3,153,530</u>	<u>65,503,790</u>	<u>57,517,942</u>	<u>2,846,564</u>	<u>60,364,506</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>11,294,188</u>	<u>(27,409)</u>	<u>11,266,779</u>	<u>13,998,102</u>	<u>152,030</u>	<u>14,150,132</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	754,000	-	754,000
Transfers out	(5,566,367)	-	(5,566,367)	(7,962,568)	-	(7,962,568)
Total other financing uses	<u>(5,566,367)</u>	<u>-</u>	<u>(5,566,367)</u>	<u>(7,208,568)</u>	<u>-</u>	<u>(7,208,568)</u>
<b>Net Change in Fund Balances</b>	<u>5,727,821</u>	<u>(27,409)</u>	<u>5,700,412</u>	<u>6,789,534</u>	<u>152,030</u>	<u>6,941,564</u>
<b>Fund Balances, January 1</b>	<u>30,147,247</u>	<u>481,583</u>	<u>30,628,830</u>	<u>23,357,713</u>	<u>329,553</u>	<u>23,687,266</u>
<b>Fund Balances, December 31</b>	<u>\$ 35,875,068</u>	<u>\$ 454,174</u>	<u>\$ 36,329,242</u>	<u>\$ 30,147,247</u>	<u>\$ 481,583</u>	<u>\$ 30,628,830</u>

# Village of Hoffman Estates, Illinois

## Schedule of Expenditures – Budget and Actual

### General Account

Year Ended December 31, 2022

(With Comparative Actual for 2021)

	2022			2021 Actual
	Original Budget	Final Budget	Actual	
<b>General Government</b>				
Legislative	\$ 423,760	\$ 423,760	\$ 401,235	\$ 366,038
Administration	994,250	994,250	903,496	571,605
Legal	545,690	545,690	562,507	928,945
Finance	1,226,300	1,226,300	1,141,926	1,118,126
Village clerk	245,810	245,810	233,693	229,190
Human resources management	634,490	634,490	627,875	579,046
Communications	390,860	390,860	370,924	273,123
Buildings and grounds	1,243,910	1,403,910	1,361,715	1,111,719
Fleet services	1,387,930	1,639,930	1,616,301	1,269,305
Police and fire commission	102,040	102,040	34,795	44,480
Emergency operations	86,210	86,210	79,315	82,498
Miscellaneous boards and commissions	258,750	258,750	233,221	191,951
Total general government	7,540,000	7,952,000	7,567,003	6,766,026
<b>Public Safety</b>				
Police department				
Administration	1,679,430	1,679,430	1,545,380	1,371,583
Juvenile investigations	669,390	669,390	601,129	573,747
Tactical	948,390	948,390	837,857	731,247
Patrol and response	13,179,200	13,179,200	13,608,913	12,497,339
Traffic control	923,310	923,310	853,753	1,046,755
Investigations	1,627,770	1,627,770	1,408,150	1,511,249
Community relations	10,150	10,150	9,061	4,901
Communications	491,830	491,830	492,338	570,108
Canine	225,050	225,050	156,531	208,592
Special services	137,730	137,730	223,493	144,124
Records	318,320	318,320	292,595	308,151
Administrative services	1,242,620	1,242,620	1,074,711	977,766
Total police department	21,453,190	21,453,190	21,103,911	19,945,562
Fire department				
Administration	958,860	958,860	906,481	813,219
Public education	82,640	82,640	70,383	71,212
Suppression	10,090,010	10,090,010	10,561,752	9,624,753
Emergency medical services	9,163,470	10,233,470	9,828,940	8,461,007
Fire prevention	577,780	577,780	566,337	599,376
Fire stations	44,550	44,550	42,198	37,192
Total fire department	20,917,310	21,987,310	21,976,091	19,606,759
Total public safety	42,370,500	43,440,500	43,080,002	39,552,321

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Schedule of Expenditures – Budget and Actual**  
**General Account**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Highways and Streets</b>				
Administration - public works	\$ 349,240	\$ 349,240	\$ 312,624	\$ 372,198
Snow and ice control	1,847,410	1,847,410	1,811,753	1,977,082
Traffic operations	1,343,280	1,343,280	1,262,973	482,739
Forestry	1,173,880	1,173,880	1,108,857	969,020
Maintenance	197,120	222,120	222,007	175,835
Storm sewers	171,200	171,200	163,075	162,449
Utilities	-	-	(5,167)	733,653
Engineering	1,259,010	1,269,010	1,262,824	1,297,266
Total highways and streets	6,341,140	6,376,140	6,138,946	6,170,242
<b>Health and Welfare</b>				
Health and human services	973,760	973,760	931,834	853,656
Code enforcement	1,752,130	1,752,130	1,661,441	1,594,141
Total health and welfare	2,725,890	2,725,890	2,593,275	2,447,797
<b>Culture and Recreation</b>				
Cable T.V.	-	-	(1,929)	176,076
4th of July	155,070	155,070	140,990	29,456
Total culture and recreation	155,070	155,070	139,061	205,532
<b>Economic Development</b>				
Administration - community development	479,210	479,210	408,471	429,723
Planning	794,260	794,260	666,677	529,839
Economic development	1,509,090	1,759,090	1,756,825	1,416,462
Total economic development	2,782,560	3,032,560	2,831,973	2,376,024
Total expenditures	\$ 61,915,160	\$ 63,682,160	\$ 62,350,260	\$ 57,517,942

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2021 Actual</b>
<b>Revenues</b>			
Charges for services	\$ 3,060,920	\$ 3,013,319	\$ 2,897,445
Investment income	-	4,257	110
Miscellaneous	53,000	108,545	101,039
Total revenues	<u>3,113,920</u>	<u>3,126,121</u>	<u>2,998,594</u>
<b>Expenditures</b>			
Sanitation	3,111,930	3,111,958	2,807,057
Highways and streets	41,600	41,572	39,507
Total expenditures	<u>3,153,530</u>	<u>3,153,530</u>	<u>2,846,564</u>
<b>Net Change in Fund Balance</b>	<u>\$ (39,610)</u>	(27,409)	152,030
<b>Fund Balance, January 1</b>		<u>481,583</u>	<u>329,553</u>
<b>Fund Balance, December 31</b>		<u>\$ 454,174</u>	<u>\$ 481,583</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>				
Property taxes	\$ 590,000	\$ 590,000	\$ 301,391	\$ 598,796
Investment income	-	-	1,478	64
Total revenues	<u>590,000</u>	<u>590,000</u>	<u>302,869</u>	<u>598,860</u>
<b>Expenditures</b>				
Current				
General government	680	680	301	25,553
Economic development	<u>178,500</u>	<u>14,060,500</u>	<u>14,058,496</u>	<u>7,724,728</u>
Total expenditures	<u>179,180</u>	<u>14,061,180</u>	<u>14,058,797</u>	<u>7,750,281</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	410,820	(13,471,180)	(13,755,928)	(7,151,421)
<b>Other Financing Sources</b>				
Issuance of debt	<u>-</u>	<u>13,882,000</u>	<u>13,761,879</u>	<u>7,612,445</u>
<b>Net Change in Fund Balance</b>	<u>\$ 410,820</u>	<u>\$ 410,820</u>	5,951	451,475
<b>Fund Balance, January 1</b>			<u>451,475</u>	<u>-</u>
<b>Fund Balance, December 31</b>			<u>\$ 457,426</u>	<u>\$ 451,475</u>

## **Nonmajor Governmental Funds**

# Village of Hoffman Estates, Illinois

## Combining Balance Sheet

### Nonmajor Governmental Funds

December 31, 2022

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 6,373,651	\$ 604,187	\$ 18,370,314	\$ 25,348,152
Receivables				
Property taxes	1,620,871	2,586,167	-	4,207,038
Accounts	-	-	143,763	143,763
Other	-	-	560,584	560,584
Prepaid items	-	-	816,242	816,242
Due from other governments	205,027	-	-	205,027
Restricted cash	-	-	338,492	338,492
Total assets	<u>\$ 8,199,549</u>	<u>\$ 3,190,354</u>	<u>\$ 20,229,395</u>	<u>\$ 31,619,298</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 398,995	\$ -	\$ 2,435,833	\$ 2,834,828
Unearned revenues	-	-	48,520	48,520
Due to other funds	-	1,066,310	-	1,066,310
Deposits payable	5,508	-	4,547,644	4,553,152
Total liabilities	404,503	1,066,310	7,031,997	8,502,810
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property tax	1,258,404	2,110,786	-	3,369,190
Total liabilities and deferred inflows of resources	<u>1,662,907</u>	<u>3,177,096</u>	<u>7,031,997</u>	<u>11,872,000</u>
<b>Fund Balances</b>				
Nonspendable				
Prepaid items	-	-	816,242	816,242
Restricted				
Highways and streets	1,452,046	-	-	1,452,046
Public safety	712,609	-	-	712,609
Capital improvements	-	-	35,794	35,794
Debt service	-	23,844	-	23,844
Economic development - state statute	4,371,987	-	-	4,371,987
Assigned				
Capital improvements	-	-	12,398,361	12,398,361
Unassigned	-	(10,586)	(52,999)	(63,585)
Total fund balances	<u>6,536,642</u>	<u>13,258</u>	<u>13,197,398</u>	<u>19,747,298</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,199,549</u>	<u>\$ 3,190,354</u>	<u>\$ 20,229,395</u>	<u>\$ 31,619,298</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2022**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 1,758,007	\$ 2,090,760	\$ 3,628,608	\$ 7,477,375
Intergovernmental	3,574,526	-	654,532	4,229,058
Charges for service	-	151,500	570,137	721,637
Fines and forfeits	260,238	-	-	260,238
Investment income	70,071	3,036	79,471	152,578
Miscellaneous	71,968	-	-	71,968
Total revenues	<u>5,734,810</u>	<u>2,245,296</u>	<u>4,932,748</u>	<u>12,912,854</u>
<b>Expenditures</b>				
Current				
Public safety	156,427	-	-	156,427
Highways and streets	3,000,919	-	-	3,000,919
Economic development	2,321,025	-	-	2,321,025
Capital outlay	-	-	5,551,982	5,551,982
Debt service				
Principal retirement	235,307	1,978,295	313,899	2,527,501
Interest and fiscal charges	-	1,651,160	32,743	1,683,903
Total expenditures	<u>5,713,678</u>	<u>3,629,455</u>	<u>5,898,624</u>	<u>15,241,757</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>21,132</u>	<u>(1,384,159)</u>	<u>(965,876)</u>	<u>(2,328,903)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,378,424	5,586,618	6,965,042
Transfers out	-	-	(1,458,001)	(1,458,001)
Issuance of debt	264,642	-	-	264,642
Proceeds from sale of capital assets	785,835	-	-	785,835
Total other financing sources	<u>1,050,477</u>	<u>1,378,424</u>	<u>4,128,617</u>	<u>6,557,518</u>
<b>Net Change in Fund Balances</b>	1,071,609	(5,735)	3,162,741	4,228,615
<b>Fund Balances, January 1</b>	<u>5,465,033</u>	<u>18,993</u>	<u>10,034,657</u>	<u>15,518,683</u>
<b>Fund Balances, December 31</b>	<u>\$ 6,536,642</u>	<u>\$ 13,258</u>	<u>\$ 13,197,398</u>	<u>\$ 19,747,298</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.

**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, 2022

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
<b>Assets</b>			
Cash and investments	\$ 1,326,958	\$ 1	\$ 718,699
Receivables (net, where applicable, of allowances for uncollectibles)			
Property tax	-	4,563	-
Due from other governments	205,027	-	-
	<u>205,027</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,531,985</u>	<u>\$ 4,564</u>	<u>\$ 718,699</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 79,939	\$ 4,563	\$ 582
Deposits payable	-	-	5,508
	<u>-</u>	<u>-</u>	<u>5,508</u>
Total liabilities	79,939	4,563	6,090
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>79,939</u>	<u>4,563</u>	<u>6,090</u>
<b>Fund Balances</b>			
Restricted			
Highways and streets	1,452,046	-	-
Public safety	-	-	712,609
Economic development	-	1	-
	<u>-</u>	<u>1</u>	<u>-</u>
Total fund balances	<u>1,452,046</u>	<u>1</u>	<u>712,609</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,531,985</u>	<u>\$ 4,564</u>	<u>\$ 718,699</u>

<b>Roselle Road TIF</b>	<b>Barrington Higgins TIF</b>	<b>Higgins/ Old Sutton TIF</b>	<b>Higgins/ Hassell TIF</b>	<b>Total</b>
\$ 2,615,723	\$ 1,352,018	\$ 110,475	\$ 249,777	\$ 6,373,651
910,461	44,227	49,634	611,986	1,620,871
-	-	-	-	205,027
<u>\$ 3,526,184</u>	<u>\$ 1,396,245</u>	<u>\$ 160,109</u>	<u>\$ 861,763</u>	<u>\$ 8,199,549</u>
\$ 71,865	\$ 125	\$ 6,614	\$ 235,307	\$ 398,995
-	-	-	-	5,508
71,865	125	6,614	235,307	404,503
705,781	-	49,565	503,058	1,258,404
777,646	125	56,179	738,365	1,662,907
-	-	-	-	1,452,046
-	-	-	-	712,609
2,748,538	1,396,120	103,930	123,398	4,371,987
2,748,538	1,396,120	103,930	123,398	6,536,642
<u>\$ 3,526,184</u>	<u>\$ 1,396,245</u>	<u>\$ 160,109</u>	<u>\$ 861,763</u>	<u>\$ 8,199,549</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2022**

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	3,238,255	336,271	-
Fines and forfeits	-	-	260,238
Investment income	16,248	-	948
Miscellaneous	-	46,968	25,000
Total revenues	<u>3,254,503</u>	<u>383,239</u>	<u>286,186</u>
<b>Expenditures</b>			
Current			
Public safety	-	-	156,427
Highways and streets	3,000,919	-	-
Economic development	-	383,238	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>3,000,919</u>	<u>383,238</u>	<u>156,427</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>253,584</u>	<u>1</u>	<u>129,759</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	253,584	1	129,759
<b>Fund Balances, January 1</b>	<u>1,198,462</u>	<u>-</u>	<u>582,850</u>
<b>Fund Balances, December 31</b>	<u><u>\$ 1,452,046</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 712,609</u></u>

<b>Roselle Road TIF</b>	<b>Barrington Higgins TIF</b>	<b>Higgins/ Old Sutton TIF</b>	<b>Higgins/ Hassell TIF</b>	<b>Total</b>
\$ 744,130	\$ 493,181	\$ 42,951	\$ 477,745	\$ 1,758,007
-	-	-	-	3,574,526
-	-	-	-	260,238
34,145	13,257	918	4,555	70,071
-	-	-	-	71,968
<u>778,275</u>	<u>506,438</u>	<u>43,869</u>	<u>482,300</u>	<u>5,734,810</u>
-	-	-	-	156,427
-	-	-	-	3,000,919
1,244,080	75,625	3,323	614,759	2,321,025
-	-	-	235,307	235,307
-	-	-	-	-
<u>1,244,080</u>	<u>75,625</u>	<u>3,323</u>	<u>850,066</u>	<u>5,713,678</u>
(465,805)	430,813	40,546	(367,766)	21,132
-	-	-	264,642	264,642
<u>785,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>785,835</u>
<u>785,835</u>	<u>-</u>	<u>-</u>	<u>264,642</u>	<u>1,050,477</u>
320,030	430,813	40,546	(103,124)	1,071,609
<u>2,428,508</u>	<u>965,307</u>	<u>63,384</u>	<u>226,522</u>	<u>5,465,033</u>
<u>\$ 2,748,538</u>	<u>\$ 1,396,120</u>	<u>\$ 103,930</u>	<u>\$ 123,398</u>	<u>\$ 6,536,642</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Intergovernmental	\$ 3,200,000	\$ 3,238,255	\$ 3,235,693
Investment income	-	16,248	177
Total revenue	<u>3,200,000</u>	<u>3,254,503</u>	<u>3,235,870</u>
<b>Expenditures</b>			
Current			
Highways and streets	<u>3,010,000</u>	<u>3,000,919</u>	<u>3,407,201</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ 190,000</u></u>	<u>253,584</u>	<u>(171,331)</u>
<b>Fund Balance, January 1</b>		<u>1,198,462</u>	<u>1,369,793</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 1,452,046</u></u>	<u><u>\$ 1,198,462</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Intergovernmental	\$ 643,000	\$ 336,271	\$ 267,245
Miscellaneous	-	46,968	31,599
Total revenues	<u>643,000</u>	<u>383,239</u>	<u>298,844</u>
<b>Expenditures</b>			
Current			
Economic development	<u>643,000</u>	<u>383,238</u>	<u>309,280</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ -</u></u>	<u>1</u>	<u>(10,436)</u>
<b>Fund Balance, January 1</b>		<u>-</u>	<u>10,436</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 1</u></u>	<u><u>\$ -</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2021 Actual</u>
<b>Revenues</b>			
Fines and forfeits	\$ -	\$ 260,238	\$ 129,082
Investment income	-	948	162
Miscellaneous	-	25,000	27,292
Total revenues	<u>-</u>	<u>286,186</u>	<u>156,536</u>
<b>Expenditures</b>			
Current			
Public safety	<u>188,480</u>	<u>156,427</u>	<u>446,031</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (188,480)</u></u>	129,759	(289,495)
<b>Fund Balance, January 1</b>		<u>582,850</u>	<u>872,345</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 712,609</u></u>	<u><u>\$ 582,850</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Property taxes	\$ 800,000	\$ 744,130	\$ 787,056
Investment income	-	34,145	252
Total revenues	800,000	778,275	787,308
<b>Expenditures</b>			
Current			
Economic development	2,428,180	1,244,080	6,762
<b>Other Financing Sources</b>			
Sales of equipment	-	785,835	-
<b>Net Change in Fund Balance</b>	<u>\$ (1,628,180)</u>	320,030	780,546
<b>Fund Balance, January 1</b>		<u>2,428,508</u>	<u>1,647,962</u>
<b>Fund Balance, December 31</b>		<u>\$ 2,748,538</u>	<u>\$ 2,428,508</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Property taxes	\$ 850,000	\$ 493,181	\$ 755,540
Investment income	-	13,257	163
Total revenues	<u>850,000</u>	<u>506,438</u>	<u>755,703</u>
<b>Expenditures</b>			
Current			
Economic development	1,467,740	75,625	14,756
Debt service			
Interest and fiscal charges	-	-	386,793
Total expenditures	<u>1,467,740</u>	<u>75,625</u>	<u>401,549</u>
<b>Net Change in Fund Balance</b>	<u>\$ (617,740)</u>	430,813	354,154
<b>Fund Balance, January 1</b>		<u>965,307</u>	<u>611,153</u>
<b>Fund Balance, December 31</b>		<u>\$ 1,396,120</u>	<u>\$ 965,307</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Property taxes	\$ 65,000	\$ 42,951	\$ 65,132
Investment income	-	918	7
Other revenue	2,463,180	-	-
Total revenues	2,528,180	43,869	65,139
<b>Expenditures</b>			
Current			
General government	2,528,180	3,323	9,015
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	40,546	56,124
<b>Other Financing Sources</b>			
Transfer in	-	-	7,260
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	40,546	63,384
<b>Fund Balance, January 1</b>		63,384	-
<b>Fund Balance, December 31</b>		<u>\$ 103,930</u>	<u>\$ 63,384</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>				
Property taxes	\$ 450,000	\$ 450,000	\$ 477,745	\$ 440,784
Investment income	-	-	4,555	44
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>482,300</u>	<u>440,828</u>
<b>Expenditures</b>				
Current				
Economic development	7,070	352,070	614,759	457,431
Debt service				
Principal retirement	-	240,000	235,307	217,499
Total expenditures	<u>7,070</u>	<u>592,070</u>	<u>850,066</u>	<u>674,930</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	442,930	(142,070)	(367,766)	(234,102)
<b>Other Financing Sources</b>				
Issuance of debt	-	-	264,642	448,430
<b>Net Change in Fund Balance</b>	<u>\$ 442,930</u>	<u>\$ (142,070)</u>	(103,124)	214,328
<b>Fund Balance, January 1</b>			<u>226,522</u>	<u>12,194</u>
<b>Fund Balance, December 31</b>			<u>\$ 123,398</u>	<u>\$ 226,522</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, 2022

	2015B General Obligation Debt Service	2016 General Obligation Refunding Debt Service	2017A&B General Obligation Refunding Debt Service
<b>Assets</b>			
Cash and investments	\$ -	\$ 93,132	\$ -
Receivables (net, where applicable, of allowances for uncollectibles)			
Property tax	-	405,793	-
Total assets	<u>\$ -</u>	<u>\$ 498,925</u>	<u>\$ -</u>
<b>Liabilities Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ -	\$ 178,310	\$ -
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property tax	-	331,201	-
Total liabilities and deferred inflows of resources	<u>-</u>	<u>509,511</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted			
Debt service	-	-	-
Unassigned	-	(10,586)	-
Total fund balances	<u>-</u>	<u>(10,586)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 498,925</u>	<u>\$ -</u>

<b>2018 General Obligation Refunding Debt Service</b>	<b>2019 General Obligation Debt Service</b>	<b>Total</b>
\$ 511,055	\$ -	\$ 604,187
<u>2,180,374</u>	<u>-</u>	<u>2,586,167</u>
<u><u>\$ 2,691,429</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,190,354</u></u>
\$ 888,000	\$ -	\$ 1,066,310
<u>1,779,585</u>	<u>-</u>	<u>2,110,786</u>
<u>2,667,585</u>	<u>-</u>	<u>3,177,096</u>
23,844	-	23,844
<u>23,844</u>	<u>-</u>	<u>(10,586)</u>
<u>23,844</u>	<u>-</u>	<u>13,258</u>
<u><u>\$ 2,691,429</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,190,354</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, 2022**

	<b>2015B General Obligation Debt Service</b>	<b>2016 General Obligation Refunding Debt Service</b>	<b>2017A&amp;B General Obligation Refunding Debt Service</b>
<b>Revenues</b>			
Taxes	\$ -	\$ 329,404	\$ -
Charges for services	-	-	-
Investment income	-	222	-
Total revenues	<u>-</u>	<u>329,626</u>	<u>-</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	95,000	-	75,000
Interest and fiscal charges	25,552	330,076	105,702
Total expenditures	<u>120,552</u>	<u>330,076</u>	<u>180,702</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(120,552)	(450)	(180,702)
<b>Other Financing Sources</b>			
Transfers in	<u>120,552</u>	<u>-</u>	<u>180,702</u>
<b>Net Change in Fund Balance</b>	-	(450)	-
<b>Fund Balance, January 1</b>	<u>-</u>	<u>(10,136)</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ (10,586)</u></u>	<u><u>\$ -</u></u>

<b>2018 General Obligation Refunding Debt Service</b>	<b>2019 General Obligation Debt Service</b>	<b>Total</b>
\$ 1,761,356	\$ -	\$ 2,090,760
151,500	-	151,500
2,814	-	3,036
<u>1,915,670</u>	<u>-</u>	<u>2,245,296</u>
1,705,000	103,295	1,978,295
<u>1,156,925</u>	<u>32,905</u>	<u>1,651,160</u>
<u>2,861,925</u>	<u>136,200</u>	<u>3,629,455</u>
(946,255)	(136,200)	(1,384,159)
<u>940,970</u>	<u>136,200</u>	<u>1,378,424</u>
(5,285)	-	(5,735)
<u>29,129</u>	<u>-</u>	<u>18,993</u>
<u>\$ 23,844</u>	<u>\$ -</u>	<u>\$ 13,258</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
None	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt service			
Principal retirement	95,000	95,000	95,000
Interest and fiscal charges	25,600	25,552	28,875
Total expenditures	120,600	120,552	123,875
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(120,600)	(120,552)	(123,875)
<b>Other Financing Sources</b>			
Transfers in	120,600	120,552	123,875
<b>Net Change in Fund Balance</b>	\$ -	-	-
<b>Fund Balance, January 1</b>		-	-
<b>Fund Balance, December 31</b>		\$ -	\$ -

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Taxes	\$ 329,600	\$ 329,404	\$ 428,022
Investment income	-	222	10
Total revenues	<u>329,600</u>	<u>329,626</u>	<u>428,032</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	-	-	105,000
Interest and fiscal charges	<u>330,100</u>	<u>330,076</u>	<u>332,175</u>
Total expenditures	<u>330,100</u>	<u>330,076</u>	<u>437,175</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(500)</u>	<u>(450)</u>	<u>(9,143)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	<u>(500)</u>	<u>-</u>	<u>3,120</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>(450)</u>	<u>(6,023)</u>
<b>Fund Balance, January 1</b>		<u>(10,136)</u>	<u>(4,113)</u>
<b>Fund Balance, December 31</b>		<u>\$ (10,586)</u>	<u>\$ (10,136)</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
None	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt service			
Principal retirement	75,000	75,000	70,000
Interest and fiscal charges	105,750	105,702	107,500
Total expenditures	180,750	180,702	177,500
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(180,750)	(180,702)	(177,500)
<b>Other Financing Sources</b>			
Transfers in	180,750	180,702	177,500
<b>Net Change in Fund Balance</b>	\$ -	-	-
<b>Fund Balance, January 1</b>		-	-
<b>Fund Balance, December 31</b>		\$ -	\$ -

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Taxes	\$ 1,770,980	\$ 1,761,356	\$ 1,036,482
Charges for services	150,000	151,500	154,470
Investment income	-	2,814	23
Total revenues	<u>1,920,980</u>	<u>1,915,670</u>	<u>1,190,975</u>
<b>Expenditures</b>			
Debt service			
Principal retirement	1,705,000	1,705,000	1,625,000
Interest and fiscal charges	<u>1,156,950</u>	<u>1,156,925</u>	<u>1,238,175</u>
Total expenditures	<u>2,861,950</u>	<u>2,861,925</u>	<u>2,863,175</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(940,970)	(946,255)	(1,672,200)
<b>Other Financing Sources</b>			
Transfers in	<u>940,970</u>	<u>940,970</u>	<u>1,851,600</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	(5,285)	179,400
<b>Fund Balance, January 1</b>		<u>29,129</u>	<u>(150,271)</u>
<b>Fund Balance, December 31</b>		<u>\$ 23,844</u>	<u>\$ 29,129</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
None	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Debt service			
Principal retirement	103,300	103,295	101,120
Interest and fiscal charges	33,410	32,905	35,127
Total expenditures	<u>136,710</u>	<u>136,200</u>	<u>136,247</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(136,710)	(136,200)	(136,247)
<b>Other Financing Sources</b>			
Transfers in	<u>136,710</u>	<u>136,200</u>	<u>136,247</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>

## **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, 2022**

	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	\$ 607,233	\$ 56,272	\$ 18,695	\$ 775,536	\$ 23,096	\$ 614,781	\$ 148,724
Receivables							
Accounts	-	-	-	-	-	50,000	-
Other	-	-	-	-	-	253,574	-
Prepaid items	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Total assets	<u>\$ 607,233</u>	<u>\$ 56,272</u>	<u>\$ 18,695</u>	<u>\$ 775,536</u>	<u>\$ 23,096</u>	<u>\$ 918,355</u>	<u>\$ 148,724</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,382	\$ -
Unearned revenue	-	-	-	-	-	-	-
Deposits payable	601,323	-	-	-	22,678	592,548	147,297
Total liabilities	<u>601,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,678</u>	<u>596,930</u>	<u>147,297</u>
<b>Fund Balances</b>							
Nonspendable							
Prepaid items	-	-	-	-	-	-	-
Restricted							
Capital projects	-	-	-	-	-	-	-
Assigned							
Capital projects	5,910	56,272	18,695	775,536	418	321,425	1,427
Unassigned fund balance	-	-	-	-	-	-	-
Total fund balances	<u>5,910</u>	<u>56,272</u>	<u>18,695</u>	<u>775,536</u>	<u>418</u>	<u>321,425</u>	<u>1,427</u>
Total liabilities and fund balances	<u>\$ 607,233</u>	<u>\$ 56,272</u>	<u>\$ 18,695</u>	<u>\$ 775,536</u>	<u>\$ 23,096</u>	<u>\$ 918,355</u>	<u>\$ 148,724</u>

Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvements	Stormwater Management	Total
\$ 578,584	\$ 276,707	\$ 7,870,728	\$ 3,129,593	\$ -	\$ 3,711,128	\$ 559,237	\$ 18,370,314
-	-	-	-	-	-	93,763	143,763
-	-	63	1,206	-	305,741	-	560,584
816,242	-	-	-	-	-	-	816,242
-	-	-	-	338,492	-	-	338,492
<u>\$ 1,394,826</u>	<u>\$ 276,707</u>	<u>\$ 7,870,791</u>	<u>\$ 3,130,799</u>	<u>\$ 338,492</u>	<u>\$ 4,016,869</u>	<u>\$ 653,000</u>	<u>\$ 20,229,395</u>
\$ 441,085	\$ -	\$ -	\$ -	\$ -	\$ 1,948,364	\$ 42,002	\$ 2,435,833
-	-	-	-	-	48,520	-	48,520
-	-	-	3,183,798	-	-	-	4,547,644
<u>441,085</u>	<u>-</u>	<u>-</u>	<u>3,183,798</u>	<u>-</u>	<u>1,996,884</u>	<u>42,002</u>	<u>7,031,997</u>
816,242	-	-	-	-	-	-	816,242
-	-	-	-	35,794	-	-	35,794
137,499	276,707	7,870,791	-	302,698	2,019,985	610,998	12,398,361
-	-	-	(52,999)	-	-	-	(52,999)
<u>953,741</u>	<u>276,707</u>	<u>7,870,791</u>	<u>-</u>	<u>338,492</u>	<u>2,019,985</u>	<u>610,998</u>	<u>13,197,398</u>
<u>\$ 1,394,826</u>	<u>\$ 276,707</u>	<u>\$ 7,870,791</u>	<u>\$ 3,183,798</u>	<u>\$ 338,492</u>	<u>\$ 4,016,869</u>	<u>\$ 653,000</u>	<u>\$ 20,229,395</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended December 31, 2022**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,591,843	\$ -
Intergovernmental	-	-	-	-	-	63,894	-
Charges for services	-	-	-	-	-	-	-
Investment income (expense)	4,772	565	44	11,933	183	7,313	1,283
Total revenues	<u>4,772</u>	<u>565</u>	<u>44</u>	<u>11,933</u>	<u>183</u>	<u>1,663,050</u>	<u>1,283</u>
<b>Expenditures</b>							
Capital outlay	-	-	-	43,334	-	458,021	188
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,334</u>	<u>-</u>	<u>458,021</u>	<u>188</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,772</u>	<u>565</u>	<u>44</u>	<u>(31,401)</u>	<u>183</u>	<u>1,205,029</u>	<u>1,095</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	-	267,610	-
Transfers out	-	-	-	-	-	(1,360,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,092,390)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>4,772</u>	<u>565</u>	<u>44</u>	<u>(31,401)</u>	<u>183</u>	<u>112,639</u>	<u>1,095</u>
<b>Fund Balance, January 1</b>	<u>1,138</u>	<u>55,707</u>	<u>18,651</u>	<u>806,937</u>	<u>235</u>	<u>208,786</u>	<u>332</u>
<b>Fund Balance, December 31</b>	<u>\$ 5,910</u>	<u>\$ 56,272</u>	<u>\$ 18,695</u>	<u>\$ 775,536</u>	<u>\$ 418</u>	<u>\$ 321,425</u>	<u>\$ 1,427</u>

Capital Vehicle and Equipment	Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvements	Stormwater Management	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,036,765	\$ -	\$ 3,628,608
-	-	-	-	-	290,638	300,000	654,532
-	-	-	-	-	22,825	547,312	570,137
6,495	2,623	83,932	(66,970)	3,218	17,988	6,092	79,471
6,495	2,623	83,932	(66,970)	3,218	2,368,216	853,404	4,932,748
1,041,680	-	-	-	-	3,391,716	617,043	5,551,982
278,899	-	-	-	-	-	35,000	313,899
20,693	-	-	-	-	-	12,050	32,743
1,341,272	-	-	-	-	3,391,716	664,093	5,898,624
(1,334,777)	2,623	83,932	(66,970)	3,218	(1,023,500)	189,311	(965,876)
1,834,147	-	2,500,000	-	-	984,861	-	5,586,618
-	-	-	(98,001)	-	-	-	(1,458,001)
1,834,147	-	2,500,000	(98,001)	-	984,861	-	4,128,617
499,370	2,623	2,583,932	(164,971)	3,218	(38,639)	189,311	3,162,741
454,371	274,084	5,286,859	111,972	335,274	2,058,624	421,687	10,034,657
\$ 953,741	\$ 276,707	\$ 7,870,791	\$ (52,999)	\$ 338,492	\$ 2,019,985	\$ 610,998	\$ 13,197,398

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ -	\$ 4,772	\$ 31
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	4,772	31
<b>Fund Balance, January 1</b>		<u>1,138</u>	<u>1,107</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 5,910</u></u>	<u><u>\$ 1,138</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ -	\$ 565	\$ 311
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	565	311
<b>Fund Balance, January 1</b>		<u>55,707</u>	<u>55,396</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 56,272</u></u>	<u><u>\$ 55,707</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ -	\$ 44	\$ 251
<b>Expenditures</b>			
None	-	-	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	44	251
<b>Fund Balance, January 1</b>		<u>18,651</u>	<u>18,400</u>
<b>Fund Balance, December 31</b>		<u>\$ 18,695</u>	<u>\$ 18,651</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Charges for services	\$ -	\$ -	\$ -
Investment income	400	11,933	2,002
Total revenues	<u>400</u>	<u>11,933</u>	<u>2,002</u>
<b>Expenditures</b>			
Capital outlay	<u>578,000</u>	<u>43,334</u>	<u>164,149</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(577,600)</u>	<u>(31,401)</u>	<u>(162,147)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	76,971
Transfers out	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>-</u>	<u>76,971</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (607,600)</u></u>	<u>(31,401)</u>	<u>(85,176)</u>
<b>Fund Balance, January 1</b>		<u>806,937</u>	<u>892,113</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 775,536</u></u>	<u><u>\$ 806,937</u></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, 2022**  
**(With Comparative Actual for 2021)**

	Original and Final Budget	Actual	2021 Actual
<b>Revenues</b>			
Investment income	\$ -	\$ 183	\$ 2
Miscellaneous	-	-	3,638
Total revenues	<u>-</u>	<u>183</u>	<u>3,640</u>
<b>Expenditures</b>			
Capital outlay	<u>-</u>	<u>-</u>	<u>3,638</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ -</u></u>	<u>183</u>	<u>2</u>
<b>Fund Balance, January 1</b>		<u>235</u>	<u>233</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 418</u></u>	<u><u>\$ 235</u></u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Capital Improvements Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Taxes	\$ 1,540,000	\$ 1,591,843	\$ 1,516,412
Intergovernmental	125,000	63,894	57,694
Investment income	-	7,313	513
Total revenues	<u>1,665,000</u>	<u>1,663,050</u>	<u>1,574,619</u>
<b>Expenditures</b>			
Capital outlay	<u>998,320</u>	<u>458,021</u>	<u>170,007</u>
<b>Excess of Revenues Over Expenditures</b>	<u>666,680</u>	<u>1,205,029</u>	<u>1,404,612</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	680,000	267,610	58,331
Transfers out	<u>(1,360,000)</u>	<u>(1,360,000)</u>	<u>(1,604,250)</u>
Total other financing uses	<u>(680,000)</u>	<u>(1,092,390)</u>	<u>(1,545,919)</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (13,320)</u></u>	112,639	(141,307)
<b>Fund Balance, January 1</b>		<u>208,786</u>	<u>350,093</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 321,425</u></u>	<u><u>\$ 208,786</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Charges for services	\$ 190	\$ -	\$ 344
Investment income	-	1,283	8
Total revenues	190	1,283	352
<b>Expenditures</b>			
Capital outlay	190	188	162
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	1,095	190
<b>Fund Balance, January 1</b>		332	142
<b>Fund Balance, December 31</b>		<u>\$ 1,427</u>	<u>\$ 332</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ -	\$ 6,495	\$ 56
<b>Expenditures</b>			
Principal retirement	-	278,899	275,592
Interest and fiscal	-	20,693	24,000
Capital outlay	1,334,600	1,041,680	2,711,363
Total expenditures	1,334,600	1,341,272	3,010,955
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,334,600)	(1,334,777)	(3,010,899)
<b>Other Financing Sources</b>			
Issuance of debt	-	-	2,000,000
Transfers in	1,334,600	1,834,147	746,679
Total other financing sources	1,334,600	1,834,147	2,746,679
<b>Net Change in Fund Balance</b>	\$ -	499,370	(264,220)
<b>Fund Balance, January 1</b>		454,371	718,591
<b>Fund Balance, December 31</b>		\$ 953,741	\$ 454,371

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ 50	\$ 2,623	\$ 234
<b>Expenditures</b>			
Other contractual services	53,000	-	-
<b>Net Change in Fund Balance</b>	<u>\$ (52,950)</u>	2,623	234
<b>Fund Balance, January 1</b>		<u>274,084</u>	<u>273,850</u>
<b>Fund Balance, December 31</b>		<u>\$ 276,707</u>	<u>\$ 274,084</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Capital Replacement Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>				
Investment income (loss)	\$ 100	\$ 100	\$ 83,932	\$ (2,610)
<b>Expenditures</b>				
Capital outlay	40,170	40,170	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(40,070)</u>	<u>(40,070)</u>	<u>83,932</u>	<u>(2,610)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,500,000	2,500,000	5,000,000
Transfers out	-	-	-	(700,000)
Total other financing sources (uses)	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>4,300,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (40,070)</u>	<u>\$ 2,459,930</u>	<u>2,583,932</u>	<u>4,297,390</u>
<b>Fund Balance, January 1</b>			<u>5,286,859</u>	<u>989,469</u>
<b>Fund Balance, December 31</b>			<u>\$ 7,870,791</u>	<u>\$ 5,286,859</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2021 Actual</b>
<b>Revenues</b>			
Investment income (loss)	\$ 1,000	\$ (66,970)	\$ (20,583)
Charges for services	25,500	-	1,389
Total revenues	26,500	(66,970)	(19,194)
<b>Expenditures</b>			
None	-	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	26,500	(66,970)	(19,194)
<b>Other Financing Uses</b>			
Transfers out	(100,500)	(98,001)	(284,331)
<b>Net Change in Fund Balance</b>	<u>\$ (74,000)</u>	(164,971)	(303,525)
<b>Fund Balance, January 1</b>		111,972	415,497
<b>Fund Balance, December 31</b>		<u>\$ (52,999)</u>	<u>\$ 111,972</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Investment income	\$ -	\$ 3,218	\$ 40
<b>Expenditures</b>			
Capital outlay	-	-	34,397
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	3,218	(34,357)
<b>Fund Balance, January 1</b>		<u>335,274</u>	<u>369,631</u>
<b>Fund Balance, December 31</b>		<u>\$ 338,492</u>	<u>\$ 335,274</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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>2021 Actual</b>
<b>Revenues</b>			
Taxes	\$ 2,180,000	\$ 2,036,765	\$ 2,073,515
Intergovernmental	116,790	290,638	148,969
Charges for services	-	22,825	17,382
Investment income	1,200	17,988	1,011
Total revenues	<u>2,297,990</u>	<u>2,368,216</u>	<u>2,240,877</u>
<b>Expenditures</b>			
Capital outlay	<u>4,083,900</u>	<u>3,391,716</u>	<u>1,903,354</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,785,910)	(1,023,500)	337,523
<b>Other Financing Sources</b>			
Transfers in	<u>985,500</u>	<u>984,861</u>	<u>341,000</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ (800,410)</u></u>	<u>(38,639)</u>	<u>678,523</u>
<b>Fund Balance, January 1</b>		<u>2,058,624</u>	<u>1,380,101</u>
<b>Fund Balance, December 31</b>		<u><u>\$ 2,019,985</u></u>	<u><u>\$ 2,058,624</u></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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Charges for services	\$ 545,000	\$ 547,312	\$ 553,529
Intergovernmental - Grant	-	300,000	-
Miscellaneous revenue	300,000	-	-
Investment income	-	6,092	46
Total revenues	<u>845,000</u>	<u>853,404</u>	<u>553,575</u>
<b>Expenditures</b>			
Capital outlay	990,000	617,043	492,608
Debt service			
Principal retirement	35,000	35,000	30,000
Interest and fiscal charges	12,050	12,050	13,250
Total expenditures	<u>1,037,050</u>	<u>664,093</u>	<u>535,858</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(192,050)	189,311	17,717
<b>Other Financing Sources</b>			
Transfers in	<u>110,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>110,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (82,050)</u>	189,311	17,717
<b>Fund Balance, January 1</b>		<u>421,687</u>	<u>403,970</u>
<b>Fund Balance, December 31</b>		<u>\$ 610,998</u>	<u>\$ 421,687</u>

## **Major Enterprise Funds**

# Village of Hoffman Estates, Illinois

## Statement of Net Position

### Waterworks and Sewerage Fund

December 31, 2022

(With Comparative Actual for 2021)

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 15,455,455	\$ 11,462,751
Receivables		
Accounts - billed	1,634,338	1,627,330
Accounts - unbilled	1,731,506	1,569,108
Accounts - other invoices	3,524	5,245
Accrued interest	1,666	6,891
Prepays	12,349	12,349
Due from other funds	70,720	-
Inventories	414,773	295,756
Restricted cash	2,747,554	2,708,847
Total current assets	<u>22,071,885</u>	<u>17,688,277</u>
<b>Capital Assets</b>		
Not depreciated	3,078,113	2,610,027
Depreciated	68,211,400	65,515,307
Accumulated depreciation	(38,775,021)	(37,290,315)
Net capital assets	<u>32,514,492</u>	<u>30,835,019</u>
<b>Other Assets</b>		
Net pension asset	<u>1,759,270</u>	<u>-</u>
Total assets	<u>56,345,647</u>	<u>48,523,296</u>
<b>Deferred Outflows of Resources</b>		
Pension items - IMRF	828,677	1,066,064
OPEB items	358,181	418,189
Asset retirement obligation	319,130	325,920
Unamortized loss on refunding	211,486	224,985
Total deferred outflows of resources	<u>1,717,474</u>	<u>2,035,158</u>

# Village of Hoffman Estates, Illinois

## Statement of Net Position

### Waterworks and Sewerage Fund

December 31, 2022

(With Comparative Actual for 2021)

#### Liabilities

##### Current Liabilities

Accounts payable	\$ 1,212,450	\$ 1,079,963
Accrued payroll	60,978	56,628
Accrued interest payable	55,337	57,962
Deposits payable	6,918	3,185
General obligation bonds payable	1,055,665	1,082,125
Due to other funds	5,810	-
Total OPEB liability	56,610	55,753
Compensated absences payable	201,324	185,413
Total current liabilities	<u>2,655,092</u>	<u>2,521,029</u>

##### Long-Term Liabilities

General obligation bonds payable	19,485,465	20,595,254
IEPA Loans	2,326,596	1,614,117
Net pension liability	-	529,918
Total OPEB liability	822,361	976,278
Compensated absences payable	97,224	137,512
Asset retirement obligation	339,500	339,500
Total long-term liabilities	<u>23,071,146</u>	<u>24,192,579</u>
Total liabilities	<u>25,726,238</u>	<u>26,713,608</u>

#### Deferred Inflows of Resources

Pension Items - IMRF	2,943,047	1,753,551
OPEB items	<u>1,190,172</u>	<u>1,150,390</u>
Total deferred inflows of resources	<u>4,133,219</u>	<u>2,903,941</u>

#### Net Position

Net investment in capital assets	12,527,421	10,188,000
Restricted for		
Capital improvements	2,747,554	2,708,847
Employee retirement	1,759,270	-
Unrestricted	<u>11,169,419</u>	<u>8,044,058</u>
Total net position	<u>\$ 28,203,664</u>	<u>\$ 20,940,905</u>

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>			
Charges for services	\$ 21,031,750	\$ 20,802,811	\$ 21,014,458
<b>Operating Expenses Excluding Depreciation</b>			
Water division	18,133,490	15,083,285	17,671,797
Sewer division	5,419,230	2,865,822	2,484,517
Total operating expenses excluding depreciation	23,552,720	17,949,107	20,156,314
<b>Operating Income (Loss)</b>	(2,520,970)	2,853,704	858,144
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	-	176,130	1,634
Interest expense	(860,690)	(672,799)	(689,702)
Principal expense	(1,082,130)	(1,082,125)	(1,052,185)
Gain (loss) on sale of capital assets	-	7,601	10,580
Loan proceeds	1,572,940	-	-
Capital contributions	-	4,472,970	1,432,736
Miscellaneous revenue	2,982,500	296,512	59,569
Total nonoperating revenues (expenses)	2,612,620	3,198,289	(237,368)
<b>Net Income (Loss) Before Transfers</b>	91,650	6,051,993	620,776
<b>Transfers</b>			
Transfers in	30,000	-	-
Transfers out	-	-	(25,000)
Total transfers	30,000	-	(25,000)
<b>Change in Net Position (Budgetary Basis)</b>	\$ 121,650	6,051,993	595,776
<b>Adjustments to GAAP Basis</b>			
Additions to capital assets		\$ 770,400	\$ 3,249,632
Depreciation		(1,557,336)	(1,516,305)
Pension expense		862,305	463,134
OPEB expense		53,272	(37,346)
Principal retirement		1,082,125	1,052,185
Total adjustments to GAAP basis		1,210,766	3,211,300
<b>Change in Net Position (GAAP Basis)</b>		7,262,759	3,807,076
<b>Net Position, January 1</b>		20,940,905	17,133,829
<b>Net Position, December 31</b>		\$ 28,203,664	\$ 20,940,905

# Village of Hoffman Estates, Illinois

## Statement of Net Position

### NOW Arena Operating Fund

December 31, 2022

(With Comparative Actual for 2021)

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 7,354,202	\$ 8,545,920
Receivables (net, where applicable, of allowances)		
Accounts	314,786	68,331
Lease receivables	196,629	-
Accrued interest	197	-
Other	811,678	542,179
Prepaid items	144,330	16,484
Total current assets	<u>8,821,822</u>	<u>9,172,914</u>
<b>Capital Assets</b>		
Not depreciated	6,000,000	6,454,750
Depreciated	81,763,741	79,326,592
Accumulated depreciation	(28,572,822)	(26,448,676)
Net capital assets	<u>59,190,919</u>	<u>59,332,666</u>
Total assets	<u>68,012,741</u>	<u>68,505,580</u>
<b>Deferred Outflows of Resources</b>		
Unamortized loss on refunding	<u>586,407</u>	<u>674,389</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	329,161	615,719
Accrued interest payable	118,052	123,916
Unearned revenue	2,942,036	1,753,761
General obligation bonds payable	2,335,000	2,165,000
Total current liabilities	<u>5,724,249</u>	<u>4,658,396</u>
<b>Long-Term Liabilities</b>		
General obligation bonds payable, net of premium	<u>29,156,293</u>	<u>31,465,950</u>
Total liabilities	<u>34,880,542</u>	<u>36,124,346</u>
<b>Deferred Inflows of Resources</b>		
Leases	<u>192,806</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	28,286,033	25,868,978
Unrestricted	<u>5,239,767</u>	<u>7,186,645</u>
Total net position	<u>\$ 33,525,800</u>	<u>\$ 33,055,623</u>

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>				
Charges for services	\$ 10,256,340	\$ 10,256,340	\$ 9,952,817	\$ 4,323,795
<b>Operating Expenses Excluding Depreciation</b>				
NOW Arena	13,520,400	13,520,900	12,579,357	6,222,544
<b>Operating Loss</b>	(3,264,060)	(3,264,560)	(2,626,540)	(1,898,749)
<b>Nonoperating Revenues (Expenses)</b>				
Entertainment and food tax	2,349,420	2,349,420	3,039,451	2,395,996
Charges for services	37,090	37,090	38,561	72,225
Investment income	-	500	80,310	690
Principal retirement	(2,165,000)	(2,165,000)	(2,165,000)	(1,955,000)
Interest expense	(1,487,000)	(1,487,000)	(1,594,454)	(1,654,080)
Miscellaneous revenue	830,000	830,000	1,001,556	971,115
Total nonoperating revenues (expenses)	(435,490)	(434,990)	400,424	(169,054)
<b>Net Income (Loss) Before Transfers and Contributions</b>	(3,699,550)	(3,699,550)	(2,226,116)	(2,067,803)
<b>Transfers</b>				
Transfers in	50,000	50,000	-	1,199,425
Transfers out	-	-	(91,663)	-
Total transfers	50,000	50,000	(91,663)	1,199,425
<b>Grants and Contributions</b>				
Shuttered Venue Operator's Grant	-	-	249,198	7,004,373
Intergovernmental	20,000	20,000	60,755	25,689
Total grants and contributions	20,000	20,000	309,953	7,030,062
<b>Change in Net Position (Budgetary Basis)</b>	<u>\$ (3,629,550)</u>	<u>\$ (3,629,550)</u>	<u>(2,007,826)</u>	<u>6,161,684</u>
<b>Adjustments to GAAP Basis</b>				
Additions to capital assets			2,437,149	946,098
Depreciation			(2,124,146)	(2,066,670)
Principal retirement			2,165,000	1,955,000
Total adjustments to GAAP basis			<u>2,478,003</u>	<u>834,428</u>
<b>Change in Net Position (GAAP Basis)</b>			470,177	6,996,112
<b>Net Position, January 1</b>			33,055,623	26,059,511
<b>Net Position, December 31</b>			<u>\$ 33,525,800</u>	<u>\$ 33,055,623</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, 2022**

	Information Systems	Insurance	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 905,547	\$ 2,742,751	\$ 3,648,298
Receivables			
Accrued interest	4,076	7,797	11,873
Deposits	-	55,000	55,000
Total current assets	<u>909,623</u>	<u>2,805,548</u>	<u>3,715,171</u>
<b>Capital Assets</b>			
Depreciated	743,874	-	743,874
Accumulated depreciation	(246,958)	-	(246,958)
Net capital assets	<u>496,916</u>	<u>-</u>	<u>496,916</u>
<b>Other Assets</b>			
Net pension asset	<u>293,211</u>	<u>-</u>	<u>293,211</u>
Total assets	<u>1,699,750</u>	<u>2,805,548</u>	<u>4,505,298</u>
<b>Deferred Outflows of Resources</b>			
Pension items - IMRF	138,112	-	138,112
OPEB items	<u>48,403</u>	<u>-</u>	<u>48,403</u>
Total deferred outflows of resources	<u>186,515</u>	<u>-</u>	<u>186,515</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	69,463	47,059	116,522
Accrued payroll	10,344	1,947	12,291
Claims payable	-	427,171	427,171
Benefits payable	-	539,023	539,023
Compensated absences payable	27,167	3,730	30,897
Due to other funds	70,720	-	70,720
Total OPEB liability	6,417	-	6,417
Total current liabilities	<u>184,111</u>	<u>1,018,930</u>	<u>1,203,041</u>
<b>Long-Term Liabilities</b>			
Total OPEB liability	<u>112,363</u>	<u>-</u>	<u>112,363</u>
Total long-term liabilities	<u>112,363</u>	<u>-</u>	<u>112,363</u>
Total liabilities	<u>296,474</u>	<u>1,018,930</u>	<u>1,315,404</u>
<b>Deferred Inflows of Resources</b>			
Pension items - IMRF	490,508	-	490,508
OPEB items	<u>160,834</u>	<u>-</u>	<u>160,834</u>
Total deferred inflows of resources	<u>651,342</u>	<u>-</u>	<u>651,342</u>
<b>Net Position</b>			
Net investment in capital assets	496,916	-	496,916
Restricted for employee retirement	293,211	-	-
Unrestricted	<u>148,322</u>	<u>1,786,618</u>	<u>1,934,940</u>
Total net position	<u>\$ 938,449</u>	<u>\$ 1,786,618</u>	<u>\$ 2,431,856</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended December 31, 2022**

	Information Systems	Insurance	Total
<b>Operating Revenues</b>			
Charges for services	\$ 1,400,250	\$ 1,616,276	\$ 3,016,526
<b>Operating Expenses</b>			
Operations	1,258,502	128,860	1,387,362
Claims and insurance	-	711,086	711,086
Depreciation	34,660	-	34,660
Total operating expenses	1,293,162	839,946	2,133,108
<b>Operating Loss</b>	107,088	776,330	883,418
<b>Nonoperating Revenues (Expenses)</b>			
Miscellaneous	2,236	12,757	14,993
Investment income	3,399	2,044	5,443
Total nonoperating revenues (expenses)	5,635	14,801	20,436
<b>Loss Before Transfers</b>	112,723	791,131	903,854
<b>Transfers</b>			
Transfers in	150,989	-	150,989
<b>Change in Net Position</b>	263,712	791,131	1,054,843
<b>Net Position, January 1</b>	674,737	995,487	1,670,224
<b>Net Position, December 31</b>	\$ 938,449	\$ 1,786,618	\$ 2,725,067

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended December 31, 2022**

	Information System	Insurance	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from interfund services transactions	\$ 1,470,970	\$ 1,631,077	\$ 3,102,047
Payments to suppliers	(650,486)	(1,723,906)	(2,374,392)
Payments to employees for services	(747,434)	(136,620)	(884,054)
Net cash provided by (used in) operating activities	73,050	(229,449)	(156,399)
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers in	150,989	-	150,989
<b>Cash Flows From Capital and Related Financing Activities</b>			
Capital assets purchased	(215,270)	-	(215,270)
Interest paid	3,215	(1,335)	1,880
Net cash used in capital and related financing activities	(209,819)	(1,335)	(211,154)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	14,220	(230,784)	(216,564)
<b>Cash and Cash Equivalents</b>			
January 1	891,327	2,973,535	3,864,862
December 31	\$ 905,547	\$ 2,742,751	\$ 3,648,298
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>			
Operating income	\$ 107,088	\$ 776,330	\$ 883,418
Items not requiring (providing) cash			
Depreciation	34,660	-	34,660
Deferred outflows of resources - pension	39,565	-	39,565
Deferred outflows of resources - OPEB	8,109	-	8,109
Net pension liabilities	(381,531)	-	(381,531)
Total OPEB liability	(20,685)	-	(20,685)
Deferred inflows of resources - pension	198,249	-	198,249
Deferred inflows of resources - OPEB	5,376	-	5,376
Changes in			
Receivables	-	-	-
Accounts payable	47,993	18,335	66,328
Accrued payroll	(11,608)	31	(11,577)
Claims payable	-	(904,132)	(904,132)
Benefits payable	-	(117,712)	(117,712)
Due to other funds	70,720	-	70,720
Compensated absences payable	(24,886)	(2,301)	(27,187)
Net cash provided by (used in) operating activities	\$ 73,050	\$ (229,449)	\$ (156,399)

**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, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,487,470	\$ 1,400,250	\$ 1,180,690
<b>Operating Expenses Excluding Depreciation</b>			
Operations	2,384,740	1,409,418	1,536,922
<b>Operating Loss</b>	(897,270)	(9,168)	(356,232)
<b>Nonoperating Revenues (Expenses)</b>			
Miscellaneous	7,000	2,236	-
Investment income	200	3,399	(1,905)
Total nonoperating revenues (expenses)	7,200	5,635	(1,905)
<b>Loss Before Transfers</b>	(890,070)	(3,533)	(358,137)
<b>Transfers</b>			
Transfers in	590,070	150,989	109,690
<b>Change in Net Position (Budgetary Basis)</b>	<u>\$ (300,000)</u>	<u>147,456</u>	<u>(248,447)</u>
<b>Adjustments to GAAP Basis</b>			
Depreciation		(34,660)	(27,974)
Pension expense		143,717	77,189
OPEB expense		7,199	105,847
Total adjustments to GAAP basis		<u>116,256</u>	<u>155,062</u>
<b>Change in Net Position (GAAP) Basis</b>		263,712	(93,385)
<b>Net Position, January 1</b>		<u>674,737</u>	<u>768,122</u>
<b>Net Position, December 31</b>		<u>\$ 938,449</u>	<u>\$ 674,737</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Net Position – By Program**  
**Insurance Fund**  
**December 31, 2022**  
**(With Comparative Actual for 2021)**

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2022	2021
<b>Assets</b>						
Cash and investments	\$ 6,395	\$ 543,650	\$ 913,875	\$ 1,278,831	\$ 2,742,751	\$ 2,973,535
Receivables						
Accrued interest	23	1,764	2,616	3,394	7,797	6,462
Deposits	-	-	45,000	10,000	55,000	55,000
Total assets	6,418	545,414	961,491	1,292,225	2,805,548	3,034,997
<b>Liabilities</b>						
Accounts payable	-	6,390	39,839	830	47,059	28,724
Compensated absences payable	3,730	-	-	-	3,730	6,031
Accrued payroll	1,947	-	-	-	1,947	1,916
Claims payable	-	-	243,910	183,261	427,171	1,331,303
Benefits payable	-	539,023	-	-	539,023	671,536
Total liabilities	5,677	545,413	283,749	184,091	1,018,930	2,039,510
<b>Net Position</b>						
Unrestricted	\$ 741	\$ 1	\$ 677,742	\$ 1,108,134	\$ 1,786,618	\$ 995,487

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**Budget and Actual – GAAP Basis**  
**Insurance Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,788,500	\$ 1,616,276	\$ 1,787,050
<b>Operating Expenses</b>			
Claims and insurance	1,832,670	711,086	1,905,005
Operations	139,580	128,860	138,519
Total operating expense	1,972,250	839,946	2,043,524
<b>Operating Loss Income (Loss)</b>	(183,750)	776,330	(256,474)
<b>Nonoperating Revenues</b>			
Miscellaneous	-	12,757	6,484
Terminal reserve	4,170	-	83,618
Investment income	500	2,044	(6,125)
Total nonoperating revenues	4,670	14,801	83,977
<b>Loss Before Transfers</b>	(179,080)	791,131	(172,497)
<b>Change in Net Position</b>	<u>\$ (179,080)</u>	791,131	(172,497)
<b>Net Position, January 1</b>		995,487	1,167,984
<b>Net Position, December 31</b>		<u>\$ 1,786,618</u>	<u>\$ 995,487</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Revenues, Expenses and Changes in Net Position –**  
**By Program**  
**Insurance Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2022	2021
<b>Operating Revenues</b>						
Charges for services	\$ 134,344	\$ -	\$ 607,314	\$ 874,618	\$ 1,616,276	1,787,050
<b>Operating Expenses</b>						
Claims and insurance	5,490	8,683	615,158	81,755	711,086	1,905,005
Operations	128,860	-	-	-	128,860	138,519
Total operating expenses	134,350	8,683	615,158	81,755	839,946	2,043,524
<b>Operating Income (Loss)</b>	(6)	(8,683)	(7,844)	792,863	776,330	(256,474)
<b>Nonoperating Revenues</b>						
Miscellaneous	-	-	-	12,757	12,757	6,484
Terminal reserve	-	-	-	-	-	83,618
Investment income	6	463	686	889	2,044	(6,125)
Total nonoperating revenues	6	463	686	13,646	14,801	83,977
<b>Loss Before Transfers</b>	-	(8,220)	(7,158)	806,509	791,131	(172,497)
<b>Transfers</b>						
Transfers in	-	8,220	-	-	8,220	35,593
Transfers out	-	-	-	(8,220)	(8,220)	(35,593)
Total transfers	-	8,220	-	(8,220)	-	-
<b>Change in Net Position</b>	-	-	(7,158)	798,289	791,131	(172,497)
<b>Net Position, January 1</b>	741	1	684,900	309,845	995,487	1,167,984
<b>Net Position, December 31</b>	\$ 741	\$ 1	\$ 677,742	\$ 1,108,134	\$ 1,786,618	\$ 995,487

## **Fiduciary Funds**

### ***Pension Trust Funds***

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

**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, 2022**

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and short-term investments	\$ 3,602,582	\$ 5,512,126	\$ 9,114,708
Investments, at fair value			
Pooled investments	79,745,227	91,695,774	171,441,001
Due from the Village	1,382,176	1,031,153	2,413,329
Prepaid expenses	5,043	6,311	11,354
Total assets	84,735,028	98,245,364	182,980,392
<b>Liabilities</b>			
Accounts payable	3,735	3,128	6,863
<b>Net Position Restricted for Pensions</b>	<u>\$ 84,731,293</u>	<u>\$ 98,242,236</u>	<u>\$ 182,973,529</u>

**Village of Hoffman Estates, Illinois**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>Pensions Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer contributions	\$ 6,070,101	\$ 4,537,332	\$ 10,607,433
Employee contributions	898,567	937,022	1,835,589
Total contributions	<u>6,968,668</u>	<u>5,474,354</u>	<u>12,443,022</u>
Investment income			
Net appreciation in fair value of investments	(12,123,552)	(17,038,535)	(29,162,087)
Investment income	<u>1,036,259</u>	<u>560,146</u>	<u>1,596,405</u>
Total investment income	<u>(11,087,293)</u>	<u>(16,478,389)</u>	<u>(27,565,682)</u>
Less investment expense	<u>(82,520)</u>	<u>(54,013)</u>	<u>(136,533)</u>
Net investment income	<u>(11,169,813)</u>	<u>(16,532,402)</u>	<u>(27,702,215)</u>
Total additions	<u>(4,201,145)</u>	<u>(11,058,048)</u>	<u>(15,259,193)</u>
<b>Deductions</b>			
Benefits and refunds	8,449,699	7,405,551	15,855,250
Miscellaneous	<u>40,806</u>	<u>60,914</u>	<u>101,720</u>
Total deductions	<u>8,490,505</u>	<u>7,466,465</u>	<u>15,956,970</u>
<b>Net Decrease</b>	(12,691,650)	(18,524,513)	(31,216,163)
<b>Net Position Restricted for Pensions</b>			
January 1	<u>97,422,943</u>	<u>116,766,749</u>	<u>214,189,692</u>
December 31	<u>\$ 84,731,293</u>	<u>\$ 98,242,236</u>	<u>\$ 182,973,529</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in Fiduciary Net Position – Budget and Actual**  
**Police Pension Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Additions</b>				
Contributions				
Employer contributions				
Taxes	\$ 5,974,500	\$ 5,974,500	\$ 6,016,854	\$ 5,323,342
Intergovernmental	13,400	13,400	53,247	26,473
Employee contributions	765,000	900,000	898,567	983,032
Total contributions	<u>6,752,900</u>	<u>6,887,900</u>	<u>6,968,668</u>	<u>6,332,847</u>
Investment income (loss)				
Net appreciation in fair value (depreciation) of investments	100,000	100,000	(12,123,552)	9,876,040
Investment income	<u>600,000</u>	<u>1,005,000</u>	<u>1,036,259</u>	<u>3,979,534</u>
Total investment income (loss)	<u>700,000</u>	<u>1,105,000</u>	<u>(11,087,293)</u>	<u>13,855,574</u>
Less investment expense	<u>(100,000)</u>	<u>(100,000)</u>	<u>(82,520)</u>	<u>(114,208)</u>
Net investment income (loss)	<u>600,000</u>	<u>1,005,000</u>	<u>(11,169,813)</u>	<u>13,741,366</u>
Total additions	<u>7,352,900</u>	<u>7,892,900</u>	<u>(4,201,145)</u>	<u>20,074,213</u>
<b>Deductions</b>				
Benefits and refunds	7,940,800	8,480,800	8,449,699	7,716,960
Miscellaneous	<u>47,680</u>	<u>47,680</u>	<u>40,806</u>	<u>39,823</u>
Total deductions	<u>7,988,480</u>	<u>8,528,480</u>	<u>8,490,505</u>	<u>7,756,783</u>
<b>Net Increase (Decrease)</b>	<u>\$ (635,580)</u>	<u>\$ (635,580)</u>	<u>(12,691,650)</u>	<u>12,317,430</u>
<b>Net Position Restricted for Pensions</b>				
January 1			<u>97,422,943</u>	<u>85,105,513</u>
December 31			<u>\$ 84,731,293</u>	<u>\$ 97,422,943</u>

**Village of Hoffman Estates, Illinois**  
**Schedule of Changes in Fiduciary Net Position – Budget and Actual**  
**Firefighters' Pension Fund**  
**Year Ended December 31, 2022**  
**(With Comparative Actual for 2021)**

	<b>2022</b>		<b>2021</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Additions</b>			
Contributions			
Employer contributions			
Taxes	\$ 4,464,260	\$ 4,484,084	\$ 4,182,581
Intergovernmental	13,400	53,248	26,473
Employee contributions	950,000	937,022	1,038,858
Total contributions	<u>5,427,660</u>	<u>5,474,354</u>	<u>5,247,912</u>
Investment income (loss)			
Net appreciation in fair value (depreciation)			
of investments	100,000	(17,038,535)	8,717,959
Investment income	850,000	560,146	4,352,881
Total investment income (loss)	<u>950,000</u>	<u>(16,478,389)</u>	<u>13,070,840</u>
Less investment expense	<u>(250,000)</u>	<u>(54,013)</u>	<u>(352,625)</u>
Net investment income (loss)	<u>700,000</u>	<u>(16,532,402)</u>	<u>12,718,215</u>
Total additions	<u>6,127,660</u>	<u>(11,058,048)</u>	<u>17,966,127</u>
<b>Deductions</b>			
Benefits and refunds	7,265,980	7,405,551	6,917,879
Miscellaneous	<u>57,480</u>	<u>60,914</u>	<u>49,540</u>
Total deductions	<u>7,323,460</u>	<u>7,466,465</u>	<u>6,967,419</u>
<b>Net Increase (Decrease)</b>	<u>\$ (1,195,800)</u>	<u>(18,524,513)</u>	<u>10,998,708</u>
<b>Net Position Restricted for Pensions</b>			
January 1		<u>116,766,749</u>	<u>105,768,041</u>
December 31		<u>\$ 98,242,236</u>	<u>\$ 116,766,749</u>

**Village of Hoffman Estates, Illinois**  
**Statement of Net Position – Custodial Fund**  
**EDA Special Tax Allocation Fund**  
**December 31, 2022**

	<u>Custodial Fund</u>
<b>Assets</b>	
Cash and investments	\$      22,860
<b>Liabilities</b>	
Accounts payable	<u>                    45</u>
<b>Net Position</b>	
Restricted for Economic Development	<u><u>\$      22,815</u></u>

**Village of Hoffman Estates, Illinois**  
**Statement of Changes in Net Position – Custodial Fund**  
**EDA Special Tax Allocation Fund**  
**Year Ended December 31, 2022**

	<b>Custodial Fund</b>
<b>Additions</b>	
Property taxes	\$ 783,074
Investment income	<u>45</u>
Total addition	783,119
<b>Deductions</b>	
Economic Development	<u>800,304</u>
<b>Change in Net Position</b>	(17,185)
<b>Net Position</b>	
January 1	<u>40,000</u>
December 31	<u><u>\$ 22,815</u></u>

## **Other Supplemental Information**

**Village of Hoffman Estates, Illinois**  
**Illinois Grant Accountability and Transparency Act**  
**Consolidated Year End Financial Report**  
**Year Ended December 31, 2022**

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
444-26-1565	Tobacco Enforcement Program	\$ 676	\$ -	\$ -	\$ 676
588-40-0450	Emergency Management Performance Grants	-	57,275	-	57,275
592-01-0853	Local Government Training Reimbursement	20,282	-	-	20,282
494-10-0343	State and Community Highway Safety	-	7,640	-	7,640
482-00-0919	IDPH Preschool Vision & Hearing	2,840	-	-	2,840
494-00-2356	ILDCEO Rebuild Illinois Bond Program	1,140,028	-	-	1,140,028
420-00-1769	ILDCEO Local Rebuild Illinois Bond Program	300,000	-	-	300,000
<b>Other Grant Programs</b>					
	Community Development Block Grant	-	344,322	-	344,322
	Bullet Proof Vest	-	5,830	-	5,830
	Federal Asset Seizure	-	131,427	-	131,427
	National Environment Health Association	-	2,500	-	2,500
	Illinois Environmental Protection Agency Loan	280,562	435,418	-	715,980
	ITEP Federal Hwy/Admin/IDOT Shoe Factory Rd Bike Path	10,778	43,113	-	53,891
	American Rescue Plan Act (ARPA) Grant	-	2,817,155	-	2,817,155
	Shuttered Venue Operators Grant (SVOG)	-	249,198	-	249,198
	Other grant programs and activities	-	-	132,568	132,568
	All other costs not allocated	-	-	120,703,775	120,703,775
	Totals	<u>\$ 1,755,166</u>	<u>\$ 4,093,878</u>	<u>\$ 120,836,343</u>	<u>\$ 126,685,387</u>

## **Other Supplementary Information**

# Village of Hoffman Estates, Illinois

## Schedule of Insurance in Force

### December 31, 2022

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	1/1/2023
Mobile Equipment	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2023
Earthquake	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2023
Flood	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2023
Business Income	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2023
Excess Property	1,000,000	500,000,000	N/A	Allianz	1/1/2023
General Liability					
Premises Liability	250,000 *	1,750,000	\$ 3,500,000	BRIT Syndicate 2987	1/1/2023
Employee Benefit Liability	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	1/1/2023
Damages to Premises Rented	*	1,000,000	N/A	BRIT Syndicate 2987	1/1/2023
Failure to Supply - Property Damage	100,000 *	1,000,000	1,000,000	BRIT Syndicate 2987	1/1/2023
Failure to Supply - General Liability	250,000 *	1,000,000	1,000,000	BRIT Syndicate 2987	1/1/2023
Sexual Abuse	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	1/1/2023
Law Enforcement	250,000 *	1,750,000	3,500,000	BRIT Syndicate 2987	1/1/2023
Auto Liability	250,000 *	1,750,000	N/A	BRIT Syndicate 2987	1/1/2023
Auto Physical Damage	100,000 *	900,000	N/A	BRIT Syndicate 2987	1/1/2023
Auto - Hired and Non-Owned Liability	250,000 *	1,750,000	N/A	BRIT Syndicate 2987	1/1/2023
General Liability, Auto Liability, Law Enforcement Liability, Ambulance Attendants' Liability, Public Officials' Liability	2,000,000 7,000,000	5,000,000 5,000,000	5,000,000 5,000,000	Allied World National Assurance Co. Berkley	1/1/2023 1/1/2023
Boiler and Machinery	10,000	250,000,000	N/A	Liberty Mutual Insurance	1/1/2023
Public Officials' Liability	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	1/1/2023
Healthcare/EMT	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	1/1/2023
Cyber Liability	50,000	3,000,000	3,000,000	Syndicate 2987 and 2988	1/1/2023
Liquor Liability (Primary)	N/A	N/A	300,000	Lloyds	1/1/2023
Liquor Liability (Excess)					
Pollution Legal Liability					
Underground Storage Tanks	25,000	1,000,000	2,000,000	Chubb	1/1/2023
Terrorism Property and Liability					
Property - TIV	10,000	25,000,000	N/A	Lloyds	1/1/2023
General Liability	"	"	N/A	"	1/1/2023
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2023
Dan O'Malley, Deputy Village Manager	N/A	3,000	3,000	"	1/1/2023
Bev Romanoff, Village Clerk	N/A	3,000	3,000	"	1/1/2023
James Norris, Village Manager	N/A	50,000	50,000	"	1/1/2023
Stan Helgerson, Treasurer	N/A	150,000	150,000	"	1/1/2023
Rachel Musiala, Assistant Treasurer	N/A	150,000	150,000	"	1/1/2023
Anthony Fashoda, Assistant Finance Director	N/A	150,000	150,000	"	1/1/2023
Police and Fire Commission/Member	N/A	500	2,500	"	1/1/2023
Excess Workers' Compensation	650,000	Statutory	2,000,000	Safety National	12/31/2022

\* 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, 2022**

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
2023	\$ 2,335,000	\$ 404,818	\$ 2,739,818	2023	\$ 202,409	2023	\$ 202,409
2024	2,425,000	317,256	2,742,256	2024	158,628	2024	158,628
2025	2,515,000	220,254	2,735,254	2025	110,127	2025	110,127
2026	2,620,000	114,626	2,734,626	2026	57,313	2026	57,313
	<u>\$ 9,895,000</u>	<u>\$ 1,056,954</u>	<u>\$ 10,951,954</u>		<u>\$ 528,477</u>		<u>\$ 528,477</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2015B**  
**December 31, 2022**

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
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>\$ 3,355,000</u>	<u>\$ 528,800</u>	<u>\$ 3,883,800</u>		<u>\$ 264,400</u>		<u>\$ 264,400</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2015C**  
**December 31, 2022**

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
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>\$ 8,220,880</u>	<u>\$ 29,985,880</u>		<u>\$ 4,110,440</u>		<u>\$ 4,110,440</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2016**  
**December 31, 2022**

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
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>\$ 8,240,000</u>	<u>\$ 1,847,400</u>	<u>\$ 10,087,400</u>		<u>\$ 923,700</u>		<u>\$ 923,700</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2017A**  
**December 31, 2022**

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
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>\$ 4,750,000</u>	<u>\$ 1,211,828</u>	<u>\$ 5,961,828</u>		<u>\$ 605,914</u>		<u>\$ 605,914</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2017B**  
**December 31, 2022**

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
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>\$ 3,085,000</u>	<u>\$ 1,587,550</u>	<u>\$ 4,672,550</u>		<u>\$ 793,775</u>		<u>\$ 793,775</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Refunding Bond Series of 2018**  
**December 31, 2022**

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
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>\$ 29,040,000</u>	<u>\$ 12,480,777</u>	<u>\$ 41,520,777</u>		<u>\$ 6,240,389</u>		<u>\$ 6,240,388</u>

**Village of Hoffman Estates, Illinois**  
**Long-Term Debt Requirements**  
**General Obligation Bond Series of 2019**  
**December 31, 2022**

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			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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	15,966	758,716	2034	7,983	2034	7,983
	<u>\$ 7,950,305</u>	<u>\$ 1,154,332</u>	<u>\$ 9,104,637</u>		<u>\$ 577,166</u>		<u>\$ 577,166</u>

# Village of Hoffman Estates, Illinois

## Statistical Section

This part of the Village of Hoffman Estates, Illinois' annual comprehensive 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 annual comprehensive 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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155	\$ 101,583,059	\$ 103,869,592
Restricted	8,705,357	6,556,733	4,878,627	1,900,712	1,935,130
Unrestricted	<u>(40,661,610)</u>	<u>(98,826,179)</u>	<u>(191,469,562)</u>	<u>(187,342,519)</u>	<u>(189,957,186)</u>
Total governmental activities	<u>\$ 67,464,906</u>	<u>\$ 7,595,145</u>	<u>\$ (87,550,780)</u>	<u>\$ (83,858,748)</u>	<u>\$ (84,152,464)</u>
<b>Business-Type Activities</b>					
Net investment in capital assets	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442	\$ 48,783,047	\$ 46,285,711
Restricted	-	-	-	-	-
Unrestricted	<u>4,286,249</u>	<u>2,712,724</u>	<u>1,147,952</u>	<u>2,478,512</u>	<u>4,137,575</u>
Total business-type activities	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>	<u>\$ 51,573,394</u>	<u>\$ 51,261,559</u>	<u>\$ 50,423,286</u>
<b>Primary Government</b>					
Net investment in capital assets	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597	\$ 150,366,106	\$ 150,155,303
Restricted	8,705,357	6,556,733	4,878,627	1,900,712	1,935,130
Unrestricted	<u>(36,375,361)</u>	<u>(96,113,455)</u>	<u>(190,321,610)</u>	<u>(184,864,007)</u>	<u>(185,819,611)</u>
Total primary government	<u>\$ 125,868,500</u>	<u>\$ 62,360,256</u>	<u>\$ (35,977,386)</u>	<u>\$ (32,597,189)</u>	<u>\$ (33,729,178)</u>

*Note:*

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

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022
\$ 107,355,435	\$ 104,398,541	\$ 106,863,396	\$ 109,680,826	\$ 107,087,502
1,820,471	4,499,146	4,609,552	6,322,078	12,630,973
<u>(207,926,064)</u>	<u>(211,788,378)</u>	<u>(219,937,102)</u>	<u>(83,890,268)</u>	<u>(94,770,300)</u>
<u>\$ (98,750,158)</u>	<u>\$ (102,890,691)</u>	<u>\$ (108,464,154)</u>	<u>\$ 32,112,636</u>	<u>\$ 24,948,175</u>
\$ 43,632,372	\$ 41,205,067	\$ 35,887,345	\$ 36,056,978	\$ 40,813,454
-	12,204,432	4,278,213	2,708,847	4,506,824
<u>4,589,226</u>	<u>(5,233,538)</u>	<u>3,027,782</u>	<u>15,230,703</u>	<u>16,409,186</u>
<u>\$ 48,221,598</u>	<u>\$ 48,175,961</u>	<u>\$ 43,193,340</u>	<u>\$ 53,996,528</u>	<u>\$ 61,729,464</u>
\$ 150,987,807	\$ 145,603,608	\$ 142,750,741	\$ 145,737,804	\$ 147,900,956
1,820,471	16,703,578	8,887,765	9,030,925	17,137,797
<u>(203,336,838)</u>	<u>(217,021,916)</u>	<u>(216,909,320)</u>	<u>(68,659,565)</u>	<u>(78,361,114)</u>
<u>\$ (50,528,560)</u>	<u>\$ (54,714,730)</u>	<u>\$ (65,270,814)</u>	<u>\$ 86,109,164</u>	<u>\$ 86,677,639</u>

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

<b>Fiscal Years</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 99,421,159	\$ 99,864,591	\$ 99,040,155	\$ 101,583,059
Restricted	8,705,357	3,194,819	1,454,219	(101,992)
Unrestricted	<u>16,002,826</u>	<u>14,108,152</u>	<u>(60,752,384)</u>	<u>(64,180,197)</u>
Total governmental activities	<u>\$ 124,129,342</u>	<u>\$ 117,167,562</u>	<u>\$ 39,741,990</u>	<u>\$ 37,300,870</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 54,117,345	\$ 52,052,387	\$ 50,425,442	\$ 48,783,047
Restricted	-	-	-	-
Unrestricted	<u>4,286,249</u>	<u>2,712,724</u>	<u>1,147,952</u>	<u>2,478,512</u>
Total business-type activities	<u>\$ 58,403,594</u>	<u>\$ 54,765,111</u>	<u>\$ 51,573,394</u>	<u>\$ 51,261,559</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 153,538,504	\$ 151,916,978	\$ 149,465,597	\$ 150,366,106
Restricted	8,705,357	3,194,819	1,454,219	(101,992)
Unrestricted	<u>20,289,075</u>	<u>16,820,876</u>	<u>(59,604,432)</u>	<u>(61,701,685)</u>
Total primary government	<u>\$ 182,532,936</u>	<u>\$ 171,932,673</u>	<u>\$ 91,315,384</u>	<u>\$ 88,562,429</u>

*Notes:*

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

\*As of 12/31/2021, the EDA was fully dissolved. There is no longer a need to report these financial results.

Data Source

Audited Financial Statements

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 *</b>
\$ 103,869,592	\$ 107,355,435	\$ 104,398,541	\$ 106,863,396	
331,204	582,078	2,212,304	3,717,439	
(71,342,472)	(85,410,468)	(92,601,938)	(96,681,484)	
<u>\$ 32,858,324</u>	<u>\$ 22,527,045</u>	<u>\$ 14,008,907</u>	<u>\$ 13,899,351</u>	
\$ 46,285,711	\$ 43,632,372	\$ 41,205,067	\$ 35,887,345	
-	-	12,204,432	4,278,213	
4,137,575	4,589,226	(5,233,538)	3,027,782	
<u>\$ 50,423,286</u>	<u>\$ 48,221,598</u>	<u>\$ 48,175,961</u>	<u>\$ 43,193,340</u>	
\$ 150,155,303	\$ 150,987,807	\$ 145,603,608	\$ 142,750,741	
331,204	582,078	14,416,736	7,995,652	
(67,204,897)	(80,821,242)	(97,835,476)	(93,653,702)	
<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

<b>Fiscal Years</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Expenses</b>					
Governmental activities					
General government	\$ 10,593,969	\$ 6,025,628	\$ 6,456,831	\$ 6,646,068	\$ 6,554,140
Public safety	34,713,320	35,325,151	40,952,859	41,446,709	39,733,471
Highways and streets	9,043,957	16,710,043	13,335,647	12,138,772	13,455,206
Sanitation	1,211,351	1,638,771	3,647,121	3,325,231	3,833,464
Health and welfare	1,643,956	1,614,867	1,837,446	1,975,323	2,118,952
Culture and recreation	360,479	355,894	331,264	356,009	298,721
Economic development	2,435,172	81,666,884	29,166,157	5,386,050	5,965,340
Interest	3,866,269	6,427,621	6,356,004	6,836,905	6,670,096
Total governmental activities expenses	<u>63,868,473</u>	<u>149,764,859</u>	<u>102,083,329</u>	<u>78,111,067</u>	<u>78,629,390</u>
Business-type activities					
Water/sewer	15,096,017	16,505,476	17,565,501	18,261,791	19,374,285
NOW Arena*	7,188,970	16,292,697	14,393,149	11,953,804	14,260,596
Total business-type activities expenses	<u>22,284,987</u>	<u>32,798,173</u>	<u>31,958,650</u>	<u>30,215,595</u>	<u>33,634,881</u>
Total government expenses	<u>\$ 86,153,460</u>	<u>\$ 182,563,032</u>	<u>\$ 134,041,979</u>	<u>\$ 108,326,662</u>	<u>\$ 112,264,271</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 3,450,495	\$ 3,645,798	\$ 3,604,847	\$ 3,637,561	\$ 3,672,654
Public safety	3,494,101	3,931,959	4,456,892	4,113,151	3,683,940
Highways and streets	1,801,285	307,528	587,515	138,882	738,598
Sanitation	1,167,784	1,744,029	3,693,214	3,186,227	3,451,809
Health and welfare	738,546	507,061	1,263,886	948,703	892,563
Culture and recreation	709,863	668,132	661,951	752,984	716,198
Economic development	149,861	161,943	216,237	170,416	279,512
Operating grants and contributions	2,562,477	4,088,264	1,908,481	2,097,845	2,086,778
Capital grants and contributions	3,525,568	266,395	991,147	297,581	108,344
Total governmental activities program revenues	<u>17,599,980</u>	<u>15,321,109</u>	<u>17,384,170</u>	<u>15,343,350</u>	<u>15,630,396</u>
Business-type activities					
Charges for services					
Water/sewer	13,792,658	13,980,643	16,361,314	17,460,743	18,260,298
NOW Arena*	2,003,572	11,080,824	9,688,311	6,946,532	9,648,371
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions					
Water/sewer	84,406	-	67,425	-	219,676
NOW Arena*	20,490	114,980	33,273	24,767	139,947
Total business-type activities program revenues	<u>15,901,126</u>	<u>25,176,447</u>	<u>26,150,323</u>	<u>24,432,042</u>	<u>28,268,292</u>
Total primary government program revenues	<u>\$ 33,501,106</u>	<u>\$ 40,497,556</u>	<u>\$ 43,534,493</u>	<u>\$ 39,775,392</u>	<u>\$ 43,898,688</u>
<b>Net Revenue (Expenses)</b>					
Governmental activities	\$ (46,268,493)	\$ (134,443,750)	\$ (84,699,159)	\$ (62,767,717)	\$ (62,998,994)
Business-type activities	(6,383,861)	(7,621,726)	(5,808,327)	(5,783,553)	(5,366,589)
Total primary government net revenue (expenses)	<u>\$ (52,652,354)</u>	<u>\$ (142,065,476)</u>	<u>\$ (90,507,486)</u>	<u>\$ (68,551,270)</u>	<u>\$ (68,365,583)</u>

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022
\$ 6,457,392	\$ 6,846,664	\$ 6,433,742	\$ 6,746,153	\$ 7,038,155
43,887,837	46,590,040	41,575,926	35,580,416	54,084,727
8,510,473	16,146,855	13,304,909	11,295,943	10,875,090
3,589,671	3,037,119	2,979,804	2,807,057	3,111,958
1,971,286	2,231,229	2,407,532	2,378,287	2,338,814
335,008	299,224	168,353	201,565	114,801
2,384,611	3,052,597	4,023,365	10,767,293	18,904,402
6,217,407	6,164,040	6,156,942	6,708,689	1,818,708
<u>73,353,685</u>	<u>84,367,768</u>	<u>77,050,573</u>	<u>76,485,403</u>	<u>98,286,655</u>
18,863,430	19,131,469	25,641,206	18,676,321	18,485,664
14,711,494	15,929,020	7,924,387	8,997,196	13,860,808
<u>33,574,924</u>	<u>35,060,489</u>	<u>33,565,593</u>	<u>27,673,517</u>	<u>32,346,472</u>
<u>\$ 106,928,609</u>	<u>\$ 119,428,257</u>	<u>\$ 110,616,166</u>	<u>\$ 104,158,920</u>	<u>\$ 130,633,127</u>
\$ 3,633,874	\$ 3,758,732	\$ 3,916,539	\$ 4,222,490	\$ 4,055,451
3,988,664	4,168,562	3,759,221	4,658,462	8,944,206
160,250	97,470	128,024	1,203,285	346,244
3,464,068	3,600,984	3,528,587	3,552,013	3,669,176
1,242,522	1,177,656	935,905	3,204,779	1,704,521
661,359	766,970	522,410	609,102	747,787
287,768	403,059	120,302	122,000	275,298
2,073,453	2,650,104	2,969,883	2,597,932	2,823,945
107,947	33,906	1,738,720	1,235,789	1,676,709
<u>15,619,905</u>	<u>16,657,443</u>	<u>17,619,591</u>	<u>21,405,852</u>	<u>24,243,337</u>
18,491,333	19,105,209	19,472,378	21,014,458	20,802,811
9,995,417	11,156,948	2,528,510	4,323,795	9,952,817
-	-	-	7,004,373	249,198
-	-	-	1,432,736	4,472,970
30,925	37,423	20,846	25,689	60,755
<u>28,517,675</u>	<u>30,299,580</u>	<u>22,021,734</u>	<u>33,801,051</u>	<u>35,538,551</u>
<u>\$ 44,137,580</u>	<u>\$ 46,957,023</u>	<u>\$ 39,641,325</u>	<u>\$ 55,206,903</u>	<u>\$ 59,781,888</u>
\$ (57,733,780)	\$ (67,710,325)	\$ (59,430,982)	\$ (55,079,551)	\$ (74,043,318)
(5,057,249)	(4,760,909)	(11,543,859)	6,127,534	3,192,079
<u>\$ (62,791,029)</u>	<u>\$ (72,471,234)</u>	<u>\$ (70,974,841)</u>	<u>\$ (48,952,017)</u>	<u>\$ (70,851,239)</u>

(Cont.)

# Village of Hoffman Estates, Illinois

## Change in Net Position

### Last Ten Fiscal Years

Fiscal Years	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Taxes					
Property	\$ 36,803,822	\$ 48,756,911	\$ 35,909,050	\$ 37,672,733	\$ 34,559,674
Sales	7,306,806	7,980,411	8,220,338	7,887,857	8,252,713
Income and local use	5,931,409	5,911,120	6,757,353	6,224,044	6,055,330
Telecommunication	2,441,097	2,296,238	2,052,086	2,172,136	1,808,685
Real estate transfer	917,245	685,054	925,104	761,315	1,087,913
Home rule sales	3,777,094	3,835,430	3,883,502	3,627,746	3,637,260
Other	2,544,559	6,121,814	6,108,606	6,012,152	6,312,312
Investment earnings	32,737	(234,463)	64,493	119,737	280,937
Grants-American Recovery Plan Funds	-	-	-	-	-
TIF/EDA Debt Termination	-	-	-	-	-
Miscellaneous	3,267,367	1,917,202	2,348,456	1,244,976	1,793,516
Gain on sale of capital assets	-	-	-	-	-
Transfers in (out)	(2,389,989)	(746,684)	(772,518)	(1,602,741)	(1,083,062)
Total governmental activities	<u>60,632,147</u>	<u>76,523,033</u>	<u>65,496,470</u>	<u>64,119,955</u>	<u>62,705,278</u>
Business-type activities					
Taxes					
Other	1,826,801	2,082,566	2,303,729	2,260,278	2,357,087
Investment earnings	912	(28,983)	5,198	29,031	56,616
Miscellaneous	1,057,680	1,182,976	1,152,118	390,500	1,031,551
Gain on sale of capital assets	-	-	-	-	-
Transfers in (out)	2,389,989	746,684	772,518	2,053,026	1,083,062
Total business-type activities	<u>5,275,382</u>	<u>3,983,243</u>	<u>4,233,563</u>	<u>4,732,835</u>	<u>4,528,316</u>
Total primary government	<u>\$ 65,907,529</u>	<u>\$ 80,506,276</u>	<u>\$ 69,730,033</u>	<u>\$ 68,852,790</u>	<u>\$ 67,233,594</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 14,363,654	\$ (57,920,717)	\$ (19,202,689)	\$ 1,352,238	\$ (293,716)
Business-type activities	<u>(1,108,479)</u>	<u>(3,638,483)</u>	<u>(1,574,764)</u>	<u>(1,050,718)</u>	<u>(838,273)</u>
Total primary government change in net position	<u>\$ 13,255,175</u>	<u>\$ (61,559,200)</u>	<u>\$ (20,777,453)</u>	<u>\$ 301,520</u>	<u>\$ (1,131,989)</u>

*Notes:*

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

2018	2019	2020	2021	2022
\$ 26,653,561	\$ 34,449,008	\$ 27,955,458	\$ 31,035,324	\$ 27,992,282
7,980,164	7,121,685	7,387,406	9,137,605	9,499,028
6,508,950	7,310,628	7,960,622	9,126,402	10,692,964
1,559,160	1,333,814	1,118,040	945,680	979,778
1,381,303	1,937,262	1,042,874	1,109,114	1,091,137
3,717,518	2,735,010	3,074,487	4,477,476	5,211,868
6,487,279	7,212,525	5,598,784	6,494,456	7,746,774
638,402	996,174	301,014	(105,438)	139,096
-	-	-	2,865,772	2,832,994
-	-	-	131,030,734	-
790,419	886,328	657,023	713,641	601,273
-	220,548	-	-	-
(774,500)	(633,190)	(1,238,189)	(1,174,425)	91,663
54,942,256	63,569,792	53,857,519	195,656,341	66,878,857
2,314,507	2,662,088	1,739,637	2,395,996	3,039,451
148,265	227,124	69,232	2,324	256,440
1,144,257	1,192,870	3,514,180	1,102,909	1,336,629
-	-	-	-	-
774,500	633,190	1,238,189	1,174,425	(91,663)
4,381,529	4,715,272	6,561,238	4,675,654	4,540,857
\$ 59,323,785	\$ 68,285,064	\$ 60,418,757	\$ 200,331,995	\$ 71,419,714
\$ (2,791,524)	\$ (4,140,533)	\$ (5,573,463)	\$ 140,576,790	\$ (7,164,461)
(675,720)	(45,637)	(4,982,621)	10,803,188	7,732,936
\$ (3,467,244)	\$ (4,186,170)	\$ (10,556,084)	\$ 151,379,978	\$ 568,475

# Village of Hoffman Estates, Illinois

## Change in Net Position Excluding EDA TIF Activity

### Last Ten Fiscal Years

Fiscal Years	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities				
General government	\$ 10,273,677	\$ 6,025,628	\$ 6,456,831	\$ 6,646,068
Public safety	30,876,317	34,945,772	40,607,398	41,131,756
Highway and streets	8,892,032	16,710,043	13,335,647	12,138,772
Sanitation	1,211,351	1,638,771	3,647,121	3,325,231
Health and welfare	1,643,956	1,614,867	1,837,446	1,975,323
Culture and recreation	360,479	355,894	331,264	356,009
Economic development	2,290,749	2,901,575	3,100,630	841,211
Interest	2,791,679	2,420,719	2,394,826	6,836,905
Total governmental activities expenses	58,340,240	66,613,269	71,711,163	73,251,275
Business-type activities				
Water/sewer	15,096,017	16,505,476	17,565,501	18,261,791
NOW Arena**	7,188,970	16,292,697	14,393,149	11,953,804
Total business-type activities expenses	22,284,987	32,798,173	31,958,650	30,215,595
Total primary government expenses	\$ 80,625,227	\$ 99,411,442	\$ 103,669,813	\$ 103,466,870
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 3,450,495	\$ 3,645,798	\$ 3,604,847	\$ 3,637,561
Public safety	3,494,101	3,931,959	4,456,892	4,113,151
Highways and streets	1,801,285	307,528	587,515	138,882
Sanitation	1,167,784	1,744,029	3,693,214	3,186,227
Health and welfare	738,546	507,061	1,263,886	948,703
Culture and recreation	709,863	668,132	661,951	752,984
Economic development	149,861	161,943	216,237	170,416
Operating grants and contributions	2,562,477	4,088,264	1,908,481	2,097,845
Capital grants and contributions	3,525,568	266,395	991,147	297,581
Total governmental activities program revenues	17,599,980	15,321,109	17,384,170	15,343,350
Business-type activities				
Charges for services				
Water/sewer	13,792,658	13,980,643	16,361,314	17,460,743
NOW Arena**	2,003,572	11,080,824	9,688,311	6,946,532
Operating grants and contributions	-	-	-	-
Capital grants and contributions				
Water/sewer	84,406	-	67,425	-
NOW Arena**	20,490	114,980	33,273	24,767
Total business-type activities program revenues	15,901,126	25,176,447	26,150,323	24,432,042
Total primary governmental program revenues	\$ 33,501,106	\$ 40,497,556	\$ 43,534,493	\$ 39,775,392
<b>Net Revenue (Expenses)</b>				
Governmental activities	\$ (40,740,260)	\$ (51,292,160)	\$ (54,326,993)	\$ (57,907,925)
Business-type activities	(6,383,861)	(7,621,726)	(5,808,327)	(5,783,553)
Total primary government net revenue (expenses)	\$ (47,124,121)	\$ (58,913,886)	\$ (60,135,320)	\$ (63,691,478)

\*As of 12/31/2021, the EDA was fully dissolved. There is no longer a need to report these financial results.

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

#### Data Source

Audited Financial Statements

2017	2018	2019	2020	2021*
\$ 6,554,140	\$ 6,457,392	\$ 6,846,664	\$ 6,433,742	
39,733,471	43,887,837	46,590,040	41,575,926	
13,455,206	8,510,473	16,146,855	13,304,909	
3,833,464	3,589,671	3,037,119	2,979,804	
2,118,952	1,971,286	2,231,229	2,407,532	
298,721	335,008	299,224	168,353	
5,698,391	2,101,798	2,966,719	2,101,520	
2,273,239	2,143,207	1,997,985	2,087,764	
73,965,584	68,996,672	80,115,835	71,059,550	
19,374,285	18,863,430	19,131,469	25,641,206	
14,260,596	14,711,494	15,929,020	7,924,387	
33,634,881	33,574,924	35,060,489	33,565,593	
\$ 107,600,465	\$ 102,571,596	\$ 115,176,324	\$ 104,625,143	
\$ 3,672,654	\$ 3,570,245	\$ 3,711,783	\$ 3,913,622	
3,683,940	3,988,664	4,168,562	3,759,221	
738,598	160,250	97,470	128,024	
3,451,809	3,464,068	3,600,984	3,528,587	
892,563	1,242,522	1,177,656	935,905	
716,198	661,359	766,970	522,410	
279,512	287,768	403,059	120,302	
2,086,778	2,073,453	2,650,104	2,969,883	
108,344	107,947	33,906	1,738,720	
15,630,396	15,556,276	16,610,494	17,616,674	
18,260,298	18,491,333	19,105,209	19,472,378	
9,648,371	9,995,417	11,156,948	2,528,510	
-	-	-	-	
219,676	-	-	-	
139,947	30,925	37,423	20,846	
28,268,292	28,517,675	30,299,580	22,021,734	
\$ 43,898,688	\$ 44,073,951	\$ 46,910,074	\$ 39,638,408	
\$ (58,335,188)	\$ (53,440,396)	\$ (63,505,341)	\$ (53,442,876)	
(5,366,589)	(5,057,249)	(4,760,909)	(11,543,859)	
\$ (63,701,777)	\$ (58,497,645)	\$ (68,266,250)	\$ (64,986,735)	

(Cont.)

# Village of Hoffman Estates, Illinois

## Change in Net Position Excluding EDA TIF Activity

### Last Ten Fiscal Years

Fiscal Years	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Taxes					
Property	\$ 18,169,718	\$ 23,237,428	\$ 23,688,156	\$ 25,593,040	\$ 25,615,209
Sales	7,306,806	7,980,411	8,220,338	7,887,857	8,252,713
Income and local use	5,931,409	5,911,120	6,757,353	6,224,044	6,055,330
Telecommunications	2,441,097	2,296,238	2,052,086	2,172,136	1,808,685
Real estate transfer	917,245	685,054	925,104	761,315	1,087,913
Home rule sales	3,777,094	3,835,430	3,883,502	3,627,746	3,637,260
Other	2,544,559	6,121,814	6,108,606	6,012,152	6,226,293
Investment earnings	31,592	(169,486)	64,493	112,723	280,937
Miscellaneous	3,264,517	1,870,656	1,833,048	1,238,262	1,793,516
Gain on sale of capital assets	-	-	-	-	-
Contributions	-	-	-	-	-
Transfers in (out)	(2,305,477)	(772,494)	(688,029)	(502,262)	(1,083,062)
Total government activities	<u>42,078,560</u>	<u>50,996,171</u>	<u>52,844,657</u>	<u>53,127,013</u>	<u>53,674,794</u>
Business-type activities					
Taxes					
Other	1,826,801	2,082,566	2,303,729	2,260,278	2,357,087
Investment earnings	912	(28,983)	5,198	29,031	56,616
Miscellaneous	1,057,680	1,182,976	1,152,118	390,500	1,031,551
Gain on sale of capital assets	-	-	-	-	-
Contributions	-	-	-	-	-
Transfers in (out)	2,389,989	746,684	772,518	2,053,026	1,083,062
Total business-type activities	<u>5,275,382</u>	<u>3,983,243</u>	<u>4,233,563</u>	<u>4,732,835</u>	<u>4,528,316</u>
Total primary government	<u>\$ 47,353,942</u>	<u>\$ 54,979,414</u>	<u>\$ 57,078,220</u>	<u>\$ 57,859,848</u>	<u>\$ 58,203,110</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,338,300	\$ (295,989)	\$ (1,482,336)	\$ (4,780,912)	\$ (4,660,394)
Business-type activities	(1,108,479)	(3,638,483)	(1,574,764)	(1,050,718)	(838,273)
Total primary government change in net position	<u>\$ 229,821</u>	<u>\$ (3,934,472)</u>	<u>\$ (3,057,100)</u>	<u>\$ (5,831,630)</u>	<u>\$ (5,498,667)</u>

**Notes:**

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

\*As of 12/31/2021, the EDA was fully dissolved. There is no longer any need to report these financial results.

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

#### Data Source

#### Audited Financial Statements

2017	2018	2019	2020	2021*
\$ 25,615,209	\$ 26,653,561	\$ 26,787,031	\$ 27,955,458	
8,252,713	7,980,164	7,121,685	7,387,406	
6,055,330	6,508,950	7,310,628	7,960,622	
1,808,685	1,559,160	1,333,814	1,118,040	
1,087,913	1,381,303	1,937,262	1,042,874	
3,637,260	3,717,518	2,735,010	3,074,487	
6,226,293	6,456,977	6,271,913	5,598,784	
280,937	638,402	996,174	293,315	
1,793,516	790,419	886,328	657,023	
-	-	220,548	-	
-	-	-	-	
(1,083,062)	(771,167)	(613,190)	(1,754,689)	
53,674,794	54,915,287	54,987,203	53,333,320	
2,357,087	2,314,507	2,662,088	1,739,637	
56,616	148,265	227,124	69,232	
1,031,551	1,144,257	1,192,870	3,514,180	
-	-	-	-	
-	-	-	-	
1,083,062	774,500	633,190	1,238,189	
4,528,316	4,381,529	4,715,272	6,561,238	
\$ 58,203,110	\$ 59,296,816	\$ 59,702,475	\$ 59,894,558	
\$ (4,660,394)	\$ 1,474,891	\$ (8,518,138)	\$ (109,556)	
(838,273)	(675,720)	(45,637)	(4,982,621)	
\$ (5,498,667)	\$ 799,171	\$ (8,563,775)	\$ (5,092,177)	

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

<b>Fiscal Years</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Fund</b>					
Nonspendable	\$ 294,059	\$ 230,761	\$ 209,139	\$ 277,704	\$ 198,904
Restricted	183,933	181,216	173,576	172,034	183,232
Assigned	3,165,374	2,537,181	2,799,639	4,719,896	2,794,747
Unassigned	<u>11,563,246</u>	<u>13,469,497</u>	<u>19,477,539</u>	<u>18,181,441</u>	<u>19,193,924</u>
Total general fund	<u>\$ 15,206,612</u>	<u>\$ 16,418,655</u>	<u>\$ 22,659,893</u>	<u>\$ 23,351,075</u>	<u>\$ 22,370,807</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 184,664	\$ 21,262	\$ 1,153,464	\$ 273,375	\$ 30,080
Restricted	8,521,424	6,375,517	4,705,051	1,728,678	2,183,862
Assigned	5,365,498	4,167,991	4,205,874	6,083,147	5,253,240
Unassigned	(98,405)	(13,584)	(16,293)	(45,036)	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 13,973,181</u>	<u>\$ 10,551,186</u>	<u>\$ 10,048,096</u>	<u>\$ 8,040,164</u>	<u>\$ 7,467,182</u>

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022
\$ 204,701	\$ 171,820	\$ 183,447	\$ 215,023	\$ 201,608
-	47,469	40,679	41,167	30,088
1,104,220	5,336,101	4,415,706	4,605,657	6,812,947
23,610,274	20,242,741	19,047,434	25,766,983	29,284,599
<u>\$ 24,919,195</u>	<u>\$ 25,798,131</u>	<u>\$ 23,687,266</u>	<u>\$ 30,628,830</u>	<u>\$ 36,329,242</u>
\$ 34,157	\$ 573,551	\$ 548,170	\$ 102,416	\$ 816,242
1,820,471	4,451,677	4,568,873	6,280,911	7,053,706
4,940,599	5,845,727	5,275,433	9,596,967	12,398,361
(8,290)	(14,683)	(154,384)	(10,136)	(63,585)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,786,937</u>	<u>\$ 10,856,272</u>	<u>\$ 10,238,092</u>	<u>\$ 15,970,158</u>	<u>\$ 20,204,724</u>

# Village of Hoffman Estates, Illinois

## Changes in Fund Balances of Governmental Funds

### Last Ten Fiscal Years

<b>Fiscal Years</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>					
Taxes	\$ 45,783,285	\$ 61,147,865	\$ 48,144,836	\$ 49,586,716	\$ 46,669,596
Licenses and permits	1,493,182	1,291,098	2,080,207	1,774,407	1,707,137
Intergovernmental	16,116,827	19,919,884	19,354,335	17,576,568	18,054,009
Charges for services	8,481,038	7,479,744	10,034,296	9,435,945	10,168,721
Fines and forfeitures	1,556,969	1,871,677	2,271,097	1,922,768	1,750,921
Investment income	30,060	(234,463)	64,493	119,737	280,937
Miscellaneous	3,446,127	1,240,648	1,687,579	680,477	831,669
Total revenues	<u>76,907,488</u>	<u>92,716,453</u>	<u>83,636,843</u>	<u>81,096,618</u>	<u>79,462,990</u>
<b>Expenditures</b>					
General government	5,846,890	5,874,247	5,732,993	5,904,784	5,910,231
Public safety	33,487,343	33,816,834	33,838,561	34,703,000	36,098,087
Highways and streets	5,572,599	9,644,226	8,873,822	7,235,536	6,940,943
Sanitation	1,211,351	1,332,980	2,437,875	2,843,463	2,917,600
Health and welfare	1,670,982	1,609,731	1,789,257	1,823,939	2,018,586
Culture and recreation	336,655	336,225	297,900	321,265	310,459
Economic development	2,418,635	81,651,001	29,042,476	5,271,336	5,846,061
Capital outlay	6,928,824	8,396,097	7,173,225	8,328,496	9,949,220
Debt service					
Principal	15,374,258	27,606,103	13,515,894	13,759,693	10,693,312
Interest and other charges	2,852,106	2,479,036	2,452,802	2,368,908	2,322,815
Total expenditures	<u>75,699,643</u>	<u>172,746,480</u>	<u>105,154,805</u>	<u>82,560,420</u>	<u>83,007,314</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,207,845</u>	<u>(80,030,027)</u>	<u>(21,517,962)</u>	<u>(1,463,802)</u>	<u>(3,544,324)</u>
<b>Other Financial Sources (Uses)</b>					
Transfers in	4,761,322	3,588,403	3,991,161	6,004,353	7,589,427
Transfers (out)	(7,224,500)	(4,403,424)	(4,514,083)	(7,672,060)	(8,795,257)
Sale of capital assets	-	-	-	-	-
Bonds issued, at par	-	-	1,640,000	8,975,000	2,970,000
Notes issued, at par	-	78,635,096	26,042,563	1,646,250	2,700,763
Payment to escrow agent	-	-	-	(9,673,407)	(2,510,274)
Premium (discount) on issuance of bonds	-	-	96,469	866,916	182,988
Total other financing sources (uses)	<u>(2,463,178)</u>	<u>77,820,075</u>	<u>27,256,110</u>	<u>147,052</u>	<u>2,137,647</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,255,333)</u>	<u>\$ (2,209,952)</u>	<u>\$ 5,738,148</u>	<u>\$ (1,316,750)</u>	<u>\$ (1,406,677)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<u>24.95%</u>	<u>17.88%</u>	<u>15.96%</u>	<u>21.19%</u>	<u>16.94%</u>

Data Source

Audited Financial Statements

2018	2019	2020	2021	2022
\$ 39,129,755	\$ 46,875,928	\$ 38,034,500	\$ 42,933,929	\$41,520,167
2,080,112	2,008,952	1,744,758	3,976,507	2,443,280
17,134,698	17,404,105	20,397,647	25,752,856	28,838,550
9,794,675	10,232,720	9,953,848	12,181,865	14,782,739
1,790,946	1,990,634	1,324,340	1,335,381	1,616,558
638,402	996,174	260,539	(105,438)	139,096
793,093	987,074	928,885	751,817	645,902
71,361,681	80,495,587	72,644,517	86,826,917	89,986,292
5,969,028	6,386,268	6,045,134	6,800,594	7,567,304
36,100,476	36,959,044	37,996,208	39,998,352	43,236,429
7,850,181	7,993,021	8,000,897	9,616,950	9,181,437
2,982,280	3,037,119	2,979,804	2,807,057	3,111,958
2,122,912	2,166,630	2,379,164	2,447,797	2,593,275
315,852	275,239	152,351	205,532	139,061
2,783,606	2,930,213	4,000,711	10,892,264	19,211,494
6,429,502	6,080,497	9,625,363	5,479,678	5,551,982
2,036,236	9,605,499	2,055,714	2,519,211	2,527,501
2,222,409	2,132,273	2,226,102	2,162,612	1,683,903
68,812,482	77,565,803	75,461,448	82,930,047	94,804,344
2,549,199	2,929,784	(2,816,931)	3,896,870	(4,818,052)
3,523,493	4,811,010	5,292,198	9,276,583	6,965,042
(4,597,752)	(5,410,614)	(6,615,498)	(10,560,698)	(7,024,368)
-	890,146	1,411,186	-	785,835
29,580,000	1,727,945	-	10,060,875	-
-	-	-	-	14,026,521
(31,927,008)	-	-	-	-
2,593,638	-	-	-	-
(827,629)	2,018,487	87,886	8,776,760	14,753,030
\$ 1,721,570	\$ 4,948,271	\$ (2,729,045)	\$ 12,673,630	\$ 9,934,978
7.16%	15.58%	6.40%	6.27%	4.64%

## **Revenue Capacity**

**Village of Hoffman Estates, Illinois**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Farm Property</b>	<b>TIF Property</b>	<b>Total Taxable Assessed Value</b>
2013	\$ 829,259,653	\$ 292,452,959	\$ 134,275,173	\$ 94,429	\$ 280,801,136	\$ 1,536,883,350
2014	869,329,555	357,774,907	40,837,927	89,684	291,210,042	1,559,242,115
2015	845,660,790	341,110,857	39,511,338	89,684	292,468,121	1,518,840,790
2016	1,017,417,237	326,913,705	42,926,385	85,704	262,473,500	1,649,816,531
2017	1,015,939,978	343,474,918	43,251,062	80,912	286,946,621	1,689,693,491
2018	997,720,511	330,207,432	42,651,480	106,305	279,504,242	1,650,189,970
2019	1,141,146,061	388,353,448	55,875,519	106,305	220,773,753	1,806,255,086
2020	1,142,732,588	397,466,679	71,990,085	106,305	277,271,060	1,889,566,717
2021	1,057,382,072	499,838,188	79,395,982	106,305	83,102,081	1,719,824,628
2022	(B)					

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

(B) 2022 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

<b>Direct Tax Rate (A)</b>		<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
1.456	\$	4,610,650,050	33.33%
1.443		4,677,726,345	33.33%
1.563		4,556,522,370	33.33%
1.417		4,949,449,593	33.33%
1.470		5,069,080,473	33.33%
1.528		4,950,569,910	33.33%
1.377		5,418,765,258	33.33%
1.421		5,668,700,151	33.33%
1.627		5,159,473,884	33.33%

**Village of Hoffman Estates, Illinois**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Schaumburg Township**  
**Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Village Direct Rates (A)</b>					
General	0.907	0.906	0.000	0.000	0.000
Police protection services	0.000	0.000	0.462	0.408	0.403
Fire protection services	0.000	0.000	0.475	0.420	0.416
Municipal waste	0.000	0.000	0.000	0.000	0.000
IMRF	0.000	0.000	0.000	0.000	0.000
Debt service	0.126	0.125	0.129	0.114	0.153
Police pension	0.219	0.209	0.263	0.248	0.260
Firefighters' pension	0.204	0.203	0.233	0.227	0.238
Total direct rates	1.456	1.443	1.562	1.417	1.470
<b>Overlapping Rates</b>					
School district #54	4.148	4.168	4.332	3.790	3.844
Palatine Twp. H.S. #211	3.197	3.213	3.309	2.871	2.922
Junior College District #512	0.444	0.451	0.466	0.416	0.425
Forest Preserve District of Cook County	0.069	0.069	0.069	0.063	0.062
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000
Schaumburg Township Library District	0.384	0.386	0.402	0.352	0.357
Township of Schaumburg (All Funds)	0.161	0.163	0.171	0.148	0.152
Metropolitan Sanitary District of Greater Chicago	0.417	0.430	0.426	0.406	0.402
Northwest Mosquito Abatement District	0.013	0.013	0.011	0.010	0.010
Hoffman Estates Park District	0.669	0.673	0.701	0.622	0.639
Consolidated Elections	0.031	0.000	0.034	0.000	0.031
County of Cook	0.560	0.568	0.552	0.533	0.496
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000
Total tax rate per \$100 of assessed valuation	11.549	11.577	12.035	10.628	10.810
<b>Share of Total Tax Rate Levied by the Village</b>	<b>12.61%</b>	<b>12.46%</b>	<b>12.98%</b>	<b>13.33%</b>	<b>13.60%</b>

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

(B) 2022 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

2018	2019	2020	2021	2022
0.000	0.000	0.000	0.000	(B)
0.413	0.357	0.351	0.419	
0.426	0.368	0.362	0.429	
0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.000	
0.156	0.135	0.095	0.131	
0.282	0.279	0.343	0.371	
0.251	0.238	0.270	0.277	
1.528	1.377	1.421	1.627	
4.030	3.545	3.575	3.976	
3.044	2.749	2.787	3.02	
0.443	0.403	0.409	0.457	
0.060	0.059	0.058	0.058	
0.000	0.000	0.000	0.000	
0.372	0.294	0.319	0.355	
0.160	0.142	0.144	0.160	
0.396	0.389	0.378	0.382	
0.011	0.010	0.010	0.011	
0.669	0.588	0.597	0.647	
0.000	0.030	0.000	0.019	
0.489	0.454	0.453	0.446	
0.000	0.000	0.000	0.000	
11.202	10.040	10.151	11.158	
13.64%	13.72%	14.00%	14.58%	

**Village of Hoffman Estates, Illinois**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Barrington Township**  
**Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Village Direct Rates (A)</b>					
General	0.907	0.906	0.000	0.000	0.000
Police protection services	0.000	0.000	0.462	0.408	0.403
Fire protection services	0.000	0.000	0.475	0.420	0.416
Municipal waste	0.000	0.000	0.000	0.000	0.000
IMRF	0.000	0.000	0.000	0.000	0.000
Debt service	0.126	0.125	0.129	0.114	0.153
Police pension	0.219	0.209	0.263	0.248	0.260
Firefighters' pension	0.204	0.203	0.233	0.227	0.238
Total direct rates	1.456	1.443	1.562	1.417	1.470
<b>Overlapping Rates</b>					
Unit School District #220	4.807	4.953	5.126	4.538	4.560
Junior College District #512	0.444	0.451	0.466	0.416	0.425
Forest Preserve District of Cook County	0.069	0.069	0.069	0.063	0.062
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000
Barrington Public Library	0.248	0.258	0.266	0.231	0.230
Township of Barrington (All Funds)	0.033	0.033	0.034	0.031	0.032
Metropolitan Sanitary District of Greater Chicago	0.417	0.430	0.426	0.406	0.402
Northwest Mosquito Abatement District	0.013	0.013	0.011	0.010	0.010
Hoffman Estates Park District	0.669	0.673	0.701	0.622	0.639
Consolidated Elections	0.031	0.000	0.034	0.000	0.031
County of Cook	0.560	0.568	0.552	0.533	0.496
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000
Lake County Tax Obj Ct Ord-220	0.092	0.088	0.077	0.065	0.068
Total tax rate per \$100 of assessed valuation	8.839	8.979	9.324	8.332	8.425
<b>Share of Total Tax Rate Levied by the Village</b>	<b>16.47%</b>	<b>16.07%</b>	<b>16.75%</b>	<b>17.01%</b>	<b>17.45%</b>

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

(B) 2022 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

2018	2019	2020	2021	2022
0.000	0.000	0.000	0.000	(B)
0.413	0.357	0.351	0.419	
0.426	0.368	0.362	0.429	
0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.000	
0.156	0.135	0.095	0.131	
0.282	0.279	0.343	0.371	
0.251	0.238	0.270	0.277	
1.528	1.377	1.421	1.627	
4.853	4.669	4.842	5.429	
0.443	0.403	0.409	0.457	
0.06	0.059	0.058	0.058	
0.000	0.000	0.000	0.000	
0.248	0.244	0.253	0.269	
0.033	0.033	0.034	0.035	
0.396	0.389	0.378	0.382	
0.011	0.010	0.010	0.011	
0.669	0.588	0.597	0.647	
0.000	0.030	0.000	0.019	
0.489	0.454	0.453	0.446	
0.000	0.000	0.000	0.000	
0.054	0.048	0.046	0.051	
8.784	8.304	8.501	9.431	
17.40%	16.58%	16.72%	17.25%	

**Village of Hoffman Estates, Illinois**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Palatine Township**  
**Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Village Direct Rates (A)</b>					
General	0.907	0.906	0.000	0.000	0.000
Police protection services	0.000	0.000	0.462	0.408	0.403
Fire protection services	0.000	0.000	0.475	0.420	0.416
Municipal waste	0.000	0.000	0.000	0.000	0.000
IMRF	0.000	0.000	0.000	0.000	0.000
Debt service	0.126	0.125	0.129	0.114	0.153
Police pension	0.219	0.209	0.263	0.248	0.26
Firefighters' pension	0.204	0.203	0.233	0.227	0.238
Total direct rates	1.456	1.443	1.562	1.417	1.470
<b>Overlapping Rates</b>					
School District #15	3.849	3.868	4.035	3.543	3.618
Palatine Twp. H.S. #211	3.197	3.213	3.309	2.871	2.922
Junior College District #512	0.444	0.451	0.466	0.416	0.425
Forest Preserve District of Cook County	0.069	0.069	0.069	0.063	0.062
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000
Palatine Public Library	0.293	0.295	0.308	0.268	0.276
Township of Palatine (All Funds)	0.167	0.166	0.173	0.145	0.143
Metropolitan Sanitary District of Greater Chicago	0.417	0.430	0.426	0.406	0.402
Northwest Mosquito Abatement District	0.013	0.013	0.011	0.010	0.010
Hoffman Estates Park District	0.669	0.673	0.701	0.622	0.639
Consolidated Elections	0.031	0.000	0.034	0.000	0.031
County of Cook	0.560	0.568	0.552	0.533	0.496
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000
Total tax rate per \$100 of assessed valuation	11.165	11.189	11.646	10.294	10.494
<b>Share of Total Tax Rate Levied by the Village</b>	13.04%	12.90%	13.41%	13.77%	14.01%

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

(B) 2022 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

2018	2019	2020	2021	2022
0.000	0.000	0.000	0.000	(B)
0.413	0.357	0.351	0.419	
0.426	0.368	0.362	0.429	
0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.000	
0.156	0.135	0.095	0.131	
0.282	0.279	0.343	0.371	
0.251	0.238	0.270	0.277	
1.528	1.377	1.421	1.627	
3.807	3.486	3.564	3.955	
3.044	2.749	2.787	3.020	
0.443	0.403	0.409	0.457	
0.06	0.059	0.058	0.058	
0.000	0.000	0.000	0.000	
0.291	0.344	0.353	0.388	
0.146	0.134	0.130	0.142	
0.396	0.389	0.378	0.382	
0.011	0.010	0.010	0.011	
0.669	0.588	0.597	0.647	
0.000	0.030	0.000	0.019	
0.489	0.454	0.453	0.446	
0.000	0.000	0.000	0.000	
10.884	10.023	10.160	11.152	
14.04%	13.74%	13.99%	14.59%	

**Village of Hoffman Estates, Illinois**  
**Property Tax Rates – Direct and Overlapping Governments**  
**Hanover Township**  
**Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Village Direct Rates (A)</b>					
General	0.907	0.906	0.000	0.000	0.000
Police protection services	0.000	0.000	0.462	0.408	0.403
Fire protection services	0.000	0.000	0.475	0.420	0.416
Municipal waste	0.000	0.000	0.000	0.000	0.000
IMRF	0.000	0.000	0.000	0.000	0.000
Debt service	0.126	0.125	0.129	0.114	0.153
Police pension	0.219	0.209	0.263	0.248	0.26
Firefighters' pension	0.204	0.203	0.233	0.227	0.238
Total direct rates	1.456	1.443	1.562	1.417	1.470
<b>Overlapping Rates</b>					
School District #220	4.807	4.953	5.126	4.538	4.560
Junior College District #512	0.444	0.451	0.466	0.416	0.425
Forest Preserve District of Cook County	0.069	0.069	0.069	0.063	0.062
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000
Poplar Creek Public Library	0.631	0.632	0.663	0.580	0.590
Township of Hanover (All Funds)	0.391	0.393	0.417	0.361	0.367
Metropolitan Sanitary District of Greater Chicago	0.417	0.430	0.426	0.406	0.402
Northwest Mosquito Abatement District	0.013	0.013	0.011	0.010	0.010
Hoffman Estates Park District	0.669	0.673	0.701	0.622	0.639
Consolidated Elections	0.031	0.000	0.034	0.000	0.031
County of Cook	0.560	0.568	0.552	0.533	0.496
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000
Comm. Mental Health Facility and Service District	0.061	0.061	0.058	0.057	0.059
Lake County Tax Obj Ct Ord-220	0.092	0.088	0.077	0.065	0.068
Total tax rate per \$100 of assessed valuation	9.641	9.774	10.162	9.068	9.179
<b>Share of Total Tax Rate Levied by the Village</b>	<b>15.10%</b>	<b>14.76%</b>	<b>15.37%</b>	<b>15.63%</b>	<b>16.01%</b>

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

(B) 2022 tax rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

2018	2019	2020	2021	2022
0.000	0.000	0.000	0.000	(B)
0.413	0.357	0.351	0.419	
0.426	0.368	0.362	0.429	
0.000	0.000	0.000	0.000	
0.000	0.000	0.000	0.000	
0.156	0.135	0.095	0.131	
0.282	0.279	0.343	0.371	
0.251	0.238	0.270	0.277	
1.528	1.377	1.421	1.627	
4.853	4.669	4.842	5.429	
0.443	0.403	0.409	0.457	
0.060	0.059	0.058	0.058	
0.000	0.000	0.000	0.000	
0.621	0.546	0.564	0.623	
0.384	0.341	0.352	0.392	
0.396	0.389	0.378	0.382	
0.011	0.010	0.010	0.011	
0.669	0.588	0.597	0.647	
0.000	0.030	0.000	0.019	
0.489	0.454	0.453	0.446	
0.000	0.000	0.000	0.000	
0.063	0.057	0.059	0.067	
0.054	0.048	0.046	0.051	
9.571	8.971	9.189	10.209	
15.96%	15.35%	15.46%	15.94%	

**Village of Hoffman Estates, Illinois**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2021 Tax Levy			2012 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.	\$46,954,920	1	2.73%	\$152,588,046	1	9.93%
AT&T				101,400,542	2	6.60%
Hoffman Estates Acq.	37,688,002	2	2.19%			
Amita Health/David Hill	22,309,392	3	1.30%			
Paul Hastings LLC	21,018,938	4	1.22%			
Hmc Pt Poplar Creek Cr.	19,846,259	5	1.15%			
American Heritage	19,367,445	6	1.13%	11,593,797	8	0.75%
Yavitski LLC						
Lincoln Property Co.	18,771,578	7	1.09%	15,836,167	4	1.03%
W2001 VHE LLC				17,777,147	3	1.16%
Stonegate Properties				14,689,875	5	0.96%
Broadstone CLE IL LLC	14,185,175	8	0.82%			
Siemens Corp	13,292,217	9		10,198,172	9	0.66%
Wells Fargo Bnk	13,089,424	10	0.76%			
Alexian Brothers Health System				12,608,506	6	0.82%
TransAmerica	-			12,053,856	7	0.78%
BVF II Park Place LLC				9,978,997	10	0.65%
	<u>\$ 226,523,350</u>		<u>12.39%</u>	<u>\$ 358,725,105</u>		<u>23.34%</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
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%	57,342	20,387,811	97.38%
2019	21,832,978	21,167,992	96.95%	62,664	21,230,656	97.24%
2020	22,901,511	21,948,284	95.84%	42,495	21,990,779	95.84%
2021	26,625,921	(A)				

(A) Collections for the 2022 tax levy year will not be received until fiscal year 2022.

*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				
	General	Unamortized	TIF	TIF	Equipment
	Obligation	Premium	Bonds	Notes	Financing
	Bonds	(Discount)**	Payable	Payable	Loans
2013	\$ 49,138,750	\$ 717,393	\$ -	\$ 60,249,276	\$ -
2014	47,903,750	717,393	-	117,652,586	-
2015	48,248,750	755,003	-	136,147,963	-
2016	46,968,750	1,249,522	-	130,239,359	-
2017	45,887,500	1,347,733	-	128,268,667	-
2018	42,380,000	3,473,673	-	131,721,091	-
2019	42,447,945	3,266,923	-	127,935,095	-
2020	40,616,580	3,060,173	-	133,191,109	-
2021	38,590,460	2,853,423	-	14,194,029	1,724,408
2022	36,577,165	2,646,673	-	27,985,243	1,445,509

*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 202 for personal income and population data.

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

Business-Type Activities					Total	Percentage of	Per
General	Unamortized						
Obligation	Premium	Loan	Capital	Primary	Personal	Capita*	
Bonds	(Discount)**	Payable	Leases	Government	Income*		
\$ 53,336,250	\$ (214,231)	\$ -	\$ 7,283	\$ 163,234,721	9.4%	\$ 3,145	
51,921,250	(181,610)	-	2,683	218,016,052	12.5%	4,201	
56,151,250	(162,667)	-	-	241,140,299	12.9%	4,647	
53,891,250	(152,070)	-	-	232,196,811	12.2%	4,474	
57,442,500	119,323	-	-	233,065,723	12.0%	4,491	
55,175,000	644,406	-	-	233,394,170	11.6%	4,497	
60,687,905	615,626	-	-	234,953,494	11.7%	4,527	
57,757,450	586,845	-	-	235,212,157	11.6%	4,532	
54,750,265	558,064	1,614,177	-	114,284,826	5.4%	2,145	
51,503,140	529,283	2,326,596	-	123,013,609	5.8%	2,381	

**Village of Hoffman Estates, Illinois**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
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	1.90%	1,941.70
2021	96,752,212	26,937	96,725,275	1.64%	1,841.33
2022	88,080,305	604,187	87,476,118	1.70%	1,725.98

*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 191 for property value data.

**Village of Hoffman Estates, Illinois**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2022**

<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	\$ 68,654,590	100%	\$ 68,654,590
Dundee Township Park District	2,114,645	0.084%	1,776
Hoffman Estates Park District	7,340,000	94.054%	6,903,564
Palatine Park District	2,760,000	2.509%	69,248
Schools			
District No. 15	35,080,000	8.464%	2,969,171
District No. 220	119,875,000	7.782%	9,328,673
District No. 300	228,915,000	4.818%	11,029,125
District No. U-46	141,200,910	2.853%	4,028,462
Junior College District No. 512	230,765,000	6.034%	13,924,360
Junior College District No. 509	133,850,000	3.014%	4,034,239
Metropolitan Water Reclamation District	2,637,381,349	0.949%	25,028,749
Cook County including Forest Preserve District	2,349,066,750	0.934%	21,940,283
Kane County including Forest Preserve District	92,320,000	0.011%	10,155
Poplar Creek Library District	10,645,000	6.817%	725,670
	<u>5,991,313,654</u>		<u>99,993,475</u>
	<u>\$ 6,059,968,244</u>		<u>\$ 168,648,065</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.

Data Source

Village Records  
Office of the County Clerk

# **Village of Hoffman Estates, Illinois**

## **Schedule of Legal Debt Margin**

**December 31, 2022**

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				
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Available for Distribution
2013	\$ 9,802,210	\$ (9,385,159)	\$ (1,500)	\$ 415,551	\$ -
2014	14,465,972	(14,328,247)	(1,000)	136,725	-
2015	14,608,387	(14,539,087)	(69,300)	-	-
2016	14,432,790	(14,409,116)	(23,674)	-	-
2017	12,668,198	(12,646,577)	(21,621)	-	-
2018	15,255,254	(15,139,394)	(115,860)	-	-
2019	16,295,947	(9,925,676)	(350,000)	-	6,020,271 a
2020	10,974,813	(5,000,000)	(350,000)	-	5,624,813 a
2021	11,229,678	(5,000,000)	(350,000)	-	5,879,678
2022	783,119	-	(17,185)	-	783,119

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

a 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.

b Distribution in FY2021 and FY2022 was a result of the dissolution of the Economic Development Area (EDA) as of 12/31/2021 pursuant to a settlement agreement and court order entered in the United States Bankruptcy Court for the Southern District of New York.

Tax Increment Financing Notes						
Required Distribution	Available for Audit Expense	Incremental Property Taxes	Debt Service		Coverage	
			Principal	Interest		
\$ -	\$ -	\$ 14,174,258	\$ 14,174,258	\$ -	1.00	
-	-	10,973,414	10,973,414	-	1.00	
-	-	12,220,894	12,220,894	-	1.00	
-	-	12,079,693	12,079,693	-	1.00	
-	-	8,944,465	8,944,465	-	1.00	
-	-	7,661,977	7,661,977	-	1.00	
-	-	-	-	-	N/A	
-	-	-	-	-	N/A	
(17,484,762) b	40,000	-	-	-	N/A	
(783,119) b	22,815	-	-	-	N/A	

## **Demographic and Economic Information**

**Village of Hoffman Estates, Illinois**  
**Demographic and Economic Information**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b>	<b>(1) Per Capita Personal Income</b>	<b>(2) Unemployment Rate</b>
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	52,530	2,029,457,765	39,107	6.9
2021	52,530	2,102,040,480	40,016	2.9
2022	52,530	2,086,375,212	41,166	3.7

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	2022			2013		
	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	4.9%	1,900	2	3.7%
AT&T (Ameritech)				1,200	3	2.3%
GE Commercial Finance				800	4	1.5%
Automated Data Processing				600	5	1.2%
Siemens Medical Systems	400	2	0.8%	500	6	1.0%
Claire's	400	3	0.8%	350	9	0.7%
Liberty Mutual				400	7	0.8%
Village of Hoffman Estates	356	4	0.7%	357	8	0.7%
FANUC America	350	5	0.7%			
Vistex	350	6	0.7%			
Leopardo Companies Inc.	300	7	0.6%			
Wells Fargo	300	8	0.6%			
Salvation Army	270	9	0.5%	300	10	0.6%
Tate & Lyle	220	10	0.4%			
Total	5,446			12,607		

Data Source

Village Records

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

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

Data Source

Village Budget Documents

2018	2019	2020	2021	2022
29	29	30	27	20
16	16	16	16	16
88	87	87	85	84
20	21	21	20	23
93	94	94	94	94
4	4	5	4	3
2	2	2	2	2
9	9	9	8	9
70	70	71	70	71
1	1	2	2	2
23	23	23	23	24
1	1	1	1	1
6	6	6	7	7
362	363	367	359	356

## **Operating Information**

# Village of Hoffman Estates, Illinois

## Operating Indicators

### Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017
<b>Public Safety</b>					
Police					
Physical arrests	1,713	1,666	1,413	1,422	1,366
Parking violations	4,147	4,023	2,549	1,911	2,090
Traffic violations	19,186	19,673	14,606	10,387	11,049
Fire					
Emergency responses	4,012	4,161	4,186	4,372	4,186
Fire/miscellaneous responses	1,372	1,588	1,615	1,676	1,618
Inspections	2,283	1,879	1,904	1,497	2,115
<b>Public Works</b>					
Vehicles maintained by department	225	225	228	243	239
Street reconstruction (miles)	1.4	2.8	2.4	2.2	1.5
Street resurfacing (miles)	-	4.3	3.5	5.2	5.5
<b>Water</b>					
New connections	16	5	42	37	67
Water main breaks	65	61	75	77	73
Average daily consumption	4,778,000	4,653,000	4,451,000	4,345,000	4,311,000
Peak daily consumption	7,458,000	6,523,000	6,362,000	6,699,000	6,341,000

#### Data Source

Various Village Departments

2018	2019	2020	2021	2022
1,125	1,117	1,014	1,142	849
3,305	2,547	1,387	1,444	1,162
8,734	6,395	3,786	3,684	3,822
4,384	4,596	4,252	4,875	5,297
1,406	1,386	1,246	1,371	1,388
1,715	1,561	1,636	1,921	1,977
246	250	246	247	296
1.6	0.5	0.5	1.3	1.2
2.6	8.8	8.2	5.3	6.3
78	59	2	2	7
63	74	85	38	35
4,239,000	4,390,000	4,160,000	4,186,000	4,010,000
6,173,000	6,715,000	6,951,000	6,660,000	6,247,000

# Village of Hoffman Estates, Illinois

## Capital Asset Statistics

### Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017
<b>Public Safety</b>					
Police					
Stations	1	1	1	1	1
Area patrols	10	10	10	10	10
Patrol units	56	54	51	57	51
Fire					
Fire stations	4	4	4	4	4
Fire engines	11	12	11	12	11
<b>Public Works</b>					
Miles of streets	158	160	160	160	160
Streetlights	2,512	2,529	2,529	2,529	2,533
Traffic signals	3	3	3	3	3
<b>Water</b>					
Water main (miles)	257	243	243	247	255
Fire hydrants	3,092	3,091	3,091	3,093	3,129
Storage capacity (gallons)	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000
<b>Waterwaste</b>					
Sanitary sewers (miles)	201	205	205	205	205
Storm sewers (miles)	156	161	161	226	226

#### Data Source

Various Village Departments

2018	2019	2020	2021	2022
1	1	1	1	1
10	10	10	10	10
54	54	60	60	60
4	4	4	4	4
11	11	11	12	10
161	161	151	151	151
2,533	2,551	2,571	2,571	2,571
3	3	3	3	3
257	257	256	256	256
3,180	3,186	3,163	3,163	3,170
11,820,000	11,820,000	11,820,000	11,820,000	11,820,000
205	256	191	191	191
227	227	227	227	238

# **Village of Hoffman Estates, Illinois**

Continuing Disclosure Undertaking for the  
Fiscal Year Ended December 31, 2022

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

	2017	2018	2019	2020	2021	2022
<b>Assets</b>						
Cash and investments	\$ 20,170,755	\$ 22,960,706	\$ 24,501,284	\$ 20,495,371	\$ 28,135,495	\$ 31,116,301
Receivables						
Property taxes	18,229,735	18,499,548	19,385,360	21,039,359	24,140,147	29,707,472
Accounts	396,905	415,181	378,971	439,200	358,156	418,419
Accrued interest	82,303	132,557	121,768	6,391	61,949	71,849
Leases	-	-	-	-	-	3,073,442
Other	2,785,069	2,547,263	2,789,078	2,589,204	3,301,205	2,764,175
Prepaid items	50,851	59,185	62,459	70,911	93,358	79,169
Asset held by agents	-	108,367	110,910	139,138	176,237	206,581
Inventory	116,953	114,416	109,361	112,536	121,665	122,439
Due from other governments	4,183,443	4,075,309	4,339,878	4,391,870	5,369,799	5,672,266
Due from other funds	60,269	10,559	15,605	709,940	24,766	1,072,120
Due from fiduciary funds	-	-	63,959	-	-	-
Advance to fiduciary funds	31,100	-	-	-	-	-
<b>Total assets</b>	<b>46,107,383</b>	<b>48,923,091</b>	<b>51,878,633</b>	<b>49,993,920</b>	<b>61,782,777</b>	<b>74,304,233</b>
<b>Liabilities</b>						
Accounts payable	1,624,566	1,254,340	2,351,928	1,721,527	2,850,925	3,380,487
Accrued payroll	1,139,346	1,214,166	1,310,239	426,546	601,762	634,688
Unearned revenues	368,407	375,119	383,057	367,595	382,821	397,846
Due to FSA participants	-	77,267	79,810	108,038	145,137	175,481
Due to fiduciary funds	9,346	-	-	-	-	2,413,329
Deposits payable	1,155,449	1,356,809	1,204,590	1,204,406	1,271,671	1,952,825
Deferred inflows of resources	19,439,462	19,726,195	20,750,878	22,478,542	25,901,631	29,020,335
<b>Total liabilities and deferred inflows of resources</b>	<b>23,736,576</b>	<b>24,003,896</b>	<b>26,080,502</b>	<b>26,306,654</b>	<b>31,153,947</b>	<b>37,974,991</b>
<b>Fund Balances</b>						
Nonspendable for prepaid items	50,851	59,185	62,459	70,911	93,358	79,169
Nonspendable for inventory	116,953	114,416	109,361	112,536	121,665	122,439
Nonspendable for noncurrent receivables	31,100	31,100	-	-	-	-
Restricted for public safety	127,381	129,892	-	-	-	-
Restricted for employee loan program	55,851	43,426	47,469	40,679	41,167	30,088
Assigned for employee health	2,268,417	1,995,896	2,096,471	2,115,706	2,155,657	1,962,947
Assigned for subsequent budget	526,330	1,104,220	3,239,630	2,300,000	2,450,000	4,850,000
Unassigned	19,193,924	21,441,060	20,242,741	19,047,434	25,766,983	29,284,599
<b>Total equity and credits</b>	<b>22,370,807</b>	<b>24,919,195</b>	<b>25,798,131</b>	<b>23,687,266</b>	<b>30,628,830</b>	<b>36,329,242</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 46,107,383</b>	<b>\$ 48,923,091</b>	<b>\$ 51,878,633</b>	<b>\$ 49,993,920</b>	<b>\$ 61,782,777</b>	<b>\$ 74,304,233</b>

#### Source

Annual Comprehensive Financial Report, FY 2017-2022

# Village of Hoffman Estates, Illinois

## General Fund Revenues and Expenditures

### Fiscal Years Ended December 31

	2017	2018	2019	2020	2021	2022	Budget 2023
<b>Revenues</b>							
Taxes	\$ 30,928,418	\$ 31,602,666	\$ 31,960,387	\$ 30,503,005	\$ 35,232,190	\$ 33,741,401	\$ 32,023,830
Licenses and permits	1,707,137	2,080,112	2,008,952	1,744,758	3,976,507	2,443,280	2,235,700
Intergovernmental	15,085,809	15,237,144	15,191,181	16,649,712	22,043,255	24,609,492	19,797,750
Charges for services	9,087,327	9,193,055	9,478,178	9,245,252	11,454,751	14,061,102	10,739,320
Fines and forfeits	1,279,213	1,363,279	1,343,809	1,110,521	1,206,299	1,356,320	1,216,000
Investment income	188,872	449,925	701,272	183,463	(87,652)	(14,960)	175,000
Miscellaneous	635,776	762,330	956,625	553,852	689,288	573,934	441,500
Total revenues	<u>58,912,552</u>	<u>60,688,511</u>	<u>61,640,404</u>	<u>59,990,563</u>	<u>74,514,638</u>	<u>76,770,569</u>	<u>66,629,100</u>
<b>Expenditures</b>							
General government	5,910,231	5,969,028	6,386,268	6,031,574	6,766,026	7,567,003	7,952,000
Public safety	35,385,440	35,818,822	36,704,779	37,555,497	39,552,321	43,080,002	43,440,500
Highways and streets	5,677,957	5,947,702	6,436,679	5,876,922	6,209,749	6,180,518	6,417,740
Sanitation	2,917,600	2,982,280	3,037,119	2,979,804	2,807,057	3,111,958	3,111,930
Health and welfare	2,018,586	2,122,912	2,166,630	2,379,164	2,447,797	2,593,275	2,725,890
Culture and recreation	310,459	315,852	275,239	152,351	205,532	139,061	155,070
Economic development	2,037,077	2,110,538	2,110,140	2,124,118	2,376,024	2,831,973	3,032,560
Total expenditures	<u>54,257,350</u>	<u>55,267,134</u>	<u>57,116,854</u>	<u>57,099,430</u>	<u>60,364,506</u>	<u>65,503,790</u>	<u>66,835,690</u>
<b>Excess Revenues Over Expenses</b>	4,655,202	5,421,377	4,523,550	2,891,133	14,150,132	11,266,779	(206,590)
<b>Other Financing Uses</b>	<u>(5,635,470)</u>	<u>(2,872,989)</u>	<u>(3,644,614)</u>	<u>(5,001,998)</u>	<u>(7,208,568)</u>	<u>(5,566,367)</u>	<u>(5,976,660)</u>
<b>Net Change in Fund Balance</b>	(980,268)	2,548,388	878,936	(2,110,865)	6,941,564	5,700,412	(6,183,250)
<b>Fund Balance, January 1</b>	<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>	<u>30,628,830</u>	<u>30,628,830</u>
<b>Ending Fund Balance</b>	<u>\$ 22,370,807</u>	<u>\$ 24,919,195</u>	<u>\$ 25,798,131</u>	<u>\$ 23,687,266</u>	<u>\$ 30,628,830</u>	<u>\$ 36,329,242</u>	<u>\$ 24,445,580</u>

#### Source

Annual Comprehensive Financial Report, FY 2017-2022

# Village of Hoffman Estates, Illinois

## Combined Statement – Fund Balances – All Funds

### Fiscal Years Ended December 31

	2017	2018	2019	2020	2021	2022
<b>Governmental Fund Types</b>						
General Fund	\$ 22,370,807	\$ 24,919,195	\$ 25,798,131	\$ 23,687,266	\$ 30,628,830	\$ 36,329,242
Special revenue funds						
Motor fuel tax fund	726,902	215,087	373,924	1,369,793	1,198,462	1,452,046
Com. development block grant	17,773	8,442	1	10,436	-	1
Asset Seizure Fund	479,551	661,346	1,078,463	872,345	582,850	712,609
E911	-	-	-	-	-	-
Roselle Rd TIF	273,649	720,692	1,061,133	1,647,962	2,428,508	2,748,538
Barrington Higgins TIF	204,886	181,427	173,526	611,153	965,307	1,396,120
Lakewood TIF	-	-	(2,924)	-	451,475	457,426
Higgins/Old Sutton TIF	-	-	-	-	63,384	103,930
Higgins/Hassell Road TIF	9,668	11,461	11,927	12,194	226,522	123,398
Total special revenue	1,712,429	1,798,455	2,696,050	4,523,883	5,916,508	6,994,068
Debt service funds	39,469	13,726	16,035	(154,384)	18,993	13,258
Capital project funds	5,861,857	4,974,756	8,144,187	5,868,593	10,034,657	13,197,398
Total governmental	29,984,562	31,706,132	36,654,403	33,925,358	46,598,988	56,533,966
<b>Proprietary Fund Types</b>						
Waterworks and sewerage	22,208,778	20,630,000	21,042,751	17,133,829	20,940,905	28,203,664
NOW Arena*	28,214,508	27,591,598	27,133,210	26,059,511	33,055,623	33,525,800
Insurance	1,736,277	1,939,307	1,324,293	1,167,984	995,487	1,786,618
Information systems	887,555	452,186	707,024	768,122	674,737	938,449
Total proprietary	53,047,118	50,613,091	50,207,278	45,129,446	55,666,752	64,454,531
<b>Fiduciary Fund Types</b>						
Pension trust						
Police pension	79,351,880	71,094,867	80,645,427	85,105,513	97,422,943	84,731,293
Firefighters' pension	83,543,889	78,152,578	93,396,628	105,768,041	116,766,749	98,242,236
Total fiduciary	162,895,769	149,247,445	174,042,055	190,873,554	214,189,692	182,973,529
Total all funds (memo only)	\$ 245,927,449	\$ 231,566,668	\$ 260,903,736	\$ 269,928,358	\$ 316,455,432	\$ 316,455,432

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

#### Source

Annual Comprehensive Financial Report, FY 2017-2022

# Village of Hoffman Estates, Illinois

## Budget Summary – All Funds

### Fiscal Years Ended December 31

	2017	2018	2019	2020	2021	2022
<b>Governmental Fund Types</b>						
General Fund	\$ 62,197,380	\$ 59,837,170	\$ 62,164,030	\$ 65,787,580	\$ 65,121,250	\$ 73,029,890
Special revenue funds						
Motor fuel tax fund	1,275,000	1,915,000	2,135,000	2,710,000	3,480,000	3,010,000
Com. development block grant	320,900	305,800	263,500	297,500	585,550	643,000
Asset Seizure Fund	736,710	288,780	183,020	321,350	285,490	188,480
Econ. Dev. Area Admin.	-	-	-	-	-	-
E911	70,000	-	-	-	-	-
Sears EDA General Account	8,944,500	-	-	-	-	-
Roselle Rd TIF	1,792,860	912,940	915,270	915,000	1,668,040	2,428,180
Barrington Higgins TIF	683,600	605,650	605,740	4,500	13,040	1,467,740
Lakewood Center TIF	-	-	-	269,100	401,590	14,061,180
Higgins/Old Sutton TIF	-	-	-	-	43,040	2,528,180
Higgins/Hassell Road TIF	2,961,310	371,690	5,180	4,850	5,040	592,070
Total special revenue	16,784,880	4,399,860	4,107,710	4,522,300	6,481,790	24,918,830
Debt service funds	9,798,190	39,814,980	6,943,570	7,131,890	7,315,200	3,630,110
Capital project funds	19,036,140	15,255,240	13,173,430	15,492,820	11,726,920	12,717,610
Total governmental	107,816,590	119,307,250	86,388,740	92,934,590	90,645,160	114,296,440
<b>Proprietary Fund Types</b>						
Waterworks and sewerage	21,294,280	21,238,660	22,546,730	23,630,700	22,709,750	25,495,540
NOW Arena*	15,704,470	15,851,850	12,028,310	15,059,370	9,062,490	18,868,990
Insurance	1,656,300	1,821,200	1,748,980	1,781,510	1,773,720	1,972,250
Information systems	1,976,780	2,041,690	2,032,190	2,207,480	1,747,450	2,384,740
Total proprietary	40,631,830	40,953,400	38,356,210	42,679,060	35,293,410	48,721,520
<b>Fiduciary Fund Types</b>						
Pension trust						
Police pension	5,488,400	6,207,330	6,255,780	6,857,410	7,356,350	8,628,480
Firefighters' pension	5,088,680	5,516,920	5,706,160	6,209,260	6,638,510	7,573,460
Total fiduciary	10,577,080	11,724,250	11,961,940	13,066,670	13,994,860	16,201,940
Total all funds (memo only)	\$ 159,025,500	\$ 171,984,900	\$ 136,706,890	\$ 148,680,320	\$ 139,933,430	\$ 179,219,900

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

#### Source

Annual Comprehensive Financial Report, FY 2017-2022

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

	2017	2018	2019	2020	2021	2022
General Fund	\$ 20,170,755	\$ 22,960,706	\$ 24,501,284	\$ 20,495,371	\$ 28,135,495	\$ 31,116,301
Special revenue funds	1,642,752	1,966,181	2,578,375	4,381,556	5,787,663	6,373,651
Debt service - GO bonds	35,318	23,533	27,299	23,494	26,937	604,187
Capital project funds	8,082,945	9,875,887	12,657,125	10,698,178	15,022,498	18,875,067
Capital projects - EDA, Series 1991*	1,605,974	-	-	-	-	-
Total capital project funds	9,688,919	9,875,887	12,657,125	10,698,178	15,022,498	18,875,067
Enterprise funds						
Waterworks and sewerage	10,119,022	10,670,787	19,407,022	12,978,306	14,171,598	18,203,009
NOW Arena*	3,048,986	2,646,349	2,690,380	1,253,159	8,545,920	7,354,202
Total enterprise funds	13,168,008	13,317,136	22,097,402	14,231,465	22,717,518	25,557,211
Internal service funds						
Insurance	2,913,510	3,152,797	2,596,865	2,855,656	2,973,535	2,742,751
Information systems	1,112,292	817,600	1,211,007	1,263,931	891,327	905,547
Total internal service funds	4,025,802	3,970,397	3,807,872	4,119,587	3,864,862	3,648,298
Pension funds	2,565,284	2,809,187	2,020,778	19,933	21,816	9,114,708
All other funds	2,526	17,862,795	10,945,947	11,470,756	3,674,763	22,860
Total	\$ 51,299,364	\$ 72,785,822	\$ 78,636,082	\$ 65,440,340	\$ 79,251,552	\$ 95,312,283

\*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

Annual Comprehensive Financial Report, FY 2017-2022

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

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Revenues						
Property taxes	\$ 16,278,379	\$ 16,041,276	\$ 16,169,960	\$ 16,162,780	\$ 17,540,542	\$ 13,635,099
Sales tax	8,252,713	7,980,164	7,010,330	7,335,166	8,981,002	9,413,125
Home rule sales tax	3,637,260	3,717,518	2,703,178	3,061,003	4,312,594	5,156,619
Local use tax	1,340,692	1,502,961	1,724,193	2,222,935	2,068,952	2,128,943
State income tax	4,714,638	5,005,989	5,567,999	5,714,698	7,025,189	8,625,693
Licenses and permits	1,630,591	2,006,956	1,939,751	1,681,770	3,921,042	2,443,280
Charges for services	8,589,632	8,709,155	8,960,277	8,910,577	10,961,498	11,047,783
Fines and forfeits	1,279,212	1,363,279	1,343,809	1,110,520	1,206,299	1,356,320
Investment income (loss)	188,873	449,925	701,272	183,464	(87,647)	(19,217)
Hotel tax	1,274,499	1,242,791	1,359,133	490,502	986,815	1,438,091
Real estate transfer tax	1,087,913	1,381,303	1,937,262	1,042,874	1,109,114	1,091,137
Telecommunications tax	1,808,685	1,559,160	1,351,147	1,135,971	960,318	978,281
All other	8,829,465	9,728,034	10,873,059	10,938,303	15,528,920	19,475,415
Total revenues	<u>\$ 58,912,552</u>	<u>\$ 60,688,511</u>	<u>\$ 61,641,370</u>	<u>\$ 59,990,563</u>	<u>\$ 74,514,638</u>	<u>\$ 76,770,569</u>

Source

Village Finance Department

**Village of Hoffman Estates, Illinois**  
**Direct and Overlapping General Obligation Debt**  
**As of December 31, 2022**

	<b>Outstanding Bonds</b>	<b>Applicable to Village Percentage</b>	<b>Amount</b>
Direct Debt			
General obligation bonds outstanding	\$ 68,654,590	100.0%	<u>\$ 68,654,590</u>
Overlapping Debt			
Dundee Township Park District	2,114,645	0.084%	1,776
Hoffman Estates Park District	7,340,000	94.054%	6,903,564
Palatine Park District	2,760,000	2.509%	69,248
Schools			
District No. 15	35,080,000	8.464%	2,969,171
District No. 220	119,875,000	7.782%	9,328,673
District No. 300	228,915,000	4.818%	11,029,125
District No. U-46	141,200,910	2.853%	4,028,462
Junior College District No. 512	230,765,000	6.034%	13,924,360
Junior College District No. 509	133,850,000	3.014%	4,034,239
Metropolitan Water Reclamation District	2,637,381,349	0.949%	25,028,749
Cook County including Forest Preserve District	2,349,066,750	0.934%	21,940,283
Kane County Forest Preserve District	92,320,000	0.011%	10,155
Poplar Creek Library District	10,645,000	6.817%	<u>725,670</u>
Total overlapping debt			<u>99,993,475</u>
Total direct and overlapping general obligation bonded debt			<u><u>\$ 168,648,065</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, 2022**

Year Ended (December 1)	Series 2015A Bonds			Series 2015B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
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>\$ 9,895,000</u>	<u>\$ 1,056,954</u>	<u>\$ 10,951,954</u>	<u>\$ 3,355,000</u>	<u>\$ 528,800</u>	<u>\$ 3,883,800</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2022**

Year Ended (December 1)	Series 2015C Bonds			Series 2016 Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
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>\$ 8,220,880</u>	<u>\$ 29,985,880</u>	<u>\$ 8,240,000</u>	<u>\$ 1,847,400</u>	<u>\$ 10,087,400</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2022**

Year Ended (December 1)	Series 2017A Bonds			Series 2017B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
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>\$ 4,750,000</u>	<u>\$ 1,211,828</u>	<u>\$ 5,961,828</u>	<u>\$ 3,085,000</u>	<u>\$ 1,587,550</u>	<u>\$ 4,672,550</u>

(Cont.)

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2022**

Year Ended (December 1)	Series 2018 Bonds			Series 2019 Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
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	15,966	758,716
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>\$ 29,040,000</u>	<u>\$ 12,480,777</u>	<u>\$ 41,520,777</u>	<u>\$ 7,950,305</u>	<u>\$ 1,154,332</u>	<u>\$ 9,104,637</u>

**Village of Hoffman Estates, Illinois**  
**Total General Obligation Bond Debt Service**  
**As of December 31, 2022**

Year Ended (December 1)	Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service
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	657,716	4,455,466
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>\$ 88,080,305</u>	<u>\$ 28,088,521</u>	<u>\$ 116,168,826</u>
	<u>\$ 88,080,305</u>	<u>\$ 28,088,521</u>	<u>\$ 116,168,826</u>

**Village of Hoffman Estates, Illinois**  
**Local Share of State Sales Tax History by Month - Cash Basis**  
**December 31, 2022**

<b>Cash Received</b>	<b>Liability Month</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2020 v. 2021</b>	<b>2021 v. 2022</b>
January	October	\$ 651,611	\$ 661,036	\$ 649,509	\$ 656,640	\$ 664,123	\$ 734,819	1%	11%
February	November	733,723	661,890	624,801	669,165	607,027	833,416	(9)%	-
March	December	797,913	818,723	776,804	777,941	789,912	945,498	2%	20%
April	January	627,003	606,091	543,459	561,888	626,254	682,782	11%	9%
May	February	913,135	569,254	538,209	553,176	561,997	620,453	2%	10%
June	March	681,271	689,379	653,022	557,618	837,274	779,139	1	(7.0)%
July	April	632,481	642,936	663,619	441,481	748,673	804,930	1	8%
August	May	671,704	671,102	594,333	524,511	796,961	782,619	1	(2.0)%
September	June	683,359	778,406	751,297	667,393	883,925	837,154	-	(5.0)%
October	July	632,394	614,132	608,693	682,139	768,957	758,168	13%	(1.0)%
November	August	655,097	692,350	607,071	636,043	773,861	775,114	22%	-
December	September	649,630	642,349	583,363	672,250	779,397	788,236	16%	1%
Year totals		<u>\$ 8,329,321</u>	<u>\$ 8,047,648</u>	<u>\$ 7,594,180</u>	<u>\$ 7,400,245</u>	<u>\$ 8,838,361</u>	<u>\$ 9,342,328</u>	<u>19%</u>	<u>6%</u>

Source

Village Finance Department

**Village of Hoffman Estates, Illinois**  
**Home Rule Sales Tax History by Month - Cash Basis**  
**December 31, 2022**

<b>Cash Received</b>	<b>Liability Month</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2020 v. 2021</b>	<b>2021 v. 2022</b>
January	October	\$ 294,622	\$ 315,451	\$ 297,562	\$ 304,537	\$ 277,151	\$ 353,582	(9)%	28%
February	November	293,827	318,585	275,771	291,273	256,511	432,182	(12)%	68%
March	December	362,163	416,923	373,684	343,198	356,411	520,276	4%	46%
April	January	256,181	288,863	259,337	273,057	284,179	367,587	4%	29%
May	February	261,040	276,142	243,487	238,252	258,679	318,176	9%	23%
June	March	336,913	314,742	269,698	263,959	394,547	450,393	49%	14%
July	April	270,068	301,729	253,055	155,042	326,437	409,881	111%	26%
August	May	298,333	312,103	183,888	176,310	387,862	417,970	120%	8%
September	June	314,356	339,286	400,241	258,952	460,886	484,837	78%	5%
October	July	289,669	264,129	256,408	262,625	384,497	407,524	46%	6%
November	August	315,203	332,155	247,821	271,299	395,341	455,976	46%	15%
December	September	313,498	316,982	255,094	295,070	432,436	435,493	47%	1%
Year totals		<u>\$ 3,605,873</u>	<u>\$ 3,797,090</u>	<u>\$ 3,316,046</u>	<u>\$ 3,133,574</u>	<u>\$ 4,214,937</u>	<u>\$ 5,053,877</u>	<u>35%</u>	<u>20%</u>

Source

Village Finance Department