

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED
DECEMBER 31, 2025**



**VILLAGE OF HOFFMAN ESTATES,
ILLINOIS**

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2025

Prepared by Finance Department

Rachel Musiala
Director of Finance

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INTRODUCTORY SECTION

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2025

LEGISLATIVE

Village Board of Trustees

William D. McLeod, President

Gary G. Stanton

Karen V. Mills

Patrick Kinnane

Anna Newell

Karen J. Arnet

Gary J. Pilafas

Patty Richter, Village Clerk

ADMINISTRATIVE

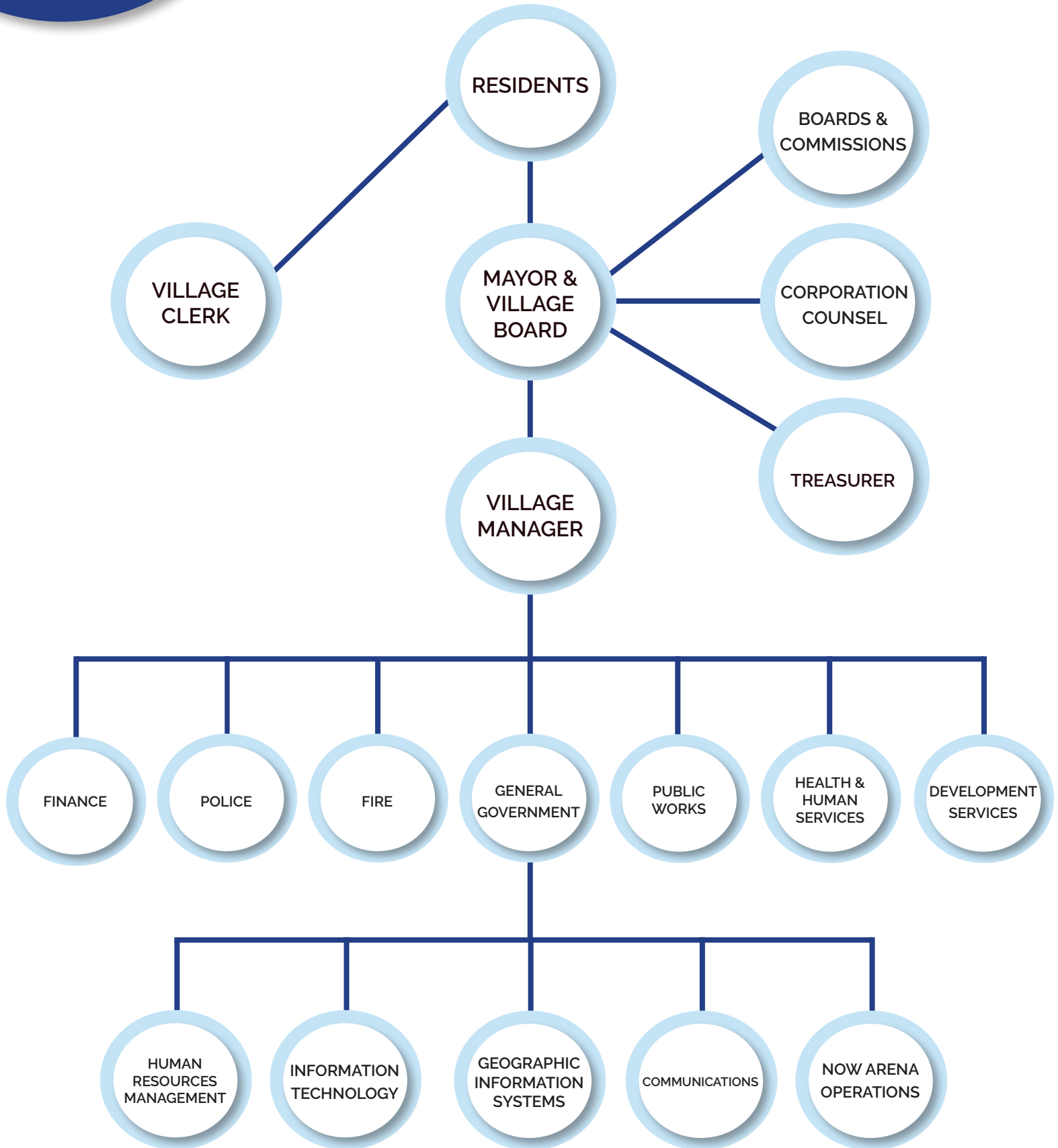
Eric Palm, Village Manager

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

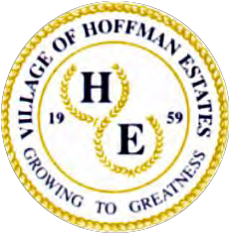
Presented to

**Village of Hoffman Estates
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Executive Director/CEO



HOFFMAN ESTATES

June 15, 2026

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, 2025.

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

State statutes require an annual audit by independent certified public accountants. The accounting firm of Sikich 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, 2025, 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 Cook County, 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 2025 as observed in retail, residential, data center, office, and industrial growth within the Village.

Data Center/Light Industrial/Office:

Economic development efforts continued to build momentum within several sectors in 2025. Most impactful was the data center industry. Work continued on the former Sears/Transform campus where Compass Datacenters finished grading work and started the first two of five data center buildings. Expected to take around 6 years for complete buildout, significant building permit fees came in late 2025. Additionally, Microsoft continued their development by finishing the first building, starting construction on the second building, and planning for a third building on their campus. The ComEd substation development continued as well.

Retail/Restaurants:

Many retail and restaurant locations in the Village have held ribbon cuttings over the past year: a second Belle Tire location, Taco Lamas and Pancake Café opening, and a ribbon cutting to celebrate the new Advocate Medical clinician building near I-90 and Rt. 59. The Chicago Marriott Northwest completed a full renovation and added a Starbucks.

Village TIF Districts:

Lakewood Center TIF District:

Another impactful project in 2025 continues to be the redevelopment at Bell Works Chicagoland on the 150-acre former AT&T campus. It now features office and co-working space, a conference center, a fitness center, and a restaurant. 2025 saw two new entertainment tenants open, Game Night Out and Swing Loose, as well as several smaller retail popups. Demolition of the west side interior began to make room for new office tenants. The developer also received amended approval for a townhome development which began work in 2025 and continued with their plans to add multi-family apartments in 2026.

Higgins Hassell TIF District:

Synergy Construction received approval in 2025 for a transformative project at Barrington Square Shopping Center that will add 335 residential units to the Village. This project is a great example of modernizing aging retail centers into vibrant mixed-use districts by utilizing future TIF increment to incentivize the project. Additionally, the Playroom Café opened in early 2025 in 9,000 square feet of existing space for family entertainment.

Higgins-Old Sutton TIF District:

This TIF was created in January 2020 but has not had any development activity as of yet. The property was sold in early 2025 prompting renewed excitement that development could occur in the near future. The property was purchased by a developer who is pursuing the opportunity of a data center on all 185 acres north of Higgins Road.

Stonington and Pembroke TIF District:

This TIF was created in 2022 but has not had any major development activity as of yet. The Village utilized TIF dollars to purchase vacant land adjacent to the existing public works facility. The TIF also assisted two small businesses through a small business assistance program.

Residential:

Housing development is booming here in Hoffman Estates. Pulte Homes started development of a townhome project on the former CDK Global office site next to Village Hall. This developer has also started the Bell Works residential project, 161 townhomes that began in 2025 on the Bell Works property, just east of the main commercial building. Construction will continue through 2026. The Grand Reserve of Hoffman Estates, a 341-unit apartment project, received approval and TIF assistance in the Barrington Square Town Center development with an expected start in May 2026. Additionally, land just west of the NOW Arena began the entitlement process for approval for nearly 300 apartments and is expected to begin work in 2026. Finally, in 2025, DR Horton began the entitlement process for 76 townhomes on a long-vacant car dealer site at Higgins and Roselle Roads.

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 extensive update started in 2025 and will continue into 2026. 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, 2025, General Fund unassigned fund balance is 30.60% 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)

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 Village will be undertaking a revamp of the major strategic planning priorities in the coming year. 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

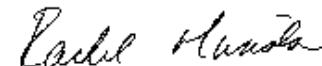
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Hoffman Estates for its annual comprehensive financial report for the fiscal year ended December 31, 2024. This was the forty-second 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 2026 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 eighteenth year the Village has received this award.

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

Respectfully submitted,



Rachel Musiala
Director of Finance

FINANCIAL SECTION

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sikich.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 (the Village), as of and for the year ended December 31, 2025, 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, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 these 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.

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 12 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Hoffman Estates, Illinois' basic financial statements for the year ended December 31, 2024, which are not presented with the accompanying financial statements. In our report dated June 26, 2025, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hoffman Estates, Illinois' basic financial statements as a whole. The 2024 comparative information included on certain combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records

used to prepare the basic 2024 financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information included on certain combining and individual fund statements and schedules are fairly stated in all material respects in relation to the financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, supplemental data, statistical sections, and continuing disclosure - annual financial information 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 June 15, 2026 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
June 15, 2026

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois (the Village), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 15, 2026.

Report On Internal Control over Financial Reporting

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

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

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

Report On Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
June 15, 2026

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025**

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, 2025. 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 7).

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 7 through 10 of this report.

Fund Financial Statements

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

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

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

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

The Village maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other 30 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 11 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 it 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 technology. 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 and the NOW Arena Operating Fund, which are both considered to be major funds 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.

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 24 through 79 of this report.

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 80 through 93 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 94 through 162 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, 2025.

Net Position

The table below reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 120,608.1	\$ 124,136.5	\$ 32,009.0	\$ 34,928.6	\$ 152,617.1	\$ 159,065.1
Capital Assets	162,319.0	150,371.8	94,137.4	90,302.4	256,456.4	240,674.2
<i>Total Assets</i>	282,927.1	274,508.3	126,146.4	125,231.0	409,073.5	399,739.3
Deferred Outflows of Resources	20,085.9	26,403.8	2,379.5	2,811.1	22,465.4	29,214.9
Total Assets and Deferred Outflows	303,013.0	300,912.1	128,525.9	128,042.1	431,538.9	428,954.2
Long-Term Liabilities	204,629.5	224,462.9	46,864.8	50,734.0	251,494.3	275,196.9
Other Liabilities	25,818.7	16,253.8	7,853.9	8,512.1	33,672.6	24,765.9
<i>Total Liabilities</i>	230,448.2	240,716.7	54,718.7	59,246.1	285,166.9	299,962.8
Deferred Inflows of Resources	65,548.0	48,634.1	1,062.1	1,161.5	66,610.1	49,795.6
Total Liabilities and Deferred Inflows	295,996.2	289,350.8	55,780.8	60,407.6	351,777.0	349,758.4
Net Position:						
Net Investment in Capital Assets	117,894.3	113,447.5	50,882.6	44,371.5	168,776.9	157,819.0
Restricted	8,496.6	8,050.6	-	-	8,496.6	8,050.6
Unrestricted	(119,374.1)	(109,936.8)	21,862.5	23,263.0	(97,511.6)	(86,673.8)
Total Net Position	\$ 7,016.8	\$ 11,561.3	\$ 72,745.1	\$ 67,634.5	\$ 79,761.9	\$ 79,195.8

The Village's combined Net Position increased \$566,065, from \$79,195,820 to \$79,761,885, during the fiscal year. Net Position decreased for governmental activities by \$4,544,482 due to the spending of bond proceeds used for the construction of Fire Station #21. The increase in Net Position of the business-type activities of \$5,110,547 is due to a reduction in long term liabilities related to the Village's scheduled debt service payments. See note 5 for more information on the Village's long-term debt for both governmental and business-type activities.

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

The Village's combined unrestricted deficit net position decreased by \$10,837,798 from (\$86,673,825) to (\$97,511,623) during this fiscal year. The decrease is primarily related to the \$6,749,474 total decrease in deferred outflows of resources related to decreases in pension benefit outflows. See note 13 for more information on the Village's pension plans.

The second portion of the Village's net position represents resources that are subject to external restrictions on how they may be used (i.e. capital projects, public safety, and economic development). Restricted net position totaled \$8,496,559 as of December 31, 2025. The increase from 2024 of \$445,913 primarily relates to an increase in the Roselle Road TIF & Stonington-Pembroke TIF fund balance, due to receipt of incremental property taxes that will be held for future TIF expenditures.

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, totaling \$168,776,950. 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, 2025 and 2024
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Capital Assets	\$ 162,319.0	\$ 150,371.8	\$ 94,137.4	\$ 90,302.4	\$ 256,456.4	\$ 240,674.2
Less Outstanding Related Debt:						
2015A G.O. Bonds	-	-	(2,620.0)	(5,135.0)	(2,620.0)	(5,135.0)
2015B G.O. Bonds	(395.0)	(545.0)	(1,530.0)	(1,875.0)	(1,925.0)	(2,420.0)
2015C G.O. Bonds	-	-	(21,765.0)	(21,765.0)	(21,765.0)	(21,765.0)
2016 G.O. Bonds	(7,090.0)	(8,240.0)	-	-	(7,090.0)	(8,240.0)
2017A G.O. Bonds	(210.0)	(260.0)	(3,465.0)	(3,790.0)	(3,675.0)	(4,050.0)
2017B G.O. Bonds	(2,205.0)	(2,240.0)	(770.0)	(775.0)	(2,975.0)	(3,015.0)
2018 G.O. Bonds	(18,845.0)	(19,770.0)	(5,600.0)	(5,600.0)	(24,445.0)	(25,370.0)
2019 G.O. Bonds	(1,103.8)	(1,213.9)	(5,045.0)	(5,548.2)	(6,148.8)	(6,762.1)
2024 G.O. Bonds	(8,855.0)	(8,855.0)	-	-	(8,855.0)	(8,855.0)
IEPA Loan	-	-	(2,084.2)	(2,186.7)	(2,084.2)	(2,186.7)
Equipment Loan	(588.6)	(877.6)	-	-	(588.6)	(877.6)
Less Accounts Payable						
related to capital assets	(3,433.1)	(768.3)	(412.4)	(89.1)	(3,845.5)	(857.4)
related to SBITA liability	(1,701.9)	(896.9)	(13.7)	(155.3)	(1,715.6)	(1,052.2)
Less Outstanding Premiums	(2,265.0)	(2,485.0)	(535.6)	(589.7)	(2,800.6)	(3,074.7)
Plus Outstanding Discounts	-	-	92.7	118.0	92.7	118.0
Plus Loss on Refunding	443.3	518.7	493.4	594.9	936.7	1,113.6
Plus Unspent Bond Proceeds	1,824.5	8,708.7	-	865.2	1,824.5	9,573.9
Total	\$ 117,894.4	\$ 113,447.5	\$ 50,882.6	\$ 44,371.5	\$ 168,777.0	\$ 157,819.0

For more detailed information, see the Statement of Net Position on page 7 and 8.

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, 2025 and 2024
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	\$ 22,080.2	\$ 22,971.4	\$ 40,347.9	\$ 34,946.6	\$ 62,428.1	\$ 57,918.0
Operating Grants	3,115.5	3,659.4	-	-	3,115.5	3,659.4
Capital Grants/Contributions	1,347.4	327.0	1,542.4	494.2	2,889.8	821.2
General Revenues:						
Property Taxes	28,084.5	28,841.7	-	-	28,084.5	28,841.7
Other Taxes	37,099.3	34,752.3	2,936.3	2,675.7	40,035.6	37,428.0
Other	4,405.7	4,595.1	2,662.8	2,984.5	7,068.5	7,579.6
Total Revenues	96,132.6	95,146.9	47,489.4	41,101.0	143,622.0	136,247.9
EXPENSES						
General Government	9,375.0	10,397.1	-	-	9,375.0	10,397.1
Public Safety	52,786.5	52,683.4	-	-	52,786.5	52,683.4
Highways and Streets	24,413.8	18,660.6	-	-	24,413.8	18,660.6
Sanitation	3,504.5	3,298.2	-	-	3,504.5	3,298.2
Health and Welfare	3,131.3	562.6	-	-	3,131.3	562.6
Culture and Recreation	1,196.0	1,002.9	-	-	1,196.0	1,002.9
Economic Development	3,137.0	12,898.3	-	-	3,137.0	12,898.3
Water and Sewer	-	-	22,437.9	20,083.9	22,437.9	20,083.9
NOW Arena	-	-	19,184.7	16,243.4	19,184.7	16,243.4
Interest on Long-Term Debt	3,889.2	2,627.8	-	-	3,889.2	2,627.8
Total Expenses	101,433.3	102,130.9	41,622.6	36,327.3	143,055.9	138,458.2
Excess (Deficiency) Before Transfers	(5,300.7)	(6,984.0)	5,866.8	4,773.7	566.1	(2,210.3)
Transfers In (Out)	756.2	(185.1)	(756.2)	185.1	-	-
Change in Net Position	\$ (4,544.5)	\$ (7,169.1)	\$ 5,110.6	\$ 4,958.8	\$ 566.1	\$ (2,210.3)
Net Position, January 1	\$ 11,561.3	\$ 18,730.4	\$ 67,634.5	\$ 62,675.7	\$ 79,195.8	\$ 81,406.1
Net Position, December 31	\$ 7,016.8	\$ 11,561.3	\$ 72,745.1	\$ 67,634.5	\$ 79,761.9	\$ 79,195.8

For the fiscal year ended December 31, 2025, revenues from governmental activities totaled \$96,132,629. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to \$28,084,510. 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 real estate transfer taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is currently at 9.00%, the equivalent of a 1.00% tax is remitted to Hoffman Estates, in addition to another 1.00% for the Village's home-rule sales tax portion.

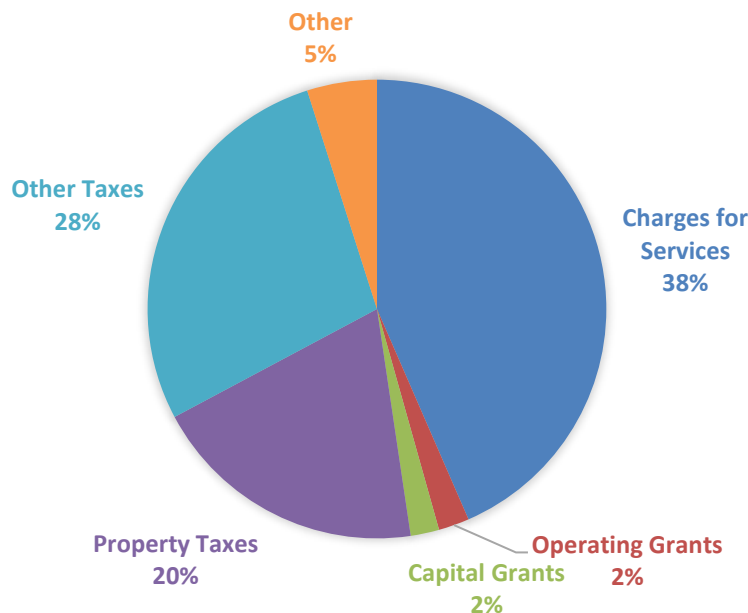
VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

In 2025, total sales tax revenues, including both state-shared and home-rule, were \$17,583,097 compared to \$14,922,123 in 2024, an increase of \$2,660,974, or 17.8%. However, due to a change in allocation methodology from the State of Illinois, a portion of this increase is related to a shift from Local Use Taxes. Beginning January 1, 2025, the state mandated that all retail sales originating from outside of Illinois and made to Illinois customers by retailers with physical presences within Illinois are now subject to destination-based sales taxes rather than Local Use Tax. Local Use Tax, which is allocated to local governments based on population, saw a dramatic decrease, but this was offset by the increase to the state-shared sales taxes referenced above. For all three revenue sources combined, 2025 saw an increase of \$1,429,145, or 8.5% due to an increase in sales across all industries.

For the fiscal year ended December 31, 2025, expenses from governmental activities decreased by \$697,556 from 2024. The decrease is related to decreases in TIF economic development expenses offset by additional capital expenditures for road improvements.

In 2025, the change in governmental activities net position of (\$4,544,482) relates to changes to the Village's deferred inflows, which increased by \$16,913,945 in 2025 (\$65,548,021) from 2024 (\$48,634,076). This is primarily due to changes in the Village's pension deferred inflows, offset by reduction in the Village's long-term liabilities. See note 13 for more information on the Village's pension deferred inflows.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2025

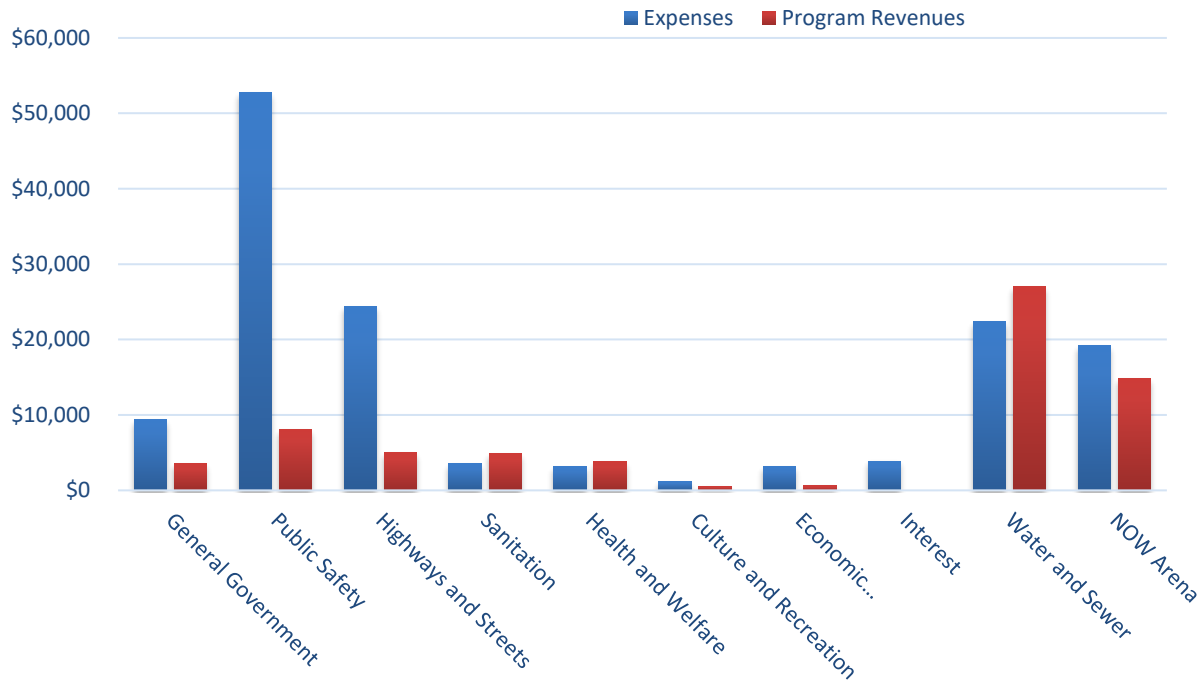


Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2024 and 2025, the Village's income and local use tax revenues decreased 7.0% from \$10,909,684 to \$10,148,441. Overall, these revenues came in slightly below target for 2025 with a budgeted amount of \$10,471,850.

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

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.

Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2025
(Dollars in Thousands)

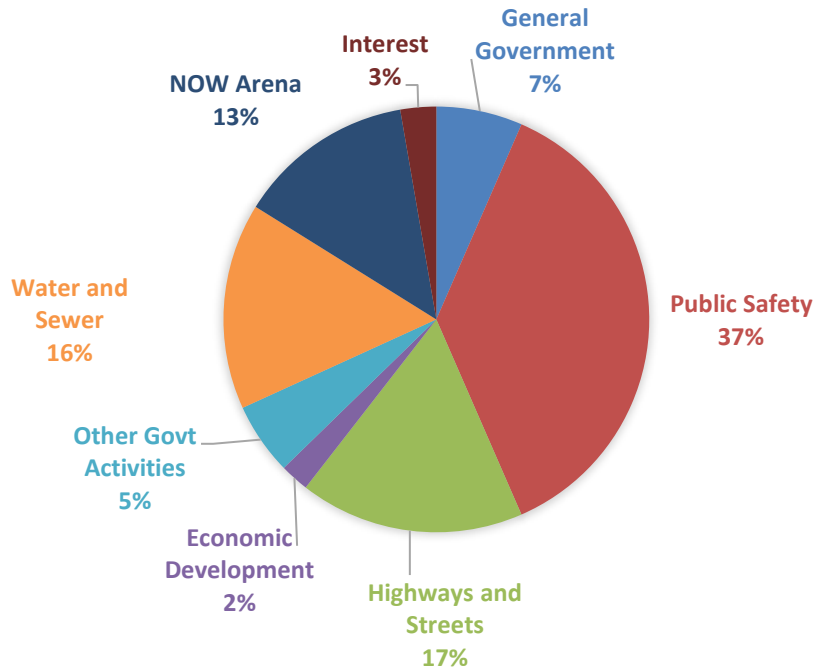


Village expenses amounted to \$143,055,945 in 2025. The largest share is related to Public Safety in the amount of \$52,786,527.

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 2025. 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 operating expenses increase from \$16,243,384 in 2024 to \$19,184,693 in 2025. These expenses were offset by NOW Arena charges for services revenue increasing from \$11,974,014 in 2024 to \$14,825,994 in 2025. Both of these increases were related to an increase in events at the arena.

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2025



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, 2025, the governmental funds reported combined ending fund balances of \$55,759,131. 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 \$26,421,923 while total fund balance equaled \$35,051,906. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.60% of budgeted General Fund expenditures and transfers out, while total fund balance represents 40.60% 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, 2025
(in thousands)

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual</i>	
			<i>2025</i>	<i>2024</i>
<i>REVENUES & OTHER FINANCING SOURCES</i>				
Taxes	\$35,098.8	\$35,788.3	\$35,262.0	\$34,225.1
Inter-Governmental	21,765.3	21,765.3	22,805.7	22,460.4
Other	23,520.9	23,520.9	24,050.9	24,700.0
Transfers In	-	-	91.6	-
Total Revenues	80,385.0	81,074.5	82,210.2	81,385.5
<i>EXPENDITURES AND TRANSFERS</i>				
Expenditures	(77,262.2)	(77,951.2)	(76,263.0)	(70,999.4)
Transfers Out	(8,387.6)	(8,388.1)	(8,638.2)	(10,612.0)
Total Expenditures and Transfers	(85,649.8)	(86,339.3)	(84,901.2)	(81,611.4)
Change in Fund Balance	(\$5,264.8)	(\$5,264.8)	(\$2,691.0)	(\$225.9)

Originally, the Village was planning to use approximately \$5.3 million of fund balance to fund one-time capital projects. However, revenues came in higher than expected across several areas of the Village's revenue structure. As a result, the fund balance of the Village's General Fund only decreased by \$2,690,984 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 and other financing sources in were more than originally budgeted by \$1,825,245 during fiscal year 2025. These higher revenue levels can be attributed to sales tax and interest income performing better than anticipated. See page MD&A-6 for more information on sales tax revenues. Additionally, unbudgeted miscellaneous income consisting of the IPBC terminal reserve revenue, TIF Reimbursements, and a one-time legal settlement resulted in higher than anticipated revenue in that area. General Fund expenditures and transfers ended up being less than the amended budget by \$1,438,081 in 2025.

With respect to the business-type activities in 2025, the Waterworks and Sewerage Fund recorded an increase in net position in the amount of \$4,636,839. This increase in net position is due to increases in capital assets. See note 4 for more information on the Village's capital assets. Net investment in capital assets and unrestricted net position of the Waterworks and Sewerage Fund at the end of the year amounted to \$20,274,239 and \$17,335,831, 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, 2025, this fund had an unrestricted net position in the amount of \$4,526,630.

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

The Village Board amended the fiscal year 2025 budget once during the year. The budget amendment was primarily for the following purposes:

- Increase in Outside Legal Fees (\$603,000) in the General Fund due to settlement agreements.
- Increase in Other Capital Expenditures (\$612,000) in the Higgins-Hassell TIF Fund due to an increase in the TIF note issued.
- Increase in Retirement Pensions (\$145,000) in the Police Pension Fund and (\$107,000) in the Fire Pension Fund for increased retirement pensions from new retirements.
- Increase in the Water and Sewer Fund (\$530,000) for JAWA Expenses. The increase is due to an increase in the water supply cost.

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, 2025 amounted to \$256,456,319 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, intangible right-to use assets and storm sewers. The total investment in capital assets for the current fiscal year increased by 6.56% from 2024.

Major capital asset events during 2025 included the following:

- The Village reconstructed nine (5) streets and resurfaced 25 streets in 2025, resulting in the addition of \$1,300,068 in new streets.
- The Village purchased and took delivery of 25 new vehicles totaling \$2,524,323: ten for Public Works, eleven for the Police Department, and four for the Fire Department.
- The Village had various sanitary sewer improvements totaling \$6,231,619 including water main improvements, a lift station and sanitary sewer improvements throughout the Village.
- The Village completed various building improvements totaling \$1,406,594 including a roof replacement, chiller, cooler and boiler replacements and electronic gateway signs.
- The Village performed various storm sewer improvements of \$1,074,653 throughout the Village.

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, 2025.

Table 5
Capital Assets
As of December 31, 2025 and 2024
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Land and Land Right of Way	\$ 52,671.1	\$ 52,286.1	\$ 6,499.0	\$ 6,499.0	\$ 59,170.1	\$ 58,785.1
Plant System and Equipment	-	-	74,450.3	68,218.7	74,450.3	68,218.7
Buildings and Improvements	51,524.1	50,537.1	80,105.7	79,924.0	131,629.8	130,461.1
Machinery, Vehicles and Equipment	24,959.0	22,380.3	9,113.3	8,829.8	34,072.3	31,210.1
Infrastructure	148,534.8	145,502.4	-	-	148,534.8	145,502.4
Intangible Right-to-Use Assets	2,627.8	1,616.8	401.3	401.3	3,029.1	2,018.1
Construction in Progress	14,543.0	4,263.9	2,781.8	1,573.7	17,324.8	5,837.6
Less:						
Accumulated Depreciation	(132,540.8)	(126,214.8)	(79,214.0)	(75,144.1)	(211,754.8)	(201,358.9)
Total	\$ 162,319.0	\$ 150,371.8	\$ 94,137.4	\$ 90,302.4	\$ 256,456.4	\$ 240,674.2

Additional information on the Village's capital assets can be found in note 4 on pages 37 through 39 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, 2025 and 2024
(in thousands)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
General Obligation Bonds	\$ 38,703.7	\$ 41,123.9	\$ 40,795.0	\$ 44,488.2	\$ 79,498.7	\$ 85,612.1
IEPA Loans Payable	-	-	2,084.1	2,186.7	2,084.1	2,186.7
Unamortized Prem/(Discount)	2,265.0	2,485.0	442.9	471.7	2,707.9	2,956.7
TIF Revenue Notes	41,008.7	40,746.0	-	-	41,008.7	40,746.0
Equipment Financing Loan	588.6	877.6	-	-	588.6	877.6
SBITA Liability	1,701.9	896.9	13.7	155.3	1,715.6	1,052.2
Compensated Absences	3,332.9	3,063.7	313.6	321.7	3,646.5	3,385.4
Total OPEB Liability	8,713.3	7,779.3	815.3	736.5	9,528.6	8,515.8
Net Pension Liability - IMRF	6,525.5	6,441.7	2,060.7	2,034.2	8,586.2	8,475.9
Net Pension Liability - Police	63,974.0	72,615.4	-	-	63,974.0	72,615.4
Net Pension Liability - Fire	37,815.9	48,433.6	-	-	37,815.9	48,433.6
Asset Retirement Obligation	-	-	339.5	339.5	339.5	339.5
Total	\$ 204,629.5	\$ 224,463.1	\$ 46,864.8	\$ 50,733.8	\$ 251,494.3	\$ 275,196.9

At the end of the current fiscal year, the Village had total debt outstanding of \$251,494,346. Of this amount, \$79,498,755 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 2024 figures, the Village's total long-term debt decreased by \$23,702,539, or 8.61%, in 2025.

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

The Village has two Illinois Environmental Protection Agency (IEPA) loans for projects that relate to a water tower and the rehabilitation of a lift station. Engineering for these projects started in 2019 and construction was completed in 2022. The amount of loan payable is \$2,084,154 as of December 31, 2025.

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 as part of the most recent bond issue. Standard & Poor's rating reflected the Village's ability to maintain budgetary balance based on management's conservative budget forecasting and diligent reserve management. The rating also reflects the Village's strong economic base and sound financial management.

Additional information on the Village's long-term debt can be found in note 5 on pages 39 through 47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. The levies for the police and fire pension plans, which are actuarially determined, increased slightly in tax levy year 2025 (fiscal year 2026). 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 2026 fiscal year. With its healthy fund reserves, the Village is planning on utilizing \$5,253,210 of General Fund fund balance in the 2026 fiscal year budget for capital projects.

A water, sanitary sewer and storm sewer rate study was completed & presented to the Village Board in 2024. The results of the study included recommended routine rate increases to the Village's water & sewer rates and stormwater rates to adequately fund operations of the Water & Sewer Fund and Stormwater Fund. In FY2025, the Village implemented a six percent (6.0%) increase to water and sewer rates. A new water and sewer rate study will occur in 2029.

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, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Investments	\$ 59,834,016	\$ 24,596,678	\$ 84,430,694
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	39,366,060	-	39,366,060
Accounts	570,859	4,350,836	4,921,695
Accrued Interest	609,529	146,287	755,816
Lease	7,153,953	306,232	7,460,185
Other	5,120,284	1,986,185	7,106,469
Deposits	30,000	-	30,000
Prepaid Expenses	1,539,000	319,435	1,858,435
Inventories	157,687	303,401	461,088
Assets Held by Agent	49,256	-	49,256
Due from Other Governments	6,177,492	-	6,177,492
Tangible and Intangible Capital Assets			
Not Depreciated	67,214,138	9,280,775	76,494,913
Depreciated and Amortized (Net of Accumulated Depreciation and Amortization)	95,104,825	84,856,581	179,961,406
Total Assets	282,927,099	126,146,410	409,073,509
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	4,137,357	1,306,535	5,443,892
Pension Items - Firefighters' Pension	7,873,509	-	7,873,509
Pension Items - Police Pension	4,631,803	-	4,631,803
OPEB Items	2,999,987	280,699	3,280,686
Asset Retirement Obligation	-	298,760	298,760
Unamortized Loss on Refunding	443,281	493,449	936,730
Total Deferred Outflows of Resources	20,085,937	2,379,443	22,465,380
Total Assets and Deferred Outflows of Resources	303,013,036	128,525,853	431,538,889

(This statement continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Accounts Payable	\$ 7,254,388	\$ 2,249,754	\$ 9,504,142
Arbitrage Payable	58,941	-	58,941
Accrued Payroll	1,196,747	103,598	1,300,345
Accrued Interest Payable	5,501,117	141,214	5,642,331
Claims Payable	1,015,994	-	1,015,994
Benefits Payable	285,811	-	285,811
Unearned Revenues	465,604	5,344,889	5,810,493
Due to FSA Participants	24,256	-	24,256
Due to Fiduciary Funds	4,998,267	-	4,998,267
Deposits Payable	5,017,523	14,418	5,031,941
Long-Term Liabilities			
Due Within One Year	6,263,584	4,326,129	10,589,713
Due in More than One Year	198,365,953	42,538,680	240,904,633
 Total Liabilities	 230,448,185	 54,718,682	 285,166,867
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	14,249	4,500	18,749
Pension Items - Firefighters' Pension	10,524,117	-	10,524,117
Pension Items - Police Pension	8,312,984	-	8,312,984
OPEB Items	8,285,674	775,262	9,060,936
Leases	6,402,602	282,354	6,684,956
Property Taxes	32,008,395	-	32,008,395
 Total Deferred Inflows of Resources	 65,548,021	 1,062,116	 66,610,137
 Total Liabilities and Deferred Inflows of Resources	 295,996,206	 55,780,798	 351,777,004
NET POSITION			
Net Investment in Capital Assets	117,894,355	50,882,594	168,776,949
Restricted for			
Employee Loan Program	32,044	-	32,044
Highways and Streets	479,171	-	479,171
Debt Service	66,479	-	66,479
Public Safety	855,244	-	855,244
Economic Development	7,063,621	-	7,063,621
Unrestricted (Deficit)	(119,374,084)	21,862,461	(97,511,623)
 TOTAL NET POSITION	 \$ 7,016,830	 \$ 72,745,055	 \$ 79,761,885

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 9,374,944	\$ 3,562,544	\$ -	\$ -
Public Safety	52,786,527	6,957,352	470,398	686,352
Highways and Streets	24,413,800	1,918,328	2,398,161	661,101
Sanitation	3,504,468	4,890,831	-	-
Health and Welfare	3,131,326	3,834,326	-	-
Culture and Recreation	1,195,981	564,074	-	-
Economic Development	3,137,030	352,704	246,973	-
Interest	3,889,245	-	-	-
Total Governmental Activities	101,433,321	22,080,159	3,115,532	1,347,453
Business-Type Activities				
Waterworks and Sewerage	22,437,931	25,521,920	-	1,495,160
NOW Arena Operating	19,184,693	14,825,994	-	47,194
Total Business-Type Activities	41,622,624	40,347,914	-	1,542,354
TOTAL PRIMARY GOVERNMENT	\$ 143,055,945	\$ 62,428,073	\$ 3,115,532	\$ 2,889,807

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (5,812,400)	\$ -	\$ (5,812,400)
	(44,672,425)	-	(44,672,425)
	(19,436,210)	-	(19,436,210)
	1,386,363	-	1,386,363
	703,000	-	703,000
	(631,907)	-	(631,907)
	(2,537,353)	-	(2,537,353)
	(3,889,245)	-	(3,889,245)
	(74,890,177)	-	(74,890,177)
	-	4,579,149	4,579,149
	-	(4,311,505)	(4,311,505)
	-	267,644	267,644
	(74,890,177)	267,644	(74,622,533)
General Revenues			
Taxes			
Property	28,084,510	-	28,084,510
Home Rule Sales (Nonsales)	6,359,070	-	6,359,070
Real Estate Transfer	1,195,368	-	1,195,368
Hotel/Motel	1,673,661	-	1,673,661
Telecommunications	816,198	-	816,198
Food and Beverage	550,580	2,308,195	2,858,775
Entertainment	362,685	628,117	990,802
Replacement	401,302	-	401,302
Other	4,367,990	788,974	5,156,964
Unrestricted Intergovernmental Revenues			
Sales Tax	11,224,027	-	11,224,027
Income and Local Use Tax	10,148,441	-	10,148,441
Investment Income	2,725,532	988,900	3,714,432
Miscellaneous	1,680,121	884,927	2,565,048
Transfers In (Out)	756,210	(756,210)	-
Total	70,345,695	4,842,903	75,188,598
CHANGE IN NET POSITION	(4,544,482)	5,110,547	566,065
NET POSITION, JANUARY 1	11,561,312	67,634,508	79,195,820
NET POSITION, DECEMBER 31	\$ 7,016,830	\$ 72,745,055	\$ 79,761,885

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 27,912,392	\$ 27,245,791	\$ 55,158,183
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	32,923,814	6,442,246	39,366,060
Accounts	407,307	163,552	570,859
Accrued Interest	584,826	2,222	587,048
Leases	7,153,953	-	7,153,953
Other	3,958,008	1,162,276	5,120,284
Prepaid Items	274,496	-	274,496
Assets Held by Agents	49,256	-	49,256
Inventory	157,687	-	157,687
Due from Other Governments	5,964,826	212,666	6,177,492
Due from Other Funds	405,712	550,000	955,712
TOTAL ASSETS	\$ 79,792,277	\$ 35,778,753	\$ 115,571,030

(This statement continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS (Continued)

December 31, 2025

	General Fund	Nonmajor Governmental Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,187,984	\$ 4,934,060	\$ 7,122,044
Arbitrage Payable	-	58,941	58,941
Accrued Payroll	1,172,357	-	1,172,357
Unearned Revenues	453,573	12,031	465,604
Due to FSA Participants	24,256	-	24,256
Due to Other Funds	-	955,712	955,712
Due to Fiduciary Funds	4,998,267	-	4,998,267
Deposits Payable	1,206,822	3,810,701	5,017,523
Total Liabilities	10,043,259	9,771,445	19,814,704
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	26,708,312	5,300,083	32,008,395
Leases	6,402,602	-	6,402,602
Unavailable State Taxes	1,586,198	-	1,586,198
Total Deferred Inflows of Resources	34,697,112	5,300,083	39,997,195
Total Liabilities and Deferred Inflows of Resources	44,740,371	15,071,528	59,811,899
FUND BALANCES			
Nonspendable			
Prepaid Items	274,496	-	274,496
Inventories	157,687	-	157,687
Restricted			
Employee Loan Program	32,044	-	32,044
Highways and Streets	-	479,171	479,171
Debt Service	-	66,479	66,479
Public Safety	316,454	538,790	855,244
Economic Development	-	7,063,621	7,063,621
Assigned			
Employee Health	2,620,822	-	2,620,822
Subsequent Budget	5,228,480	-	5,228,480
Capital Improvements	-	12,909,903	12,909,903
Unassigned (Deficit)	26,421,923	(350,739)	26,071,184
Total Fund Balances	35,051,906	20,707,225	55,759,131
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 79,792,277	\$ 35,778,753	\$ 115,571,030

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 55,759,131
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	
Capital assets	162,318,963
Less capital assets of internal service funds included above	(1,053,714)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences	(3,332,925)
Plus compensated absences of internal service funds included above	35,748
Net other postemployment benefit obligation and related termination benefits	(8,713,327)
Plus net other postemployment benefit obligation of internal service funds included above	152,432
Unamortized bond premium	(2,264,950)
Loss on refundings	443,281
General obligation bonds payable	(38,703,765)
Equipment financing loans	(588,569)
Tax increment financing notes payable	(41,008,762)
SBITA liability	(1,701,899)
Plus SBITA liabilities of internal service funds included above	250,436

Differences between expected and actual experiences and assumption changes for the other postemployment benefit plan are recognized as deferred outflows and inflows of resources on the statement of net position	(5,285,687)
Less OPEB related deferred outflows and inflows of internal service funds included above	92,468

Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(6,525,521)
Less net pension liability of internal service funds included above	343,449

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	4,123,108
Less IMRF related deferred outflows and inflows of internal service funds included above	(217,006)

Net pension liability for the Police and Firefighters' Pension Funds is shown as a liability on the statement of net position	(101,789,819)
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Police and Firefighters' Pension Funds are recognized as deferred outflows and inflows of resources on the statement of net position	(6,331,789)
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Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(5,501,117)
Less accrued interest of internal service funds included above	1,911

Certain revenues that are deferred in governmental funds are recognized as revenue on the statement of net position	1,586,198
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The net position of the internal service funds is included in the governmental activities in the statement of net position	4,928,555
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 7,016,830
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See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General Fund	Nonmajor Governmental Funds	Total
REVENUES			
Taxes	\$ 35,262,014	\$ 7,379,414	\$ 42,641,428
Licenses and Permits	4,548,592	-	4,548,592
Intergovernmental	22,805,711	4,605,492	27,411,203
Charges for Services	14,958,512	1,621,488	16,580,000
Fines and Forfeits	680,755	147,115	827,870
Investment Income	1,443,253	1,282,279	2,725,532
Miscellaneous	939,868	343,639	1,283,507
Total Revenues	80,638,705	15,379,427	96,018,132
EXPENDITURES			
Current			
General Government	9,537,326	240	9,537,566
Public Safety	47,402,709	96,781	47,499,490
Highways and Streets	7,857,441	3,317,500	11,174,941
Sanitation	3,504,468	-	3,504,468
Health and Welfare	3,431,464	-	3,431,464
Culture and Recreation	273,498	-	273,498
Economic Development	2,487,909	1,011,766	3,499,675
Capital Outlay	1,479,894	24,189,169	25,669,063
Debt Service			
Principal Retirement	273,793	3,360,567	3,634,360
Interest and Fiscal Charges	14,492	1,763,949	1,778,441
Total Expenditures	76,262,994	33,739,972	110,002,966
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,375,711	(18,360,545)	(13,984,834)
OTHER FINANCING SOURCES (USES)			
Transfers In	91,585	14,989,428	15,081,013
Transfers (Out)	(8,638,175)	(7,063,562)	(15,701,737)
Notes Issued, at Par	-	611,006	611,006
SBITAs Issued	1,479,895	-	1,479,895
Total Other Financing Sources (Uses)	(7,066,695)	8,536,872	1,470,177
NET CHANGE IN FUND BALANCES	(2,690,984)	(9,823,673)	(12,514,657)
FUND BALANCES, JANUARY 1	37,742,890	30,530,898	68,273,788
FUND BALANCES, DECEMBER 31	\$ 35,051,906	\$ 20,707,225	\$ 55,759,131

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

For the Year Ended December 31, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (12,514,657)
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	19,755,240
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(520,998)
The repayment of the principal on long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	3,634,360
Certain items are reported as interest expense on the statement of activities	
Change in accrued interest payable	(2,255,371)
Amortization of bond premiums and discounts, net	220,001
Amortization of gain or loss on refunding	(75,434)
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(7,362,240)
Certain revenues recognition is different on the full accrual basis than on the modified accrual basis	114,497
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	
TIF notes issued	(611,006)
SBITA liability issued	(1,479,895)
The increase in the total other postemployment benefit obligation is shown as an increase in expense on the statement of activities	(924,004)
The change in deferred inflows and outflows of resources for total other postemployment benefit obligation is reported only in the statement of activities	1,338,946
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(79,408)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(1,199,209)
The change in the net pension liability for the Police and Firefighters' Pension Funds is reported only in the statement of activities	19,259,151
The change in deferred inflows and outflows for the Police and Firefighters' Pension Funds is reported only in the in the statement of activities	(21,906,310)
The change in compensated absences payable is shown as an expense on the statement of activities	(270,145)
The change in net position of certain activities of internal service funds (excluding depreciation included above) is in governmental funds	332,000
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (4,544,482)</u></u>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	NOW Arena Operating	Total	Internal Service
CURRENT ASSETS				
Cash and Investments	\$ 16,275,804	\$ 8,320,874	\$ 24,596,678	\$ 4,675,833
Receivables				
Accounts	4,149,173	201,663	4,350,836	-
Leases	-	306,232	306,232	-
Accrued Interest	128,844	17,443	146,287	22,481
Other	160,474	1,825,711	1,986,185	-
Deposits	-	-	-	30,000
Prepaid Expenses	3,000	316,435	319,435	1,264,504
Inventories	303,401	-	303,401	-
Total Current Assets	21,020,696	10,988,358	32,009,054	5,992,818
TANGIBLE AND INTANGIBLE CAPITAL ASSETS				
Not Depreciated	3,167,721	6,113,054	9,280,775	82,103
Depreciated and Amortized	80,465,835	83,604,757	164,070,592	1,714,509
Accumulated Depreciation and Amortization	(44,088,112)	(35,125,899)	(79,214,011)	(742,898)
Net Capital Assets	39,545,444	54,591,912	94,137,356	1,053,714
Total Assets	60,566,140	65,580,270	126,146,410	7,046,532
DEFERRED OUTFLOWS OF RESOURCES				
Pension Items - IMRF	1,306,535	-	1,306,535	217,756
OPEB Items	280,699	-	280,699	52,482
Asset Retirement Obligation	298,760	-	298,760	-
Unamortized Loss on Refunding	170,989	322,460	493,449	-
Total Deferred Outflows of Resources	2,056,983	322,460	2,379,443	270,238
Total Assets and Deferred Outflows of Resources	62,623,123	65,902,730	128,525,853	7,316,770

(This statement continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Continued)

December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	NOW Arena Operating	Total	Internal Service
CURRENT LIABILITIES				
Accounts Payable	\$ 1,509,247	\$ 740,507	\$ 2,249,754	\$ 132,344
Accrued Payroll	103,598	-	103,598	24,390
Accrued Interest Payable	47,236	93,978	141,214	1,911
Unearned Revenue	-	5,344,889	5,344,889	-
Claims Payable	-	-	-	1,015,994
Benefits Payable	-	-	-	285,811
Deposits Payable	14,418	-	14,418	-
General Obligation Bonds Payable	1,209,055	2,730,000	3,939,055	-
IEPA Loans	104,632	-	104,632	-
SBITA Liability	-	13,693	13,693	199,974
Total OPEB Liability	44,816	-	44,816	8,379
Compensated Absences Payable	223,933	-	223,933	35,748
Total Current Liabilities	3,256,935	8,923,067	12,180,002	1,704,551
LONG-TERM LIABILITIES				
General Obligation Bonds Payable, Net of Premium	15,736,551	21,562,324	37,298,875	-
IEPA Loans	1,979,522	-	1,979,522	-
SBITA Liability	-	-	-	50,462
Asset Retirement Obligation	339,500	-	339,500	-
Compensated Absences Payable	89,633	-	89,633	-
Net Pension Liability	2,060,690	-	2,060,690	343,449
Total OPEB Liability	770,460	-	770,460	144,053
Total Long-Term Liabilities	20,976,356	21,562,324	42,538,680	537,964
Total Liabilities	24,233,291	30,485,391	54,718,682	2,242,515
DEFERRED INFLOWS OF RESOURCES				
Pension Items - IMRF	4,500	-	4,500	750
Leases	-	282,354	282,354	-
OPEB Items	775,262	-	775,262	144,950
Total Deferred Inflows of Resources	779,762	282,354	1,062,116	145,700
Total Liabilities and Deferred Inflows of Resources	25,013,053	30,767,745	55,780,798	2,388,215
NET POSITION				
Net Investment in Capital Assets	20,274,239	30,608,355	50,882,594	1,053,714
Unrestricted	17,335,831	4,526,630	21,862,461	3,874,841
TOTAL NET POSITION	\$ 37,610,070	\$ 35,134,985	\$ 72,745,055	\$ 4,928,555

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities		Governmental Activities	
	Waterworks and Sewerage	NOW Arena Operating	Total	Internal Service
OPERATING REVENUES				
Charges for Services	\$ 25,521,920	\$ 14,785,438	\$ 40,307,358	\$ 3,602,803
Total Operating Revenues	25,521,920	14,785,438	40,307,358	3,602,803
OPERATING EXPENSES				
Operations	-	-	-	2,579,925
Claims and Insurance	-	-	-	2,231,217
Water Division	17,226,501	-	17,226,501	-
Sewer Division	2,668,963	-	2,668,963	-
NOW Arena	-	15,667,593	15,667,593	-
Depreciation and Amortization	1,934,616	2,179,815	4,114,431	275,356
Total Operating Expenses	21,830,080	17,847,408	39,677,488	5,086,498
OPERATING INCOME (LOSS)	3,691,840	(3,061,970)	629,870	(1,483,695)
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	-	3,725,286	3,725,286	-
Lease Revenue	-	40,556	40,556	-
Investment Income	769,858	219,042	988,900	225,389
Interest Expense	(607,851)	(1,337,285)	(1,945,136)	(703)
Gain on Sale of Capital Assets	6,575	-	6,575	-
Miscellaneous Revenue	37,467	840,885	878,352	64,732
Total Non-Operating Revenues (Expenses)	206,049	3,488,484	3,694,533	289,418
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	3,897,889	426,514	4,324,403	(1,194,277)
TRANSFERS				
Transfers In	174,785	-	174,785	1,376,934
Transfers (Out)	(930,995)	-	(930,995)	-
Total Transfers	(756,210)	-	(756,210)	1,376,934
GRANTS AND CONTRIBUTIONS				
Intergovernmental	1,000,000	-	1,000,000	149,343
Capital Contributions	495,160	47,194	542,354	-
Total Grants and Contributions	1,495,160	47,194	1,542,354	149,343
CHANGE IN NET POSITION	4,636,839	473,708	5,110,547	332,000
NET POSITION, JANUARY 1	32,973,231	34,661,277	67,634,508	4,596,555
NET POSITION, DECEMBER 31	\$ 37,610,070	\$ 35,134,985	\$ 72,745,055	\$ 4,928,555

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	NOW Arena Operating	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 32,063,794	\$ 14,195,821	\$ 46,259,615	\$ -
Receipts from Interfund Services Transactions	-	-	-	2,346,299
Receipts from Miscellaneous Income	37,467	881,441	918,908	-
Payments to Suppliers	(23,378,906)	(16,120,996)	(39,499,902)	(3,882,656)
Payments to Employees	(4,103,864)	-	(4,103,864)	(882,913)
Net Cash from Operating Activities	4,618,491	(1,043,734)	3,574,757	(2,419,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	174,785	-	174,785	1,376,934
Transfers (Out)	(930,995)	-	(930,995)	-
Intergovernmental Income	-	-	-	149,343
Entertainment and Food and Beverage Tax	-	3,725,286	3,725,286	-
Reimbursements and Recoveries	-	-	-	64,732
Net Cash from Noncapital Financing Activities	(756,210)	3,725,286	2,969,076	1,591,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Assets Purchased	(6,784,388)	(299,276)	(7,083,664)	(225,080)
Proceeds from Disposal of Capital Assets	6,575	-	6,575	-
Intergovernmental Income	1,000,000	-	1,000,000	-
Principal Payment on Bonds	(1,280,806)	(2,515,000)	(3,795,806)	-
Interest and Fiscal Charges Paid on Bonds	(610,726)	(1,232,544)	(1,843,270)	-
Principal Payment on SBITA Liabilities	(128,099)	(13,531)	(141,630)	(223,292)
Interest Paid on SBITA Liabilities	(1,015)	(327)	(1,342)	(1,910)
Net Cash from Capital and Related Financing Activities	(7,798,459)	(4,060,678)	(11,859,137)	(450,282)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	642,670	247,258	889,928	246,339
Net Cash from Investing Activities	642,670	247,258	889,928	246,339
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,293,508)	(1,131,868)	(4,425,376)	(1,032,204)
CASH AND CASH EQUIVALENTS, JANUARY 1	19,569,312	9,452,742	29,022,054	5,708,037
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 16,275,804	\$ 8,320,874	\$ 24,596,678	\$ 4,675,833
Cash and Cash Equivalents	\$ 15,501,060	\$ 8,320,874	\$ 23,821,934	\$ 4,675,833
Investments	774,744	-	774,744	-
TOTAL CASH AND INVESTMENTS END OF YEAR	\$ 16,275,804	\$ 8,320,874	\$ 24,596,678	\$ 4,675,833

(This statement continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)

PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities			Governmental Activities
	Waterworks and Sewerage	NOW Arena Operating	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 3,691,840	\$ (3,061,970)	\$ 629,870	\$ (1,483,695)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation and Amortization	1,934,616	2,179,815	4,114,431	275,356
Miscellaneous Income	37,467	881,441	918,908	-
Changes in Assets and Liabilities				
Pension Related Items	399,736	-	399,736	66,623
OPEB Items	(135,436)	-	(135,436)	(29,326)
Receivables	(745,758)	(410,706)	(1,156,464)	3,139
Leases	-	(3,719)	(3,719)	-
Deposits	-	-	-	-
Prepaid Expenses	-	(305,336)	(305,336)	(1,256,504)
Inventory	(15,535)	-	(15,535)	-
Unearned Revenue	-	(410,468)	(410,468)	-
Accounts Payable	(652,034)	87,209	(564,825)	(170,236)
Accrued Payroll	14,306	-	14,306	1,878
Claims Payable	-	-	-	177,326
Benefits Payable	-	-	-	(17,368)
Deposits Payable	(7,778)	-	(7,778)	-
Compensated Absences Payable	(8,131)	-	(8,131)	(915)
Net Pension Liability	26,468	-	26,468	4,412
Total OPEB Liability	78,730	-	78,730	10,040
NET CASH FROM OPERATING ACTIVITIES	\$ 4,618,491	\$ (1,043,734)	\$ 3,574,757	\$ (2,419,270)
NONCASH TRANSACTIONS				
SBITA Right-to-Use Asset Addition	\$ -	\$ -	\$ -	\$ 125,420
Issuance of SBITA Liability	-	-	-	(125,420)
Capital Asset Additions in Accounts Payable and Retainage	412,433	-	412,433	-
Capital Contributions	495,160	47,194	542,354	-
TOTAL NONCASH TRANSACTIONS	\$ 907,593	\$ 47,194	\$ 954,787	\$ -

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2025

	Pension Trust Funds
ASSETS	
Cash and Short-Term Investments	\$ 3,425,931
Investments, at Fair Value	
Held in the Illinois Police Officers'	
Pension Investment Fund	111,140,383
Held in the Illinois Firefighters'	
Pension Investment Fund	133,326,726
Due from Municipality	4,998,267
Prepaid Expenses	11,054
Total Assets	252,902,361
LIABILITIES	
Accounts Payable	300
Total Liabilities	300
NET POSITION	
Restricted for Pensions	252,902,061
TOTAL NET POSITION	<u><u>\$ 252,902,061</u></u>

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended December 31, 2025

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 10,966,405
Employee	2,003,864
Miscellaneous	116,643
Total Contributions	13,086,912
Investment Income	
Net Appreciation in Fair Value of Investments	35,007,364
Interest	3,140,476
Total Investment Income	38,147,840
Less Investment Expense	(341,155)
Net Investment Income	37,806,685
Total Additions	50,893,597
DEDUCTIONS	
Benefits and Refunds	18,375,193
Administration	90,482
Total Deductions	18,465,675
NET INCREASE	32,427,922
NET POSITION RESTRICTED FOR PENSIONS	
January 1	220,474,139
December 31	\$ 252,902,061

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2025

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VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Hoffman Estates, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter to be referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below:

A. Reporting Entity

The Village is a municipal corporation governed by an elected president and six-member Board of Trustees. As required by GAAP, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units.

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 trust funds.

Police Pension Employees Retirement System

The Village's police employees participate in Police Pension Employees Retirement System (Police). Police functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected by pension beneficiaries, and two elected police employees constitute the pension board. The Village is obligated to fund all Police costs not funded by Police participants based upon actuarial valuations, which creates a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Police being fiscally dependent upon the Village. Police is reported as a pension trust fund. Police does not issue a stand-alone financial report.

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in Firefighters' Pension Employees Retirement System (Fire). Fire functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary, and two elected fire employees constitute the pension board. The Village is obligated to fund all Fire costs not funded by Fire participants based upon actuarial valuations, which creates a financial burden on the Village.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Fire being fiscally dependent on the Village. Fire is reported as a pension trust fund. Fire does not issue a stand-alone financial report.

B. Fund Accounting

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

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

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension 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 as their agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements

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

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

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

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

The Village reports the following major proprietary funds:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Deposits and Investments

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

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

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes for 2025 attach as an enforceable lien on January 1, 2025 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 by the County and are payable in two installments on or about March 1 and December 1. The County collects such taxes and remit them periodically. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected. Since the 2025 levy is intended to finance the 2026 fiscal year, the levy has been recorded as receivable and a deferred inflow of resources. The revenues in the current year financial statements represent the 2024 property tax levy.

G. Inventories

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

H. Prepaid Items/Expenses

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

I. Capital Assets/Intangible Assets

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets/Intangible Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

Intangible assets represent the Village's right-to-use assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based IT Arrangements*.

J. Compensated Absences

It is the Village's policy for employees to accrue vacation and sick leave. Accrued vacation must be used within 12 months of being earned. Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. Sick leave is recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

K. Interfund Transactions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Transactions (Continued)

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

L. Interfund Receivables/Payables

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

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

M. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Issuance costs are reported as expenses. The unamortized loss on refunding is reported as a deferred outflow of resources and the unamortized gain on refunding is reported as a deferred inflow of resources.

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

N. Deferred Outflows/Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Outflows/Inflows of Resources (Continued)

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

O. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. This intended use is established by the Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. 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.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets as well as any other non-debt capital related liabilities.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

A. Village

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds.

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. Village (Continued)

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, except the pension trust funds. In addition, investments are separately held by several of the Village’s funds.

B. 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.

C. Investments

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2025:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 2,347,708	\$ 2,347,708	\$ -	\$ -	\$ -
TOTAL	\$ 2,347,708	\$ 2,347,708	\$ -	\$ -	\$ -

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.

2. DEPOSITS AND INVESTMENTS (Continued)

C. Investments (Continued)

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

The Village has the following recurring fair value measurements as of December 31, 2025: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs).

The Village's U.S. Treasury obligations were rated AAA.

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

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

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

3. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES

Hotel Tax	\$ 218,059
Ambulance Fees	328,492
Wholesale Vehicle Tax	11,088
Transportation Tax	8,595
Municipal Motor Fuel Tax	26,552
Gas Use Tax	166,557
Ground Emergency Medical Transportation	419,557
Entertainment Tax	52,712
Electrical Utility Tax	150,514
Cable Franchise Fees	111,308
IPBC Terminal Reserve	2,620,822
Grants	342,732
Parking Lot Reimbursement	435,682
Employee Computer Program	32,044
Other Miscellaneous	<u>195,570</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 5,120,284</u>
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BUSINESS-TYPE ACTIVITIES

Entertainment Tax	\$ 35,456
Food and Beverage Taxes	274,637
Video Gaming Tax	64,885
Other Miscellaneous	<u>1,611,207</u>

TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 1,986,185</u>
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The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,894,740
Home Rule Sales Tax	1,690,264
Income Tax	999,806
Local Use Tax	174,196
Motor Fuel Tax	212,666
Simplified Telecommunications Tax	193,976
Court Fines	<u>11,844</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 6,177,492</u>
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VILLAGE OF HOFFMAN ESTATES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Tangible Capital Assets not Being Depreciated				
Land	\$ 8,379,261	\$ 385,000	\$ -	\$ 8,764,261
Land Right of Way	43,906,871	-	-	43,906,871
Construction in Progress	4,263,899	12,570,458	2,291,351	14,543,006
Total Tangible Capital Assets not Being Depreciated	56,550,031	12,955,458	2,291,351	67,214,138
Tangible Capital Assets Being Depreciated				
Buildings and Improvements	50,537,054	1,406,594	419,577	51,524,071
Department Equipment	4,180,568	981,637	398,280	4,763,925
Vehicles	18,100,147	2,415,661	420,335	20,095,473
Software	99,615	-	-	99,615
Infrastructure	145,502,382	3,032,426	-	148,534,808
Total Tangible Capital Assets Being Depreciated	218,419,766	7,836,318	1,238,192	225,017,892
Intangible Right-to-Use Capital Assets Being Amortized				
Software	1,616,840	1,605,315	594,381	2,627,774
Total Intangible Assets Being Amortized	1,616,840	1,605,315	594,381	2,627,774
Less Accumulated Depreciation for Tangible Capital Assets				
Buildings and Improvements	23,570,759	1,300,833	235,395	24,636,197
Department Equipment	2,766,051	299,746	398,280	2,667,517
Vehicles	9,376,694	1,391,817	420,335	10,348,176
Software	10,323	2,490	-	12,813
Infrastructure	89,971,951	4,049,763	-	94,021,714
Total Accumulated Depreciation	125,695,778	7,044,649	1,054,010	131,686,417
Less Accumulated Amortization for Intangible Right-to-Use Capital Assets Amortized				
Software	519,042	592,947	257,565	854,424
Total Intangible Assets Being Amortized	519,042	592,947	257,565	854,424
Total Tangible and Intangible Capital Assets Being Depreciated and Amortized, Net	93,821,786	1,804,037	520,998	95,104,825
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 150,371,817	\$ 14,759,495	\$ 2,812,349	\$ 162,318,963

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

4. CAPITAL ASSETS (Continued)

	Balances January 1	Increases	Decreases	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Tangible Capital Assets not Being Depreciated				
Land	\$ 6,499,000	\$ -	\$ -	\$ 6,499,000
Construction in Progress	1,573,757	2,781,775	1,573,757	2,781,775
Total Tangible Capital Assets not Being Depreciated	8,072,757	2,781,775	1,573,757	9,280,775
Tangible Capital Assets Being Depreciated				
Buildings and Improvements	79,924,016	181,690	-	80,105,706
Plant System and Equipment	68,218,673	6,231,619	-	74,450,292
Vehicles	2,462,381	108,662	44,539	2,526,504
Software	14,077	-	-	14,077
Department Equipment	6,353,363	219,351	-	6,572,714
Total Tangible Capital Assets Being Depreciated	156,972,510	6,741,322	44,539	163,669,293
Intangible Right-to-Use Capital Assets Being Amortized				
Software	401,299	-	-	401,299
Total Intangible Assets Being Amortized	401,299	-	-	401,299
Less Accumulated Depreciation For				
Buildings and Improvements	29,392,845	2,057,074	-	31,449,919
Plant System and Equipment	38,322,507	1,492,614	-	39,815,121
Vehicles	1,615,262	206,003	44,539	1,776,726
Software	14,076	-	-	14,076
Department Equipment	5,598,455	219,252	-	5,817,707
Total Accumulated Depreciation	74,943,145	3,974,943	44,539	78,873,549
Less Accumulated Amortization for Intangible Right-to-Use Capital Assets Amortized				
Software	200,974	139,488	-	340,462
Total Intangible Assets Being Amortized	200,974	139,488	-	340,462
Total Tangible and Intangible Capital Assets Being Depreciated and Amortized, Net	82,229,690	2,626,891	-	84,856,581
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 90,302,447	\$ 5,408,666	\$ 1,573,757	\$ 94,137,356

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 435,743
Public Safety	2,412,415
Highways and Streets, Including Depreciation of General Infrastructure Assets	4,674,832
Health and Welfare	93,549
Culture and Recreation	17,475
Economic Development	<u>3,582</u>

**TOTAL DEPRECIATION AND AMORTIZATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 7,637,596

BUSINESS-TYPE ACTIVITIES

Waterworks and Sewerage	\$ 1,934,616
NOW Arena Operating	<u>2,179,815</u>

**TOTAL DEPRECIATION AND AMORTIZATION EXPENSE -
BUSINESS-TYPE ACTIVITIES**

\$ 4,114,431

5. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/ Refundings	Balances December 31	Current Portion
\$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	\$ 5,135,000	\$ -	\$ 2,515,000	\$ 2,620,000	\$ 2,620,000
\$6,125,000 General 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	545,000 1,875,000	- -	150,000 345,000	395,000 1,530,000	155,000 360,000

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/Refundings	Balances December 31	Current Portion
\$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	\$ 110,000
\$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	-	1,150,000	7,090,000	-
\$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	260,000	-	50,000	210,000	50,000
		Water	3,790,000	-	325,000	3,465,000	330,000
\$3,225,000 General Obligation Refunding Bonds, Series 2017B, Dated September 12, 2017 with Interest at 2% to 4%, maturing through December 2038.	Village Hall, Police and Fire Station and Water Tank Construction	Debt Service	2,240,000	-	35,000	2,205,000	35,000
		Water	775,000	-	5,000	770,000	5,000
\$35,180,000 General Obligation Refunding Bonds, Series 2018 Dated July 31, 2018 with Interest at 3.75% to 5%, maturing through December 2038.	Village Hall, Police and Fire Station and Water Tank Construction, and Road Improvements	Debt Service	19,770,000	-	925,000	18,845,000	2,105,000
		Water	5,600,000	-	-	5,600,000	-
\$9,625,850 General Obligation Bonds, Series 2019 Dated November 5, 2019 with Interest at 2.15% maturing through December 2034.	Water meter replacements and street lighting improvements	Debt Service	1,213,865	-	110,100	1,103,765	112,465
		Water	5,548,225	-	503,235	5,044,990	514,055

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

5. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Purpose of Bonds	Fund Debt Retired by	Balances January 1	Issuances	Reductions/ Refundings	Balances December 31	Current Portion
\$8,855,000 General Obligation Bonds Series 2024, Dated June 5, 2024 with Interest at 4% to 5%, maturing through December 2043	Fire Station 21 Construction	Debt Service	\$ 8,855,000	\$ -	\$ -	\$ 8,855,000	\$ -
TOTAL GENERAL OBLIGATION BONDS			\$ 85,612,090	\$ -	\$ 6,113,335	\$ 79,498,755	\$ 6,396,520

B. 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 TIF. All tax increment financing notes are issued for the purpose of the TIF district improvements. Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Balance 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	\$ 6,069,539	\$ 611,006	\$ 348,201	\$ 6,332,344	\$ -
Tax Increment Redevelopment Note Due in Annual Installments Only if Incremental Tax Revenues are available	Lakewood Center TIF Fund	34,676,418	-	-	34,676,418	-
TOTAL TAX INCREMENT FINANCING NOTES		\$ 40,745,957	\$ 611,006	\$ 348,201	\$ 41,008,762	\$ -

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.

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

5. LONG-TERM DEBT (Continued)

B. Tax Increment Financing Notes (Continued)

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, 2025, the Village had issued \$27,741,134 and \$6,935,284 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 adjustment may be requested by the developer, depending on the prime interest rate at that time. Therefore, at December 31, 2025, no set debt service schedule is available.

C. 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.

D. Illinois Environmental Protection Agency Loan Contracts Payable

The Village, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of a water treatment facility. Loan contracts payable have been issued for business-type activities. IEPA loan contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$2,000,000 IEPA Loan #L173548 Contract Payable of 2020, due in semiannual installments ranging from \$27,096 to \$60,792 including interest at 2.00% through August 1, 2042.	Water	\$ 1,848,607	\$ -	\$ 86,258	\$ 1,762,349	\$ 87,991
\$373,287 IEPA Loan #L173518 Contract Payable of 2022, due in semiannual installments ranging from \$11,497 to \$17,210 including interest at 2.00% through June 30, 2042.	Water	338,118	-	16,313	321,805	16,641
TOTAL		\$ 2,186,725	\$ -	\$ 102,571	\$ 2,084,154	\$ 104,632

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

5. LONG-TERM DEBT (Continued)

E. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Direct Borrowing - Equipment Financing Loan Governmental Activities		General Obligation Bonds Governmental Activities	
	Principal	Interest	Principal	Interest
2026	\$ 292,529	\$ 7,063	\$ 2,457,465	\$ 1,645,356
2027	296,040	3,552	2,624,885	1,528,938
2028	-	-	2,602,355	1,426,068
2029	-	-	2,719,880	1,324,145
2030	-	-	1,822,455	1,217,567
2031-2035	-	-	12,326,725	4,629,144
2036-2040	-	-	11,255,000	1,681,925
2041-2043	-	-	2,895,000	247,163
TOTAL	\$ 588,569	\$ 10,615	\$ 38,703,765	\$ 13,700,306

Year Ending December 31,	IEPA Loans Payable Business-Type Activities		General Obligation Bonds Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 104,632	\$ 41,163	\$ 3,939,055	\$ 1,693,255
2027	106,736	39,059	4,100,110	1,538,453
2028	108,881	36,914	4,266,395	1,377,025
2029	111,069	34,726	4,437,930	1,205,137
2030	113,302	32,493	4,594,710	1,026,112
2031-2035	601,599	127,375	16,346,790	2,177,859
2036-2040	664,540	64,435	3,110,000	235,269
2041-2042	273,395	6,698	-	-
TOTAL	\$ 2,084,154	\$ 382,863	\$ 40,794,990	\$ 9,253,110

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

5. LONG-TERM DEBT (Continued)

F. Changes in Long-Term Liabilities

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

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 41,123,865	\$ -	\$ 2,420,100	\$ 38,703,765	\$ 2,457,465
Unamortized Bond Premium	2,484,951	-	220,001	2,264,950	-
Tax Increment Financing Notes Payable**	40,745,957	611,006	348,201	41,008,762	-
Direct Borrowing - Equipment Financing Loan	877,630	-	289,061	588,569	292,529
SBITA Liability - Governmental Funds***	548,566	1,479,895	576,998	1,451,463	440,077
SBITA Liability - Internal Service Fund	348,308	125,420	223,292	250,436	199,974
Compensated Absences Payable - Governmental Funds****	3,027,032	270,145	-	3,297,177	2,358,005
Compensated Absences Payable - Internal Service Fund****	36,663	-	915	35,748	35,748
Total OPEB Liability*	7,636,891	924,004	-	8,560,895	471,407
Total OPEB Liability - Internal Service Fund	142,392	10,040	-	152,432	8,379
Net Pension Liability - IMRF*	6,102,664	79,408	-	6,182,072	-
Net Pension Liability - IMRF - Internal Service Fund	339,037	4,412	-	343,449	-
Net Pension Liability - Police Pension*	72,615,408	-	8,641,445	63,973,963	-
Net Pension Liability - Firefighters' Pension*	48,433,562	-	10,617,706	37,815,856	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 224,462,926	\$ 3,504,330	\$ 23,337,719	\$ 204,629,537	\$ 6,263,584

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

5. LONG-TERM DEBT (Continued)

F. Changes in Long-Term Liabilities (Continued)

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

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

***See SBITAs Notes for the explanation of funds used to liquidate.

****The amount displayed as additions or reductions represents the net change in the liability.

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

	Balances January 1	Issuances or Accretions	Reductions	Balances December 31	Current Portion
General Obligation Bonds Payable	\$ 44,488,225	\$ -	\$ 3,693,235	\$ 40,794,990	\$ 3,939,055
IEPA Loans Payable*	2,186,725	-	102,571	2,084,154	104,632
Unamortized Bond Discount	(118,020)	-	(25,343)	(92,677)	-
Unamortized Bond Premium*	589,741	-	54,124	535,617	-
SBITA Liability**	155,323	-	141,630	13,693	13,693
Compensated Absences Payable***	321,697	-	8,131	313,566	223,933
Total OPEB Liability*	736,546	78,730	-	815,276	44,816
Net Pension Liability - IMRF*	2,034,222	26,468	-	2,060,690	-
Asset Retirement Obligation	339,500	-	-	339,500	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 50,733,959	\$ 105,198	\$ 3,974,348	\$ 46,864,809	\$ 4,326,129

*The Waterworks and Sewerage Fund is generally used to liquidate the IEPA loans payable, unamortized bond premium, net pension liabilities, and the total other postemployment benefit obligations.

**See SBITAs Notes for the explanation of funds used to liquidate.

***The amount displayed as additions or reductions represents the net change in the liability.

5. LONG-TERM DEBT (Continued)

G. 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.

H. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells range from 2 to 52 years.

I. SBITAs

In accordance with GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, the Village’s SBITA activity is as follows:

The Village entered into ten SBITA arrangements with start dates ranging from November 2022 to September 2025, for the a right-to-use software asset. Payments ranging from \$16,851 to \$314,127 are due in annual installments, through December 2029. Total intangible right-to-use assets acquired under these arrangements are \$2,627,774 and \$401,299 for governmental and business-type activities, respectively.

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

5. LONG-TERM DEBT (Continued)

I. SBITAs (Continued)

Obligations of governmental activities under SBITA liabilities, typically paid from the General Fund, Capital Vehicle and Equipment Fund, and Information Systems Fund and obligations of business-type activities under SBITA liabilities, typically paid from the Water and Sewer Fund and NOW Arena Fund, including future interest payments at December 31, 2025, were as follows:

Year Ending December 31,	SBITA Liabilities					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 640,051	\$ 15,149	\$ 655,200	\$ 13,693	\$ 68	\$ 13,761
2027	411,937	9,344	421,281	-	-	-
2028	335,784	4,695	340,479	-	-	-
2029	314,127	628	314,755	-	-	-
TOTAL	\$ 1,701,899	\$ 29,816	\$ 1,731,715	\$ 13,693	\$ 68	\$ 13,761

6. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the Village's lessor activity is as follows:

The Village, as lessor, leases portions of its property to various third parties, the terms of which expire 2026 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.

During the fiscal year, the Village collected \$500,189 and \$36,617 for governmental activities and business-type activities, respectively, and recognized a \$654,262 and \$40,336 reduction in the related deferred inflow of resource for governmental activities and business-type activities, respectively. The remaining lease receivable for these arrangements for governmental activities and business-type activities is \$7,153,953 and \$306,232, respectively, as of December 31, 2025. The remaining deferred inflow of resources for these arrangements for governmental activities and business-type activities is \$6,402,602 and \$282,354, respectively, as of December 31, 2025.

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

7. INTERFUND ACCOUNTS

Due from/to other funds at December 31, 2025 consist of the following:

	Due From	Due To
General	\$ 405,712	\$ 4,998,267
Nonmajor Governmental	550,000	955,712
Fiduciary	4,998,267	-
TOTAL	\$ 5,953,979	\$ 5,953,979

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

Interfund transfers during the year ended December 31, 2025 consisted of the following:

	Transfer In	Transfer Out
General	\$ 91,585	\$ 8,638,175
Nonmajor Governmental	14,989,428	7,063,562
Waterworks and Sewerage	174,785	930,995
Internal Service	1,376,934	-
TOTAL	\$ 16,632,732	\$ 16,632,732

The purposes of significant interfund transfers are as follows:

- \$14,058,433 transferred from the General Fund (\$7,261,241) and Nonmajor Governmental Funds (\$6,797,192) to Nonmajor Governmental Funds. This relates to routine transfers for the payment of debt service costs and capital projects. The transfers will not be repaid.
- \$1,376,934 transferred from the General Fund to the internal service funds to fund operating expenses. The transfers will not be repaid.
- \$930,995 transferred from the Waterworks and Sewerage Fund to Nonmajor Governmental Funds. This relates to routine transfers for the payment of capital projects. The transfers will not be repaid.

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

7. INTERFUND ACCOUNTS (Continued)

The following funds had a deficit in fund balance at December 31, 2025:

Fund	Deficit
2016 General Obligation Debt Service Fund	\$ 57,919
2026 Bond Project Fund	292,820

8. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village is self-insured for general liability and workers' compensation and has established a risk financing Insurance Fund (the Fund) for those risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. Under this program, the Fund provides coverage up to a maximum of \$100,000 for each general liability and property damage claim and \$750,000 for each workers' compensation claim. The Village is a member of the Intergovernmental Personnel Benefit Cooperative (IPBC) for health claims. IPBC currently has \$2,620,822 available on deposit for use by the Village.

The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims did not exceed the Fund's coverage and the commercial coverage was not exceeded in the past three fiscal years.

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

	2025	2024
UNPAID CLAIMS, BEGINNING OF YEAR	\$ 838,668	\$ 551,774
Incurred Claims (Including IBNR)	993,490	1,269,671
Claim Payments	(816,164)	(982,777)
UNPAID CLAIMS, END OF YEAR	<u>\$ 1,015,994</u>	<u>\$ 838,668</u>

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

8. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative

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

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

9. 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.

10. 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:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 10,960,000
2027	10,960,000
2028	10,960,000
2029	10,960,000
2030	10,960,000
2031-2032	21,920,000

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

10. CONTRACTUAL COMMITMENTS (Continued)

Northwest Suburban Municipal Joint Action Water Agency (Continued)

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, 2025, the Village had the following commitments with respect to unfinished projects:

<u>Project</u>	<u>Remaining Commitments</u>
General Fund Projects	\$ 20,918,510
Water and Sewerage Fund Projects	<u>74,306</u>
TOTAL REMAINING COMMITMENTS	<u>\$ 20,992,816</u>

11. 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, and amusement tax. The amount of the rebates is limited to the lower of actual costs or \$3,280,000 (\$2,034,882 paid as of December 31, 2025) and are payable over 4 to 12 years solely from sales taxes, wholesale vehicle taxes, or amusement taxes generated by the commercial entities. The rebates are to be paid annually within 120 days after the end of the Village's fiscal year for amounts collected by the state or the Village for the prior fiscal year. During the fiscal year ended December 31, 2025, approximately \$49,752 in wholesale vehicle taxes, \$8,578 in amusement taxes, and \$501,947 in sales taxes were rebated under these agreements. At December 31, 2025, the Village has accrued an estimated rebate liability of \$634,718 for amounts collected by the state and the Village through December 31, 2025. The amounts to be reimbursed annually are limited to various percentages or maximum limits of sales taxes generated by the commercial entities.

12. JOINT VENTURES

A. Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

The Village is a member of the Northwest Suburban Municipal Joint 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 (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2032.

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

12. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

In accordance with the joint venture agreement, the Village remitted \$9,732,484 to JAWA for 2025. The Village does not have an equity interest in JAWA at December 31, 2025.

B. Solid Waste Agency of Northern Cook County

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

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

Complete financial statements for SWANCC can be obtained from the SWANCC's administrative office at the Village of Wheeling Public Works Building at 77 W. Hintz Road, Wheeling, Illinois 60090 or online at www.swancc.org.

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.

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

12. JOINT VENTURES (Continued)

B. Solid Waste Agency of Northern Cook County (Continued)

In accordance with the contract, the Village made payments totaling \$682,616 to SWANCC in 2025. The payments have been recorded in the Municipal Waste System Account. The Village does not have an equity interest in SWANCC at December 31, 2025.

13. DEFINED BENEFIT PENSION PLANS

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2025:

	Governmental Activities	Business Type Activities	Total Village
Net Pension Liability			
IMRF	\$ 6,525,521	\$ 2,060,690	\$ 8,586,211
Police	63,973,963	-	63,973,963
Firefighters'	37,815,856	-	37,815,856
TOTAL	\$ 108,315,340	\$ 2,060,690	\$ 110,376,030
Deferred Outflows of Resources			
IMRF	\$ 4,137,357	\$ 1,306,535	\$ 5,443,892
Police	4,631,803	-	4,631,803
Firefighters'	7,873,509	-	7,873,509
TOTAL	\$ 16,642,669	\$ 1,306,535	\$ 17,949,204

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

	Governmental Activities	Business-Type Activities	Total Village
Deferred Inflows of Resources			
IMRF	\$ 14,249	\$ 4,500	\$ 18,749
Police	8,312,984	-	8,312,984
Firefighters'	10,524,117	-	10,524,117
TOTAL	\$ 18,851,350	\$ 4,500	\$ 18,855,850
Pension Expense			
IMRF	\$ 2,657,318	\$ 733,816	\$ 3,391,134
Police	7,008,520	-	7,008,520
Firefighters'	6,605,044	-	6,605,044
TOTAL	\$ 16,270,882	\$ 733,816	\$ 17,004,698

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

Plan Membership

At December 31, 2024, the latest actuarial valuation date, IMRF membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	234
Inactive Employees Entitled to but not yet	
Receiving Benefits	143
Active Employees	181
TOTAL	558

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2025 and 2024 were 9.13% and 9.11%, respectively, of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2024 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, 2024
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	2.85% to 13.75%
Interest Rate	7.25%
Cost of Living Adjustments	3.50%
Asset Valuation Method	Fair Value

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 and 2023 was 7.25%. 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.

Long-Term Expected 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 return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2025	<u>\$ 105,266,577</u>	<u>\$ 96,790,654</u>	<u>\$ 8,475,923</u>
Changes for the Period			
Service Cost	1,372,228	-	1,372,228
Interest	7,470,557	-	7,470,557
Difference Between Expected and Actual Experience	1,812,111	-	1,812,111
Changes in Assumptions	-	-	-
Employer Contributions	-	1,492,955	(1,492,955)
Employee Contributions	-	730,916	(730,916)
Net Investment Income	-	9,568,071	(9,568,071)
Benefit Payments and Refunds	(5,821,057)	(5,821,057)	-
Other (Net Transfer)	-	(1,247,334)	1,247,334
Net Changes	<u>4,833,839</u>	<u>4,723,551</u>	<u>110,288</u>
BALANCES AT DECEMBER 31, 2025	<u>\$ 110,100,416</u>	<u>\$ 101,514,205</u>	<u>\$ 8,586,211</u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2025, the Village recognized pension expense of \$3,391,134. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,403,462	\$ -
Changes in Assumption	-	18,749
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,425,153	-
Contributions Made Subsequent to the Measurement Date	1,615,277	-
TOTAL	<u>\$ 5,443,892</u>	<u>\$ 18,749</u>

\$1,615,277 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending
December 31,

2026	\$ 1,847,585
2027	3,570,580
2028	(1,063,025)
2029	(545,274)
2030	-
Thereafter	-
TOTAL	<u><u>\$ 3,809,866</u></u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 21,185,896	\$ 8,586,211	\$ (1,499,186)

Police Pension Plan

Plan Administration

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

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

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2025, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	119
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	<u>88</u>
 TOTAL	 <u><u>224</u></u>

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.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village funds at 100% of the past service cost. For the year ended December 31, 2025, the Village's contribution was 63.76% of covered payroll.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investments

Investments of the Plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2025. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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. The Plan held no investments subject to fair value measurement at December 31, 2025.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IPOPIF was \$111,140,383 at December 31, 2025. 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, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and 2024 was 7.25%. 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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate (Continued)

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.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	\$ 173,387,986	\$ 100,772,578	\$ 72,615,408
Changes for the Period			
Service Cost	1,880,603	-	1,880,603
Interest	12,215,800	-	12,215,800
Difference Between Expected and Actual Experience	2,055,377	-	2,055,377
Changes in Assumptions	(44,783)	-	(44,783)
Changes of Benefit Terms	-	-	-
Employer Contributions	-	6,334,659	(6,334,659)
Employee Contributions	-	966,461	(966,461)
Other Contributions	-	116,643	(116,643)
Net Investment Income	-	17,369,412	(17,369,412)
Benefit Payments and Refunds	(9,788,399)	(9,788,399)	-
Administrative Expense	-	(38,733)	38,733
Net Changes	6,318,598	14,960,043	(8,641,445)
BALANCES AT DECEMBER 31, 2025	\$ 179,706,584	\$ 115,732,621	\$ 63,973,963

There was a change in assumptions related to discount rates and projected individual pay increases

The funded status as of December 31, 2025 is 64.40%.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2025 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
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Actuarial Cost Method	Entry-Age Normal
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Assumptions

Inflation	2.50%
Salary Increases	3.50% to 10.33%
Interest Rate	7.25%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)

Asset Valuation Method	Fair Value
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Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 87,531,183	\$ 63,973,963	\$ 44,630,442

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2025, the Village recognized police pension expense of \$7,008,520. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,500,403	\$ 278,589
Changes in Assumption	1,131,400	393,645
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	7,640,750
TOTAL	<u>\$ 4,631,803</u>	<u>\$ 8,312,984</u>

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

<u>Year Ending December 31,</u>	
2026	\$ 2,008,078
2027	(2,152,759)
2028	(1,665,394)
2029	(1,871,106)
2030	-
Thereafter	-
TOTAL	<u>\$ (3,681,181)</u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

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.

Plan Membership

At December 31, 2025, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	97
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>93</u>
 TOTAL	 <u><u>192</u></u>

Benefits Provided

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

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% 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., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding 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, 2025, the Village's contribution was 41.86% of covered payroll.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

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. The Fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2025. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at <https://ifpif.org>.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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. The plan held no investments subject to fair value measurement at December 31, 2025.

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was \$133,326,726 at December 31, 2025. The pooled investments consist of the investments as noted in the target allocation table available at <https://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 December 31, 2025. 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.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. 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.

Investment Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025 and 2024 was 7.25%. 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	\$ 168,135,123	\$ 119,701,561	\$ 48,433,562
Changes for the Period			
Service Cost	2,745,624	-	2,745,624
Interest	11,878,525	-	11,878,525
Difference Between Expected and Actual Experience	812,818	-	812,818
Changes in Assumptions	-	-	-
Employer Contributions	-	4,631,746	(4,631,746)
Employee Contributions	-	1,037,403	(1,037,403)
Other Contributions	-	-	-
Net Investment Income	-	20,437,273	(20,437,273)
Benefit Payments and Refunds	(8,586,794)	(8,586,794)	-
Administrative Expense	-	(51,749)	51,749
Net Changes	6,850,173	17,467,879	(10,617,706)
BALANCES AT DECEMBER 31, 2025	\$ 174,985,296	\$ 137,169,440	\$ 37,815,856

The funded status as of December 31, 2025 is 78.40%.

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2025 using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 10.04%
Interest Rate	7.25%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Fair Value

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 60,558,856	\$ 37,815,856	\$ 19,022,010

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2025, the Village recognized firefighters' pension expense of \$6,605,044. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,398,131	\$ 736,775
Changes in Assumption	5,475,378	1,628
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	9,785,714
TOTAL	<u><u>\$ 7,873,509</u></u>	<u><u>\$ 10,524,117</u></u>

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

<u>Year Ending December 31,</u>	
2026	\$ 2,366,234
2027	(2,880,433)
2028	(1,416,747)
2029	(1,219,194)
2030	499,532
Thereafter	-
TOTAL	<u><u>\$ (2,650,608)</u></u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Pension Segment Information

Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,683,367	\$ 1,742,564	\$ 3,425,931
Investments, at Fair Value			
Held in the Illinois Police			
Officers' Pension Investment			
Fund	111,140,383	-	111,140,383
Held in the Illinois Firefighters'			
Pension Investment Fund	-	133,326,726	133,326,726
Due from Municipality	2,904,444	2,093,823	4,998,267
Prepaid Expenses	4,427	6,627	11,054
Total Assets	115,732,621	137,169,740	252,902,361
LIABILITIES			
Accounts Payable	-	300	300
Total Liabilities	-	300	300
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 115,732,621</u>	<u>\$ 137,169,440</u>	<u>\$ 252,902,061</u>

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

13. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Pension Segment Information (Continued)

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 6,334,659	\$ 4,631,746	\$ 10,966,405
Employee Contributions	966,461	1,037,403	2,003,864
Miscellaneous Contributions	116,643	-	116,643
Total Contributions	7,417,763	5,669,149	13,086,912
Investment Income			
Net Appreciation in Fair Value of Investments	16,830,057	18,177,307	35,007,364
Interest	627,848	2,512,628	3,140,476
Total Investment Income	17,457,905	20,689,935	38,147,840
Less Investment Expense	(88,493)	(252,662)	(341,155)
Net Investment Income	17,369,412	20,437,273	37,806,685
Total Additions	24,787,175	26,106,422	50,893,597
DEDUCTIONS			
Benefits and Refunds	9,788,399	8,586,794	18,375,193
Miscellaneous	38,733	51,749	90,482
Total Deductions	9,827,132	8,638,543	18,465,675
NET INCREASE	14,960,043	17,467,879	32,427,922
NET POSITION RESTRICTED FOR PENSIONS			
January 1	100,772,578	119,701,561	220,474,139
December 31	\$ 115,732,621	\$ 137,169,440	\$ 252,902,061

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

14. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

The Village provides 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.

C. Membership

At December 31, 2025, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	61
Terminated Employees Entitled to Benefits but not yet Receiving them	-
Active Employees	<u>355</u>
TOTAL	<u>416</u>
 Participating Employers	 <u>1</u>

D. Total OPEB Liability

The Village's total OPEB liability of \$9,528,603 was measured as of December 31, 2025 determined by an actuarial valuation as of January 1, 2026.

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	N/A
Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.83%
Healthcare Cost Trend Rates	8.82% Initial 5.48% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2025. The discount rate at December 31, 2024 was 4.08%.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2025	<u>\$ 8,515,829</u>
Changes for the Period	
Service Cost	467,655
Interest	336,761
Difference Between Expected and Actual Experience	(955,928)
Changes in Benefit Terms	-
Changes in Assumptions*	1,688,071
Benefit Payments	<u>(523,785)</u>
Net Changes	<u>1,012,774</u>
BALANCES AT DECEMBER 31, 2025	<u>\$ 9,528,603</u>

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability (Continued)

*There were changes in assumptions related to the discount rate, inflation rate, retirement rates termination rates, disability rates, mortality rates, and mortality improvement rates.

G. Rate Sensitivity

The following is a sensitivity analysis of the 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 4.83% 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 (3.83%) or 1 percentage point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
TOTAL OPEB LIABILITY	\$ 10,293,255	\$ 9,528,603	\$ 8,843,233

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8.82% to 5.48% 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 (7.82% to 4.48%) or 1 percentage point higher (9.82% to 6.48%) than the current rate:

	1% Decrease (7.82% to 4.48%)	Current Healthcare Rate (8.82% to 5.48%)	1% Increase (9.82% to 6.48%)
TOTAL OPEB LIABILITY	\$ 8,609,921	\$ 9,528,603	\$ 10,617,816

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Village recognized OPEB expense of \$32,851. At December 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,148	\$ 3,058,801
Changes in Assumptions	3,274,538	6,002,135
TOTAL	\$ 3,280,686	\$ 9,060,936

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

<u>Year Ending December 31,</u>	
2026	\$ (771,565)
2027	(730,523)
2028	(747,318)
2029	(1,127,508)
2030	(1,004,994)
Thereafter	(1,398,342)
TOTAL	\$ (5,780,250)

15. SUBSEQUENT EVENT

On February 27, 2026, the Village issued \$8,000,000 and \$7,000,000 of Tax Increment Redevelopment Notes in the Higgins Hassell TIF Fund. In addition, the current Tax Increment Redevelopment Note in the Higgins Hassell TIF Fund was terminated.

In March 2026, the Village's credit rating was decreased from AA+ to AA by Standards & Poor's.

On April 22, 2026, the Village issued \$24,880,000 General Obligation Bonds, Series 2026 for the purpose of constructing a new fire station and the refunding of the General Obligation Bonds, Series 2015B, and General Obligation Refunding, Series 2016 Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 35,098,770	\$ 35,788,270	\$ 35,262,014
Licenses and Permits	7,388,400	7,388,400	4,548,592
Intergovernmental	21,765,290	21,765,290	22,805,711
Charges for Services	14,616,280	14,616,280	14,958,512
Fines and Forfeits	660,000	660,000	680,755
Interest Income	505,000	505,000	1,443,253
Miscellaneous	351,200	351,200	939,868
Total Revenues	80,384,940	81,074,440	80,638,705
EXPENDITURES			
Current			
General Government	9,500,170	10,189,170	9,537,326
Public Safety	48,660,810	48,660,810	47,402,709
Highways and Streets	8,830,290	8,830,290	7,857,441
Sanitation	3,638,880	3,638,880	3,504,468
Health and Welfare	3,476,230	3,476,230	3,431,464
Culture and Recreation	327,950	327,950	273,498
Economic Development	2,827,830	2,827,830	2,487,909
Capital Outlay	-	-	1,479,894
Debt Service	-	-	288,285
Total Expenditures	77,262,160	77,951,160	76,262,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,122,780	3,123,280	4,375,711
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	91,585
Transfers (Out)	(8,387,590)	(8,388,090)	(8,638,175)
SBITA Issuance	-	-	1,479,895
Total Other Financing Sources (Uses)	(8,387,590)	(8,388,090)	(7,066,695)
NET CHANGE IN FUND BALANCE	<u>\$ (5,264,810)</u>	<u>\$ (5,264,810)</u>	(2,690,984)
FUND BALANCE, JANUARY 1			<u>37,742,890</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 35,051,906</u></u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

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 (GAAP), with the exception of the Waterworks and Sewerage Fund, NOW Arena Operating Fund, and Information Systems Fund, which are budgeted on the Non-GAAP budgetary basis. Budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service and all trust funds. The Traffic Improvement Fund did not adopt a budget. All annual budgets lapse at year end.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 1,666,090	\$ 1,570,726	\$ 1,683,897	\$ 1,415,327	\$ 1,711,402	\$ 1,656,890	\$ 1,638,443	\$ 1,372,762	\$ 1,488,548	\$ 1,615,277
Contributions in Relation to the Actuarially Determined Contribution	1,675,142	1,570,663	1,717,045	1,430,527	1,757,527	1,665,456	1,664,900	1,372,762	1,492,955	1,615,277
CONTRIBUTION DEFICIENCY (Excess)	\$ (9,052)	\$ 63	\$ (33,148)	\$ (15,200)	\$ (46,125)	\$ (8,566)	\$ (26,457)	\$ -	\$ (4,407)	\$ -
Covered Payroll	<u>\$ 12,143,510</u>	<u>\$ 12,242,605</u>	<u>\$ 12,913,319</u>	<u>\$ 13,440,899</u>	<u>\$ 13,891,248</u>	<u>\$ 13,592,210</u>	<u>\$ 14,359,712</u>	<u>\$ 15,233,754</u>	<u>\$ 16,352,183</u>	<u>\$ 17,693,641</u>
Contributions as a Percentage of Covered Payroll	<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>	<u>9.01%</u>	<u>9.13%</u>	<u>9.13%</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 19 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 3,178,239	\$ 3,380,781	\$ 3,570,025	\$ 3,788,068	\$ 4,338,900	\$ 5,422,671	\$ 5,954,497	\$ 5,699,823	\$ 6,377,692	\$ 6,862,911
Contributions in Relation to the Actuarially Determined Contribution	3,228,471	3,407,918	3,557,124	3,785,342	4,324,074	5,349,815	6,070,101	6,000,738	6,436,241	6,334,659
CONTRIBUTION DEFICIENCY (Excess)	\$ (50,232)	\$ (27,137)	\$ 12,901	\$ 2,726	\$ 14,826	\$ 72,856	\$ (115,604)	\$ (300,915)	\$ (58,549)	\$ 528,252
Covered Payroll	\$ 8,205,983	\$ 8,493,193	\$ 8,397,491	\$ 8,289,966	\$ 8,748,348	\$ 8,247,853	\$ 8,358,302	\$ 8,629,058	\$ 9,155,852	\$ 9,935,744
Contributions as a Percentage of Covered Payroll	39.34%	40.13%	42.36%	45.66%	49.43%	64.86%	72.62%	69.54%	70.30%	63.76%

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 17 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.25%-10.08% compounded annually and postretirement benefit increases of 3.25% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 2,819,396	\$ 3,097,747	\$ 3,280,541	\$ 3,372,772	\$ 3,700,885	\$ 4,272,701	\$ 4,444,257	\$ 3,973,419	\$ 4,807,925	\$ 5,013,271
Contributions in Relation to the Actuarially Determined Contribution	2,867,272	3,121,335	3,270,126	3,369,928	3,688,507	4,209,054	4,537,332	4,483,308	4,747,249	4,631,746
CONTRIBUTION DEFICIENCY (Excess)	\$ (47,876)	\$ (23,588)	\$ 10,415	\$ 2,844	\$ 12,378	\$ 63,647	\$ (23,588)	\$ (23,588)	\$ (23,588)	\$ 381,525
Covered Payroll	\$ 9,221,092	\$ 9,543,830	\$ 9,070,725	\$ 9,364,199	\$ 9,813,696	\$ 9,610,716	\$ 9,900,503	\$ 10,567,447	\$ 10,540,544	\$ 11,065,761
Contributions as a Percentage of Covered Payroll	31.09%	32.71%	36.05%	35.99%	37.59%	43.80%	45.83%	42.43%	45.04%	41.86%

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 17 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.75%-9.79% compounded annually and postretirement benefit increases of 3.25% compounded annually.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,301,536	\$ 1,272,512	\$ 1,256,345	\$ 1,212,867	\$ 1,314,119	\$ 1,364,028	\$ 1,251,653	\$ 1,265,536	\$ 1,353,243	\$ 1,372,228
Interest	5,325,516	5,483,537	5,732,635	5,827,822	6,111,417	6,409,567	6,761,707	7,013,801	7,251,574	7,470,557
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,490,827)	(217,172)	207,724	751,530	774,853	2,456,180	651,820	469,133	117,379	1,812,111
Changes of Assumptions	92,788	(281,937)	(2,503,516)	2,388,193	-	(663,476)	-	-	(41,459)	-
Benefit Payments, Including Refunds of Member Contributions	(2,892,799)	(3,114,774)	(3,327,573)	(3,477,004)	(3,802,845)	(4,423,005)	(4,883,028)	(5,506,889)	(5,518,501)	(5,821,057)
Net Change in Total Pension Liability	2,336,214	3,142,166	1,365,615	6,703,408	4,397,544	5,143,294	3,782,152	3,241,581	3,162,236	4,833,839
Total Pension Liability - Beginning	71,992,367	74,328,581	77,470,747	78,836,362	85,539,770	89,937,314	95,080,608	98,862,760	102,104,341	105,266,577
TOTAL PENSION LIABILITY - ENDING	\$ 74,328,581	\$ 77,470,747	\$ 78,836,362	\$ 85,539,770	\$ 89,937,314	\$ 95,080,608	\$ 98,862,760	\$ 102,104,341	\$ 105,266,577	\$ 110,100,416
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 1,743,250	\$ 1,675,142	\$ 1,570,726	\$ 1,717,045	\$ 1,430,527	\$ 1,757,528	\$ 1,665,456	\$ 1,664,900	\$ 1,372,762	\$ 1,492,955
Contributions - Member	569,687	567,924	579,056	581,098	609,298	632,973	611,907	672,593	685,521	730,916
Net Investment Income	314,408	4,270,357	11,379,574	(3,833,930)	13,135,332	11,558,168	15,732,262	(13,638,596)	9,774,882	9,568,071
Benefit Payments, Including Refunds of Member Contributions	(2,892,799)	(3,114,774)	(3,327,573)	(3,477,004)	(3,802,845)	(4,423,005)	(4,883,028)	(5,506,889)	(5,518,501)	(5,821,057)
Other (Net Transfer)	(680,586)	(117,629)	(841,452)	1,402,281	191,608	432,809	193,841	(1,030,036)	2,120,965	(1,247,334)
Net Change in Plan Fiduciary Net Position	(946,040)	3,281,020	9,360,331	(3,610,510)	11,563,920	9,958,473	13,320,438	(17,838,028)	8,435,629	4,723,551
Plan Fiduciary Net Position - Beginning	63,265,421	62,319,381	65,600,401	74,960,732	71,350,222	82,914,142	92,872,615	106,193,053	88,355,025	96,790,654
PLAN FIDUCIARY NET POSITION - ENDING	\$ 62,319,381	\$ 65,600,401	\$ 74,960,732	\$ 71,350,222	\$ 82,914,142	\$ 92,872,615	\$ 106,193,053	\$ 88,355,025	\$ 96,790,654	\$ 101,514,205
EMPLOYER'S NET PENSION LIABILITY	\$ 12,009,200	\$ 11,870,346	\$ 3,875,630	\$ 14,189,548	\$ 7,023,172	\$ 2,207,993	\$ (7,330,293)	\$ 13,749,316	\$ 8,475,923	\$ 8,586,211

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.80%	84.70%	95.10%	83.40%	92.20%	97.70%	107.40%	86.50%	91.90%	92.20%
Covered Payroll	\$ 11,821,130	\$ 12,143,510	\$ 12,242,605	\$ 12,913,319	\$ 13,440,899	\$ 13,891,248	\$ 13,592,210	\$ 14,359,712	\$ 15,233,754	\$ 16,352,183
Employer's Net Pension Liability as a Percentage of Covered Payroll	101.60%	97.80%	31.70%	109.90%	52.30%	15.90%	(53.90%)	95.70%	55.60%	52.50%

In 2015, there were changes in assumptions related to retirement age and mortality rates.

In 2016, there were changes in assumptions related to the discount rate.

In 2017, there were changes in assumptions related to mortality rates.

In 2018, there were changes in assumptions related to the discount rate and mortality rates.

In 2020, there were changes in assumptions related to price inflation, salary increases and retirement and mortality rates.

In 2023, there were changes in assumptions related to mortality rates.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

POLICE PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,485,606	\$ 1,495,789	\$ 1,607,973	\$ 1,525,429	\$ 1,829,400	\$ 1,746,995	\$ 1,741,834	\$ 1,824,252	\$ 1,882,981	\$ 1,880,603
Interest	9,230,804	8,609,603	9,047,750	9,525,137	10,529,604	10,674,792	11,100,344	11,344,081	11,856,765	12,215,800
Changes of Benefit Terms	-	-	-	551,939	-	-	(63,925)	557,918	-	-
Differences Between Expected and Actual Experience	(2,263,917)	1,425,213	2,070,187	1,376,168	3,932,773	(3,611,862)	(537,323)	2,417,712	1,386,630	2,055,377
Changes of Assumptions	(11,653,118)	-	-	5,453,081	-	-	4,810,760	-	(569,775)	(44,783)
Benefit Payments, Including Refunds of Member Contributions	(4,822,503)	(5,341,609)	(6,035,672)	(6,685,809)	(7,245,992)	(7,716,960)	(8,449,699)	(8,723,606)	(9,420,404)	(9,788,399)
Net Change in Total Pension Liability	(8,023,128)	6,188,996	6,690,238	11,745,945	9,045,785	1,092,965	8,601,991	7,420,357	5,136,197	6,318,598
Total Pension Liability - Beginning	125,488,640	117,465,512	123,654,508	130,344,746	142,090,691	151,136,476	152,229,441	160,831,432	168,251,789	173,387,986
TOTAL PENSION LIABILITY - ENDING	\$ 117,465,512	\$ 123,654,508	\$ 130,344,746	\$ 142,090,691	\$ 151,136,476	\$ 152,229,441	\$ 160,831,432	\$ 168,251,789	\$ 173,387,986	\$ 179,706,584
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 3,228,471	\$ 3,407,918	\$ 3,557,124	\$ 3,785,342	\$ 4,324,074	\$ 5,349,815	\$ 6,070,101	\$ 6,000,738	\$ 6,436,241	\$ 6,334,659
Contributions - Member	813,215	865,157	832,191	827,082	874,298	817,306	829,128	854,735	907,443	966,461
Contributions - Other	-	-	34,601	-	-	165,726	69,469	22,419	261,809	116,643
Net Investment Income	6,063,204	9,200,616	(6,599,074)	11,675,797	6,557,880	13,741,336	(11,169,813)	10,945,471	8,826,193	17,369,412
Benefit Payments, Including Refunds of Member Contributions	(4,822,503)	(5,341,609)	(6,035,672)	(6,685,809)	(7,245,992)	(7,716,960)	(8,449,699)	(8,723,606)	(9,420,404)	(9,788,399)
Administrative Expense	(38,109)	(39,392)	(46,183)	(51,852)	(50,174)	(39,823)	(40,806)	(34,462)	(35,292)	(38,733)
Net Change in Plan Fiduciary Net Position	5,244,278	8,092,690	(8,257,013)	9,550,560	4,460,086	12,317,400	(12,691,620)	9,065,295	6,975,990	14,960,043
Plan Fiduciary Net Position - Beginning	66,014,912	71,259,190	79,351,880	71,094,867	80,645,427	85,105,513	97,422,913	84,731,293	93,796,588	100,772,578
PLAN FIDUCIARY NET POSITION - ENDING	\$ 71,259,190	\$ 79,351,880	\$ 71,094,867	\$ 80,645,427	\$ 85,105,513	\$ 97,422,913	\$ 84,731,293	\$ 93,796,588	\$ 100,772,578	\$ 115,732,621
EMPLOYER'S NET PENSION LIABILITY	\$ 46,206,322	\$ 44,302,628	\$ 59,249,879	\$ 61,445,264	\$ 66,030,963	\$ 54,806,528	\$ 76,100,139	\$ 74,455,201	\$ 72,615,408	\$ 63,973,963

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.70%	64.20%	54.50%	56.80%	56.30%	64.00%	52.70%	55.70%	58.10%	64.40%
Covered Payroll	\$ 8,205,983	\$ 8,493,193	\$ 8,397,491	\$ 8,289,966	\$ 8,748,348	\$ 8,247,853	\$ 8,358,302	\$ 8,629,058	\$ 9,155,852	\$ 9,935,744
Employer's Net Pension Liability as a Percentage of Covered Payroll	563.10%	521.60%	705.60%	741.20%	754.80%	664.50%	910.50%	862.80%	793.10%	643.90%

In 2016, there was a change in actuarial assumptions related to mortality rates and discount rates.

In 2017, there was a change in actuarial assumptions related to discount rates.

In 2018, there was a change in actuarial assumptions related to discount rates and bond rates.

In 2019, there was a change in actuarial assumptions related to discount rates discount rates, bond rates, projected individual pay increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions.

In 2020, there was a change in actuarial assumptions related to discount rates and bond rates.

In 2021, there was a change in actuarial assumptions related to discount rates and bond rates.

In 2022, there was a change in actuarial assumptions related to discount rates and bond rates.

In 2023, there was a change in benefit terms related to surviving spouse benefits.

In 2024, there was a change in actuarial assumptions related to discount rates, projected individual pay increases, inflation rates, retirement rates, termination rates, disability rates, mortality rates and duty death probabilities.

In 2025, there was a change in actuarial assumptions related to discount rates and project individual pay increases.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service Cost	\$ 1,951,957	\$ 1,935,078	\$ 2,029,189	\$ 2,042,766	\$ 2,241,786	\$ 2,175,005	\$ 2,248,621	\$ 2,454,906	\$ 2,489,405	\$ 2,745,624
Interest	7,734,740	8,298,776	8,645,416	8,984,188	9,466,598	9,704,590	10,259,311	10,583,909	11,064,459	11,878,525
Changes of Benefit Terms	-	-	-	517,294	-	-	(121,887)	-	-	-
Differences Between Expected and Actual Experience	(15,879)	(391,154)	(688,021)	589,331	1,528,347	(2,822,095)	(52,369)	1,569,713	882,676	812,818
Changes of Assumptions	949,835	(1,540,149)	-	2,234,460	-	(6,433)	4,420,658	-	5,207,920	-
Benefit Payments, Including Refunds of Member Contributions	(4,072,544)	(4,800,989)	(5,248,265)	(5,691,006)	(6,188,024)	(6,917,879)	(7,405,551)	(7,715,096)	(8,245,140)	(8,586,794)
Net Change in Total Pension Liability	6,548,109	3,501,562	4,738,319	8,677,033	7,048,707	2,133,188	9,348,783	6,893,432	11,399,320	6,850,173
Total Pension Liability - Beginning	107,846,670	114,394,779	117,896,341	122,634,660	131,311,693	138,360,400	140,493,588	149,842,371	156,735,803	168,135,123
TOTAL PENSION LIABILITY - ENDING	\$ 114,394,779	\$ 117,896,341	\$ 122,634,660	\$ 131,311,693	\$ 138,360,400	\$ 140,493,588	\$ 149,842,371	\$ 156,735,803	\$ 168,135,123	\$ 174,985,296
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	\$ 2,867,272	\$ 3,121,335	\$ 3,270,126	\$ 3,369,928	\$ 3,688,506	\$ 4,209,054	\$ 4,537,332	\$ 4,483,308	\$ 4,747,249	\$ 4,631,746
Contributions - Member	973,790	863,963	909,020	943,556	927,910	1,038,858	937,022	973,929	998,332	1,037,403
Contributions - Other	-	-	-	-	-	-	-	-	659	-
Net Investment Income	3,899,334	9,817,442	(4,280,100)	16,674,359	13,991,335	12,718,215	(16,532,402)	14,428,053	11,884,769	20,437,273
Benefit Payments, Including Refunds of Member Contributions	(4,072,544)	(4,800,989)	(5,248,265)	(5,691,006)	(6,188,024)	(6,917,879)	(7,405,551)	(7,715,096)	(8,245,140)	(8,586,794)
Administrative Expense	(71,449)	(53,790)	(42,092)	(52,787)	(48,314)	(49,540)	(60,914)	(33,764)	(62,974)	(51,749)
Net Change in Plan Fiduciary Net Position	3,596,403	8,947,961	(5,391,311)	15,244,050	12,371,413	10,998,708	(18,524,513)	12,136,430	9,322,895	17,467,879
Plan Fiduciary Net Position - Beginning	70,999,525	74,595,928	83,543,889	78,152,578	93,396,628	105,768,041	116,766,749	98,242,236	110,378,666	119,701,561
PLAN FIDUCIARY NET POSITION - ENDING	\$ 74,595,928	\$ 83,543,889	\$ 78,152,578	\$ 93,396,628	\$ 105,768,041	\$ 116,766,749	\$ 98,242,236	\$ 110,378,666	\$ 119,701,561	\$ 137,169,440
EMPLOYER'S NET PENSION LIABILITY	\$ 39,798,851	\$ 34,352,452	\$ 44,482,082	\$ 37,915,065	\$ 32,592,359	\$ 23,726,839	\$ 51,600,135	\$ 46,357,137	\$ 48,433,562	\$ 37,815,856

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.20%	70.90%	63.70%	71.10%	76.40%	83.10%	65.60%	70.40%	71.20%	78.40%
Covered Payroll	\$ 9,221,092	\$ 9,543,830	\$ 9,070,725	\$ 9,364,199	\$ 9,813,969	\$ 9,610,716	\$ 9,900,503	\$ 10,567,447	\$ 10,540,544	\$ 11,065,761
Employer's Net Pension Liability as a Percentage of Covered Payroll	431.60%	359.90%	490.40%	404.90%	332.10%	246.90%	521.20%	438.70%	459.50%	341.70%

In 2016, there was a change in actuarial assumptions realted to mortality rates and discount rates.

In 2017, there was a change in actuarial assuptions realted to discount rates.

In 2018, there was a change in actuarial assumptions realted to discount rates and bond rates.

In 2019, there was a change in actuarial assumptions realted to discount rates, bond rates, projected individual pay increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions.

In 2020, there was a change in actuarial assumptions realted to discount rates and bond rates.

In 2021, there was a change in actuarial assumptions realted to discount rates, bonds rate and projected individual pay increases.

In 2022, there was a change in actuarial assumptions realted to discount rates, bonds rate and projected individual pay increases.

In 2024, there was a change in actuarial assumptions related to discount rates, projected individual pay increases, inflation rates, retirement rates, termination rates, disability rates, mortality rates and duty death probabilities.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL OPEB LIABILITY								
Service Cost	\$ 457,751	\$ 391,145	\$ 575,005	\$ 808,718	\$ 603,300	\$ 454,947	\$ 519,764	\$ 467,655
Interest	537,136	595,177	545,453	356,900	201,739	309,146	284,369	336,761
Changes of Assumptions	(1,537,238)	5,004,129	760,752	(6,936,018)	(1,746,124)	(28,822)	(757,447)	1,688,071
Changes of Benefit Terms	-	-	(280,819)	-	-	188,491	-	-
Differences Between Expected and Actual Experience	-	-	(4,093,701)	(723,242)	-	8,200	-	(955,928)
Benefit Payments	(517,209)	(580,123)	(613,666)	(543,970)	(552,289)	(531,047)	(507,675)	(523,785)
Net Change in Total Pension Liability	(1,059,560)	5,410,328	(3,106,976)	(7,037,612)	(1,493,374)	400,915	(460,989)	1,012,774
Total OPEB liability - Beginning	15,863,097	14,803,537	20,213,865	17,106,889	10,069,277	8,575,903	8,976,818	8,515,829
TOTAL OPEB LIABILITY - ENDING	\$ 14,803,537	\$ 20,213,865	\$ 17,106,889	\$ 10,069,277	\$ 8,575,903	\$ 8,976,818	\$ 8,515,829	\$ 9,528,603
Covered-Employee Payroll	\$ 30,381,535	\$ 31,147,318	\$ 31,743,858	\$ 31,086,495	\$ 32,623,875	\$ 34,124,106	\$ 35,147,829	\$ 38,249,650
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	48.73%	64.90%	53.89%	32.39%	26.29%	26.31%	24.23%	24.91%

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

In 2020, there were changes in assumptions related to discount rates, bond rates, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

In 2021, there were changes in assumptions related to discount rates, bond rates, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

In 2022, there were changes in assumptions related to discount rates, bond rates, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

In 2023, there were changes in assumptions related to discount rates and medical costs.

In 2024, there were changes in assumptions related to discount rates.

In 2025, there were changes in assumptions related to discount rates, inflation rates, retirement rates, termination rates, disability rates, mortality rates, and mortality improvement rates.

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

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.31%	13.02%	(8.35%)	16.65%	8.24%	16.40%	(1.97%)	13.66%	9.59%	17.79%

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.10%	13.40%	(5.20%)	19.23%	15.99%	12.12%	(2.67%)	15.36%	10.97%	17.56%

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMPARATIVE BALANCE SHEET BY ACCOUNT

GENERAL FUND

December 31, 2025
(with comparative totals for 2024)

	2025			
	General	Municipal		
	Account	Waste		
		System	Total	2024
	Account	Account		
ASSETS				
Cash and Investments	\$ 27,550,027	\$ 362,365	\$ 27,912,392	\$ 34,131,361
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	32,923,814	-	32,923,814	25,553,312
Accounts	112,185	295,122	407,307	456,880
Accrued Interest	584,826	-	584,826	626,066
Leases	7,153,953	-	7,153,953	7,654,142
Other	3,905,168	52,840	3,958,008	3,337,704
Prepaid Items	208,919	65,577	274,496	240,020
Assets Held by Agents	49,256	-	49,256	48,482
Inventories	157,687	-	157,687	147,772
Due from Other Governments	5,964,826	-	5,964,826	5,603,059
Due from Other Funds	405,712	-	405,712	10,036
TOTAL ASSETS	\$ 79,016,373	\$ 775,904	\$ 79,792,277	\$ 77,808,834

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMPARATIVE BALANCE SHEET BY ACCOUNT (Continued)

GENERAL FUND

December 31, 2025
(with comparative totals for 2024)

	2025			
	General	Municipal		
	Account	Waste		
		System		
		Account	Total	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,187,984	\$ -	\$ 2,187,984	\$ 3,021,413
Accrued Payroll	1,171,975	382	1,172,357	1,059,497
Unearned Revenues	182,924	270,649	453,573	527,180
Due to FSA Participants	24,256	-	24,256	23,482
Due to Fiduciary Funds	4,998,267	-	4,998,267	-
Deposits Payable	1,206,822	-	1,206,822	1,352,496
Total Liabilities	9,772,228	271,031	10,043,259	5,984,068
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	26,708,312	-	26,708,312	25,553,312
Leases	6,402,602	-	6,402,602	7,056,863
Unavailable State Taxes	1,586,198	-	1,586,198	1,471,701
Total Deferred Inflows of Resources	34,697,112	-	34,697,112	34,081,876
Total Liabilities and Deferred Inflows of Resources	44,469,340	271,031	44,740,371	40,065,944
FUND BALANCES				
Nonspendable				
Prepaid Items	208,919	65,577	274,496	240,020
Inventories	157,687	-	157,687	147,772
Restricted				
Employee Loan Program	32,044	-	32,044	33,500
Public Safety	316,454	-	316,454	304,645
Assigned				
Employee Health	2,620,822	-	2,620,822	2,334,987
Subsequent Budget	5,228,480	-	5,228,480	5,428,890
Unassigned	25,982,627	439,296	26,421,923	29,253,076
Total Fund Balances	34,547,033	504,873	35,051,906	37,742,890
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 79,016,373	\$ 775,904	\$ 79,792,277	\$ 77,808,834

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

GENERAL FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025			2024		
	General	Municipal		General	Municipal	
	Account	Waste	Total	Account	Waste	Total
		System			System	
		Account			Account	
REVENUES						
Taxes	\$ 35,262,014	\$ -	\$ 35,262,014	\$ 34,225,136	\$ -	\$ 34,225,136
Licenses and Permits	4,548,592	-	4,548,592	5,701,900	-	5,701,900
Intergovernmental	22,805,711	-	22,805,711	22,460,375	-	22,460,375
Charges for Services	11,617,900	3,340,612	14,958,512	11,859,662	3,228,084	15,087,746
Fines and Forfeits	680,755	-	680,755	850,418	-	850,418
Investment Income	1,421,528	21,725	1,443,253	1,900,924	24,839	1,925,763
Miscellaneous	881,645	58,223	939,868	910,791	49,931	960,722
Total Revenues	77,218,145	3,420,560	80,638,705	77,909,206	3,302,854	81,212,060
EXPENDITURES						
Current						
General Government	9,537,326	-	9,537,326	8,350,852	-	8,350,852
Public Safety	47,402,709	-	47,402,709	45,707,285	-	45,707,285
Highways and Streets	7,831,782	25,659	7,857,441	7,423,711	46,503	7,470,214
Sanitation	-	3,504,468	3,504,468	-	3,298,203	3,298,203
Health and Welfare	3,431,464	-	3,431,464	3,071,858	-	3,071,858
Culture and Recreation	273,498	-	273,498	260,004	-	260,004
Economic Development	2,487,909	-	2,487,909	2,609,057	-	2,609,057
Capital Outlay	1,479,894	-	1,479,894	173,427	-	173,427
Debt Service	288,285	-	288,285	58,500	-	58,500
Total Expenditures	72,732,867	3,530,127	76,262,994	67,654,694	3,344,706	70,999,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,485,278	(109,567)	4,375,711	10,254,512	(41,852)	10,212,660
OTHER FINANCING SOURCES (USES)						
Transfers In	91,585	420,000	511,585	-	-	-
Transfers (Out)	(9,058,175)	-	(9,058,175)	(10,611,964)	-	(10,611,964)
SBITA Issuance	1,479,895	-	1,479,895	173,427	-	173,427
Total Other Financing Sources (Uses)	(7,486,695)	420,000	(7,066,695)	(10,438,537)	-	(10,438,537)
NET CHANGE IN FUND BALANCES	(3,001,417)	310,433	(2,690,984)	(184,025)	(41,852)	(225,877)
FUND BALANCES, JANUARY 1	37,548,450	194,440	37,742,890	37,732,475	236,292	37,968,767
FUND BALANCES, DECEMBER 31	\$ 34,547,033	\$ 504,873	\$ 35,051,906	\$ 37,548,450	\$ 194,440	\$ 37,742,890

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL ACCOUNT

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Legislative	\$ 490,920	\$ 490,920	\$ 461,500	\$ 426,194
Administration	1,327,830	1,413,830	1,340,725	1,116,053
Legal	515,360	1,118,360	1,046,341	658,264
Finance	1,454,790	1,454,790	1,362,175	1,351,287
Village Clerk	291,450	291,450	278,943	257,640
Human Resources Management	936,200	936,200	868,522	761,112
Communications	524,270	524,270	509,678	479,240
Buildings and Grounds	1,522,930	1,522,930	1,467,866	1,171,357
Fleet Services	1,897,770	1,897,770	1,758,667	1,692,482
Police and Fire Commission	96,780	96,780	61,184	39,961
Emergency Operations	109,790	109,790	100,014	100,219
Miscellaneous Boards and Commissions	332,080	332,080	281,711	297,043
Total General Government	9,500,170	10,189,170	9,537,326	8,350,852
PUBLIC SAFETY				
Police Department				
Administration	1,972,120	1,972,120	1,866,091	1,846,598
Juvenile Investigations	778,350	778,350	769,876	710,830
Tactical	1,115,430	1,115,430	1,294,256	1,049,510
Patrol and Response	15,032,100	15,032,100	14,226,271	13,962,025
Traffic Control	885,140	885,140	1,308,197	999,611
Investigations	1,713,200	1,713,200	1,708,128	1,647,166
Community Relations	17,800	17,800	13,017	10,597
Communications	392,000	392,000	392,499	394,603
Canine	204,640	204,640	215,138	40,621
Special Services	229,210	229,210	306,088	264,307
Records	411,570	411,570	381,296	407,938
Administrative Services	1,531,090	1,531,090	1,427,092	1,334,878
Total Police Department	24,282,650	24,282,650	23,907,949	22,668,684
Fire Department				
Administration	965,790	965,790	961,181	1,110,111
Public Education	144,540	144,540	131,400	89,918
Suppression	11,254,860	11,254,860	11,186,784	10,927,926
Emergency Medical Services	11,270,540	11,270,540	10,526,792	10,214,468
Fire Prevention	687,630	687,630	645,123	655,065
Fire Stations	54,800	54,800	43,480	41,113
Total Fire Department	24,378,160	24,378,160	23,494,760	23,038,601
Total Public Safety	48,660,810	48,660,810	47,402,709	45,707,285

(This schedule is continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL ACCOUNT

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS				
Administration - Public Works	\$ 414,850	\$ 414,850	\$ 313,180	\$ 371,078
Snow and Ice Control	2,200,930	2,200,930	2,042,762	1,877,972
Pavement Maintenance	1,336,470	1,336,470	1,301,949	1,354,270
Forestry	2,098,880	2,098,880	1,864,538	1,745,512
Maintenance	237,910	237,910	181,405	245,467
Storm Sewers	521,500	521,500	303,030	166,908
Utilities	-	-	-	-
Engineering	1,970,730	1,970,730	1,824,918	1,662,504
Total Highways and Streets	8,781,270	8,781,270	7,831,782	7,423,711
HEALTH AND WELFARE				
Health and Human Services	1,463,090	1,463,090	1,399,773	1,317,282
Code Enforcement	2,013,140	2,013,140	2,031,691	1,754,576
Total Health and Welfare	3,476,230	3,476,230	3,431,464	3,071,858
CULTURE AND RECREATION				
4th of July	327,950	327,950	273,498	260,004
Total Culture and Recreation	327,950	327,950	273,498	260,004
ECONOMIC DEVELOPMENT				
Administration - Community Development	473,710	473,710	450,789	469,070
Planning	1,126,550	1,126,550	925,924	999,708
Economic Development	1,227,570	1,227,570	1,111,196	1,140,279
Total Economic Development	2,827,830	2,827,830	2,487,909	2,609,057
CAPITAL OUTLAY				
Software	-	-	1,479,894	173,427
Total Capital Outlay	-	-	1,479,894	173,427
DEBT SERVICE				
Principal Retirement	-	-	273,793	58,500
Interest and Fiscal Charges	-	-	14,492	-
Total Debt Service	-	-	288,285	58,500
TOTAL EXPENDITURES	\$ 73,574,260	\$ 74,263,260	\$ 72,732,867	\$ 67,654,694

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

MUNICIPAL WASTE SYSTEM ACCOUNT

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 3,395,780	\$ 3,395,780	\$ 3,340,612	\$ 3,228,084
Investment Income	5,000	5,000	21,725	24,839
Miscellaneous	31,200	31,200	58,223	49,931
Total Revenues	3,431,980	3,431,980	3,420,560	3,302,854
EXPENDITURES				
Current				
Highways and Streets	49,020	49,020	25,659	46,503
Sanitation	3,638,880	3,638,880	3,504,468	3,298,203
Total Expenditures	3,687,900	3,687,900	3,530,127	3,344,706
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(255,920)	(255,920)	(109,567)	(41,852)
OTHER FINANCING SOURCES (USES)				
Transfers In	420,000	420,000	420,000	-
Total Other Financing Sources (Uses)	420,000	420,000	420,000	-
NET CHANGE IN FUND BALANCE	\$ 164,080	\$ 164,080	310,433	(41,852)
FUND BALANCE, JANUARY 1			194,440	236,292
FUND BALANCE, DECEMBER 31			\$ 504,873	\$ 194,440

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 7,349,521	\$ 12,555	\$ 19,883,715	\$ 27,245,791
Receivables				
Property Taxes	4,153,994	2,288,252	-	6,442,246
Accounts	-	-	163,552	163,552
Accrued Interest	27	-	2,195	2,222
Other	2,250	-	1,160,026	1,162,276
Due from Other Governments	212,666	-	-	212,666
Due from Other Funds	-	-	550,000	550,000
TOTAL ASSETS	\$ 11,718,458	\$ 2,300,807	\$ 21,759,488	\$ 35,778,753
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 371,178	\$ 499	\$ 4,562,383	\$ 4,934,060
Arbitrage Payable	-	-	58,941	58,941
Unearned Revenues	12,031	-	-	12,031
Due to Other Funds	54,164	191,168	710,380	955,712
Deposits Payable	-	-	3,810,701	3,810,701
Total Liabilities	437,373	191,667	9,142,405	9,771,445
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	3,199,503	2,100,580	-	5,300,083
Total Deferred Inflows of Resources	3,199,503	2,100,580	-	5,300,083
Total Liabilities and Deferred Inflows of Resources	3,636,876	2,292,247	9,142,405	15,071,528
FUND BALANCES				
Restricted				
Highways and Streets	479,171	-	-	479,171
Debt Service	-	66,479	-	66,479
Public Safety	538,790	-	-	538,790
Economic Development	7,063,621	-	-	7,063,621
Assigned				
Capital Projects	-	-	12,909,903	12,909,903
Unassigned (Deficit)	-	(57,919)	(292,820)	(350,739)
Total Fund Balances	8,081,582	8,560	12,617,083	20,707,225
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,718,458	\$ 2,300,807	\$ 21,759,488	\$ 35,778,753

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,733,604	\$ 2,031,109	\$ 3,614,701	\$ 7,379,414
Intergovernmental	2,645,134	212,590	1,747,768	4,605,492
Charges for Services	-	-	1,621,488	1,621,488
Fines and Forfeits	147,115	-	-	147,115
Investment Income	299,109	7,065	976,105	1,282,279
Miscellaneous	9,841	-	333,798	343,639
Total Revenues	4,834,803	2,250,764	8,293,860	15,379,427
EXPENDITURES				
Current				
General Government	240	-	-	240
Public Safety	96,781	-	-	96,781
Highways and Streets	3,317,500	-	-	3,317,500
Economic Development	1,011,766	-	-	1,011,766
Capital Outlay	-	-	24,189,169	24,189,169
Debt Service				
Principal Retirement	348,201	2,380,100	632,266	3,360,567
Interest and Fiscal Charges	-	1,743,203	20,746	1,763,949
Total Expenditures	4,774,488	4,123,303	24,842,181	33,739,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	60,315	(1,872,539)	(16,548,321)	(18,360,545)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,855,264	13,134,164	14,989,428
Transfers (Out)	(266,369)	-	(6,797,193)	(7,063,562)
Notes Issued, at Par	611,006	-	-	611,006
Total Other Financing Sources (Uses)	344,637	1,855,264	6,336,971	8,536,872
NET CHANGE IN FUND BALANCES	404,952	(17,275)	(10,211,350)	(9,823,673)
FUND BALANCES, JANUARY 1	7,676,630	25,835	22,828,433	30,530,898
FUND BALANCES, DECEMBER 31	\$ 8,081,582	\$ 8,560	\$ 12,617,083	\$ 20,707,225

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Stonington/Pembroke TIF Fund - to account for the revenues and expenditures pertaining to the activity in the Stonington/Pembroke TIF District.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2025

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
ASSETS			
Cash and Investments	\$ 266,478	\$ 17,961	\$ 550,936
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Tax	-	-	-
Accrued Interest	27	-	-
Other	-	-	-
Due from Other Governments	212,666	-	-
TOTAL ASSETS	\$ 479,171	\$ 17,961	\$ 550,936
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 115
Unearned Revenues	-	-	12,031
Due to Other Funds	-	-	-
Total Liabilities	-	-	12,146
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	12,146
FUND BALANCES			
Restricted			
Highways and Streets	479,171	-	-
Public Safety	-	-	538,790
Economic Development	-	17,961	-
Total Fund Balances	479,171	17,961	538,790
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 479,171	\$ 17,961	\$ 550,936

Roselle Road TIF	Barrington Higgins TIF	Lakewood Center TIF	Higgins/ Old Sutton TIF	Higgins/ Hassell TIF	Stonington/ Pembroke TIF	Total
\$ 3,668,177	\$ 1,383,043	\$ 546,579	\$ 72,675	\$ 843,672	\$ -	\$ 7,349,521
1,443,634	-	1,034,947	-	1,044,684	630,729	4,153,994
-	-	-	-	-	-	27
2,250	-	-	-	-	-	2,250
-	-	-	-	-	-	212,666
<u>\$ 5,114,061</u>	<u>\$ 1,383,043</u>	<u>\$ 1,581,526</u>	<u>\$ 72,675</u>	<u>\$ 1,888,356</u>	<u>\$ 630,729</u>	<u>\$ 11,718,458</u>
\$ 4,400	\$ -	\$ 7,911	\$ -	\$ 352,601	\$ 6,151	\$ 371,178
-	-	-	-	-	-	12,031
-	-	-	-	-	54,164	54,164
4,400	-	7,911	-	352,601	60,315	437,373
997,431	-	1,034,947	-	707,936	459,189	3,199,503
997,431	-	1,034,947	-	707,936	459,189	3,199,503
1,001,831	-	1,042,858	-	1,060,537	519,504	3,636,876
-	-	-	-	-	-	479,171
-	-	-	-	-	-	538,790
4,112,230	1,383,043	538,668	72,675	827,819	111,225	7,063,621
4,112,230	1,383,043	538,668	72,675	827,819	111,225	8,081,582
<u>\$ 5,114,061</u>	<u>\$ 1,383,043</u>	<u>\$ 1,581,526</u>	<u>\$ 72,675</u>	<u>\$ 1,888,356</u>	<u>\$ 630,729</u>	<u>\$ 11,718,458</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2025

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,398,161	246,973	-
Fines and Forfeits	-	-	147,115
Investment Income	35,867	57	2,854
Miscellaneous	-	9,841	-
Total Revenues	2,434,028	256,871	149,969
EXPENDITURES			
Current			
General Government	-	-	-
Public Safety	-	-	96,781
Highways and Streets	3,317,500	-	-
Economic Development	-	276,267	-
Debt Service			
Principal Retirement	-	-	-
Total Expenditures	3,317,500	276,267	96,781
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(883,472)	(19,396)	53,188
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Notes Issued, at Par	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCES	(883,472)	(19,396)	53,188
FUND BALANCES (DEFICIT), JANUARY 1	1,362,643	37,357	485,602
FUND BALANCES, DECEMBER 31	\$ 479,171	\$ 17,961	\$ 538,790

Roselle Road TIF	Barrington Higgins TIF	Lakewood Center TIF	Higgins/ Old Sutton TIF	Higgins/ Hassell TIF	Stonington/ Pembroke TIF	Total
\$ 871,663	\$ -	\$ -	\$ -	\$ 679,899	\$ 182,042	\$ 1,733,604
-	-	-	-	-	-	2,645,134
-	-	-	-	-	-	147,115
147,795	56,185	24,351	3,026	28,973	1	299,109
-	-	-	-	-	-	9,841
1,019,458	56,185	24,351	3,026	708,872	182,043	4,834,803
-	-	240	-	-	-	240
-	-	-	-	-	-	96,781
-	-	-	-	-	-	3,317,500
32,900	9,160	57,580	2,865	623,804	9,190	1,011,766
-	-	-	-	348,201	-	348,201
32,900	9,160	57,820	2,865	972,005	9,190	4,774,488
986,558	47,025	(33,469)	161	(263,133)	172,853	60,315
-	-	(17,720)	-	(187,947)	(60,702)	(266,369)
-	-	-	-	611,006	-	611,006
-	-	(17,720)	-	423,059	(60,702)	344,637
986,558	47,025	(51,189)	161	159,926	112,151	404,952
3,125,672	1,336,018	589,857	72,514	667,893	(926)	7,676,630
\$ 4,112,230	\$ 1,383,043	\$ 538,668	\$ 72,675	\$ 827,819	\$ 111,225	\$ 8,081,582

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

MOTOR FUEL TAX FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 2,347,840	\$ 2,347,840	\$ 2,398,161	\$ 2,334,967
Investment Income	45,000	45,000	35,867	64,424
Total Revenues	2,392,840	2,392,840	2,434,028	2,399,391
EXPENDITURES				
Current				
Highways and Streets	3,317,500	3,317,500	3,317,500	2,282,553
Total Expenditures	3,317,500	3,317,500	3,317,500	2,282,553
NET CHANGE IN FUND BALANCE	<u>\$ (924,660)</u>	<u>\$ (924,660)</u>	(883,472)	116,838
FUND BALANCE, JANUARY 1			1,362,643	1,245,805
FUND BALANCE, DECEMBER 31			<u>\$ 479,171</u>	<u>\$ 1,362,643</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 157,600	\$ 241,600	\$ 246,973	\$ 341,140
Investment Income	-	-	57	203
Miscellaneous	-	-	9,841	7,839
Total Revenues	157,600	241,600	256,871	349,182
EXPENDITURES				
Current				
Economic Development	157,600	277,600	276,267	362,590
Total Expenditures	157,600	277,600	276,267	362,590
NET CHANGE IN FUND BALANCE	\$ -	\$ (36,000)	(19,396)	(13,408)
FUND BALANCE, JANUARY 1			37,357	50,765
FUND BALANCE, DECEMBER 31			\$ 17,961	\$ 37,357

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ASSET SEIZURE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and Forfeits	\$ -	\$ -	\$ 147,115	\$ 151,455
Investment Income	-	-	2,854	3,278
Miscellaneous	-	-	-	32,122
Total Revenues	-	-	149,969	186,855
EXPENDITURES				
Current				
Public Safety	141,500	141,500	96,781	271,415
Total Expenditures	141,500	141,500	96,781	271,415
NET CHANGE IN FUND BALANCE	<u>\$ (141,500)</u>	<u>\$ (141,500)</u>	53,188	(84,560)
FUND BALANCE, JANUARY 1			485,602	570,162
FUND BALANCE, DECEMBER 31			<u>\$ 538,790</u>	<u>\$ 485,602</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ROSELLE ROAD TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ 800,000	\$ 800,000	\$ 871,663	\$ 785,404
Investment Income	60,000	60,000	147,795	149,999
Total Revenues	860,000	860,000	1,019,458	935,403
EXPENDITURES				
Current				
Economic Development	1,118,250	1,118,250	32,900	111,868
Total Expenditures	1,118,250	1,118,250	32,900	111,868
NET CHANGE IN FUND BALANCE	<u>\$ (258,250)</u>	<u>\$ (258,250)</u>	986,558	823,535
FUND BALANCE, JANUARY 1			3,125,672	2,302,137
FUND BALANCE, DECEMBER 31			<u>\$ 4,112,230</u>	<u>\$ 3,125,672</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

BARRINGTON/HIGGINS TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 56,185	\$ 85,812
Total Revenues	-	-	56,185	85,812
EXPENDITURES				
Current				
Economic Development	294,130	294,130	9,160	370,397
Total Expenditures	294,130	294,130	9,160	370,397
NET CHANGE IN FUND BALANCE	<u>\$ (294,130)</u>	<u>\$ (294,130)</u>	47,025	(284,585)
FUND BALANCE, JANUARY 1			1,336,018	1,620,603
FUND BALANCE, DECEMBER 31			<u>\$ 1,383,043</u>	<u>\$ 1,336,018</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

LAKEWOOD CENTER TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ 550,000	\$ 550,000	\$ -	\$ 814,923
Investment Income	20,000	20,000	24,351	42,118
Total Revenues	570,000	570,000	24,351	857,041
EXPENDITURES				
Current				
General Government	620	620	240	-
Economic Development	213,630	213,630	57,580	8,714,791
Total Expenditures	214,250	214,250	57,820	8,714,791
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	355,750	355,750	(33,469)	(7,857,750)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(30,000)	(30,000)	(17,720)	-
Notes Issued, at Par	-	-	-	7,866,475
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(17,720)	7,866,475
NET CHANGE IN FUND BALANCE	\$ 325,750	\$ 325,750	(51,189)	8,725
FUND BALANCE, JANUARY 1			589,857	581,132
FUND BALANCE, DECEMBER 31			\$ 538,668	\$ 589,857

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

HIGGINS/OLD SUTTON TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 4,000	\$ 4,000	\$ 3,026	\$ 4,480
Miscellaneous	2,524,120	2,524,120	-	-
Total Revenues	2,528,120	2,528,120	3,026	4,480
EXPENDITURES				
Current				
Economic Development	2,528,250	2,528,250	2,865	30,340
Total Expenditures	2,528,250	2,528,250	2,865	30,340
NET CHANGE IN FUND BALANCE	<u>\$ (130)</u>	<u>\$ (130)</u>	161	(25,860)
FUND BALANCE, JANUARY 1			72,514	98,374
FUND BALANCE, DECEMBER 31			<u>\$ 72,675</u>	<u>\$ 72,514</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

HIGGINS/HASSELL TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property Taxes	\$ 600,000	\$ 600,000	\$ 679,899	\$ 634,441
Investment Income	15,000	15,000	28,973	28,170
Total Revenues	615,000	615,000	708,872	662,611
EXPENDITURES				
Current				
Economic Development	223,250	835,250	623,804	13,835
Debt Service				
Principal Retirement	-	350,000	348,201	333,163
Total Expenditures	223,250	1,185,250	972,005	346,998
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	391,750	(570,250)	(263,133)	315,613
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	(187,947)	-
Notes Issued, at Par	-	612,000	611,006	-
Total Other Financing Sources (Uses)	-	612,000	423,059	-
NET CHANGE IN FUND BALANCE	\$ 391,750	\$ 41,750	159,926	315,613
FUND BALANCE, JANUARY 1			667,893	352,280
FUND BALANCE, DECEMBER 31			\$ 827,819	\$ 667,893

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

STONINGTON/PEMBROKE TIF FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 182,042	\$ 19,660
Interest Income	-	-	1	22
Miscellaneous	424,250	424,250	-	-
Total Revenues	444,250	444,250	182,043	19,682
EXPENDITURES				
Current				
Economic Development	444,250	444,250	9,190	3,988
Total Expenditures	444,250	444,250	9,190	3,988
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	172,853	15,694
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	(60,702)	-
Total Other Financing Sources (Uses)	-	-	(60,702)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	112,151	15,694
FUND BALANCE (DEFICIT), JANUARY 1			(926)	(16,620)
FUND BALANCE (DEFICIT), DECEMBER 31			\$ 111,225	\$ (926)

(See independent auditor's report.)

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.

2024 General Obligation Debt Service Fund - to account for the accumulation of resources for the payment of bond principal and interest on the 2024 general obligation bond issue.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

December 31, 2025

	2015B General Obligation Debt Service	2016 General Obligation Debt Service
ASSETS		
Cash and Investments	\$ -	\$ 1,057
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Property Taxes	-	415,792
TOTAL ASSETS	\$ -	\$ 416,849
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ -
Due to Other Funds	-	191,168
Total Liabilities	-	191,168
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	-	283,600
Total Deferred Inflows of Resources	-	283,600
Total Liabilities and Deferred Inflows of Resources	-	474,768
FUND BALANCES		
Restricted		
Debt Service	-	-
Unassigned (Deficit)	-	(57,919)
Total Fund Balances (Deficit)	-	(57,919)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 416,849

2017A&B General Obligation Debt Service	2018 General Obligation Debt Service	2019 General Obligation Debt Service	2024 General Obligation Debt Service	Total
\$ -	\$ 11,498	\$ -	\$ -	\$ 12,555
-	1,872,460	-	-	2,288,252
\$ -	\$ 1,883,958	\$ -	\$ -	\$ 2,300,807
\$ -	\$ 499	\$ -	\$ -	\$ 499
-	-	-	-	191,168
-	499	-	-	191,667
-	1,816,980	-	-	2,100,580
-	1,816,980	-	-	2,100,580
-	1,817,479	-	-	2,292,247
-	66,479	-	-	66,479
-	-	-	-	(57,919)
-	66,479	-	-	8,560
\$ -	\$ 1,883,958	\$ -	\$ -	\$ 2,300,807

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended December 31, 2025

	2015B General Obligation Debt Service	2016 General Obligation Debt Service
REVENUES		
Taxes	\$ -	\$ 1,429,992
Charges for Services	-	-
Investment Income	-	1,279
Total Revenues	-	1,431,271
EXPENDITURES		
Debt Service		
Principal Retirement	110,000	1,150,000
Interest and Fiscal Charges	14,079	330,080
Total Expenditures	124,079	1,480,080
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,079)	(48,809)
OTHER FINANCING SOURCES (USES)		
Transfers In	124,079	-
Total Other Financing Sources (Uses)	124,079	-
NET CHANGE IN FUND BALANCES	-	(48,809)
FUND BALANCES (DEFICIT), JANUARY 1	-	(9,110)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ -	\$ (57,919)

2017A&B General Obligation Debt Service	2018 General Obligation Debt Service	2019 General Obligation Debt Service	2024 General Obligation Debt Service	Total
\$ -	\$ 601,117	\$ -	\$ -	\$ 2,031,109
-	212,590	-	-	212,590
-	5,786	-	-	7,065
-	819,493	-	-	2,250,764
85,000	925,000	110,100	-	2,380,100
99,261	888,180	26,098	385,505	1,743,203
184,261	1,813,180	136,198	385,505	4,123,303
(184,261)	(993,687)	(136,198)	(385,505)	(1,872,539)
184,261	1,025,221	136,198	385,505	1,855,264
184,261	1,025,221	136,198	385,505	1,855,264
-	31,534	-	-	(17,275)
-	34,945	-	-	25,835
\$ -	\$ 66,479	\$ -	\$ -	\$ 8,560

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2015B GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal Retirement	110,000	110,000	110,000	105,000
Interest and Fiscal Charges	14,100	14,100	14,079	18,279
Total Expenditures	124,100	124,100	124,079	123,279
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,100)	(124,100)	(124,079)	(123,279)
OTHER FINANCING SOURCES (USES)				
Transfers In	124,100	124,100	124,079	123,279
Total Other Financing Sources (Uses)	124,100	124,100	124,079	123,279
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2016 GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,480,100	\$ 1,480,100	\$ 1,429,992	\$ 321,346
Investment Income	-	-	1,279	249
Total Revenues	1,480,100	1,480,100	1,431,271	321,595
EXPENDITURES				
Debt Service				
Principal Retirement	1,150,000	1,150,000	1,150,000	-
Interest and Fiscal Charges	330,100	330,100	330,080	330,080
Total Expenditures	1,480,100	1,480,100	1,480,080	330,080
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(48,809)	(8,485)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(48,809)	(8,485)
FUND BALANCE (DEFICIT), JANUARY 1			(9,110)	(625)
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (57,919)	\$ (9,110)

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2017 A&B GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal Retirement	85,000	85,000	85,000	75,000
Interest and Fiscal Charges	99,300	99,300	99,261	101,511
Total Expenditures	184,300	184,300	184,261	176,511
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(184,300)	(184,300)	(184,261)	(176,511)
OTHER FINANCING SOURCES (USES)				
Transfers In	184,300	184,300	184,261	176,511
Total Other Financing Sources (Uses)	184,300	184,300	184,261	176,511
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2018 GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 625,980	\$ 625,980	\$ 601,117	\$ 1,726,729
Charges for Service	160,000	160,000	212,590	156,135
Investment Income	2,000	2,000	5,786	16,788
Total Revenues	787,980	787,980	819,493	1,899,652
EXPENDITURES				
Debt Service				
Principal Retirement	925,000	925,000	925,000	1,880,000
Interest and Fiscal Charges	888,200	888,200	888,180	982,180
Total Expenditures	1,813,200	1,813,200	1,813,180	2,862,180
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,025,220)	(1,025,220)	(993,687)	(962,528)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,025,220	1,025,220	1,025,221	1,045,853
Total Other Financing Sources (Uses)	1,025,220	1,025,220	1,025,221	1,045,853
NET CHANGE IN FUND BALANCE	\$ -	\$ -	31,534	83,325
FUND BALANCE (DEFICIT), JANUARY 1			34,945	(48,380)
FUND BALANCE, DECEMBER 31			\$ 66,479	\$ 34,945

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2019 GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal Retirement	110,100	110,100	110,100	107,785
Interest and Fiscal Charges	26,600	26,600	26,098	29,550
Total Expenditures	136,700	136,700	136,198	137,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(136,700)	(136,700)	(136,198)	(137,335)
OTHER FINANCING SOURCES (USES)				
Transfers In	136,700	136,700	136,198	137,335
Total Other Financing Sources (Uses)	136,700	136,700	136,198	137,335
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2024 GENERAL OBLIGATION DEBT SERVICE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Interest and Fiscal Charges	385,030	385,530	385,505	188,236
Total Expenditures	385,030	385,530	385,505	188,236
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(385,030)	(385,530)	(385,505)	(188,236)
OTHER FINANCING SOURCES (USES)				
Transfers In	385,030	385,530	385,505	188,236
Total Other Financing Sources (Uses)	385,030	385,530	385,505	188,236
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(See independent auditor's report.)

NONMAJOR CAPITAL PROJECTS FUNDS

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 financial resources used to pay qualified project costs related to the Village's Prairie Stone area.

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 2017 and 2019 General Obligation Bonds.

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

NONMAJOR CAPITAL PROJECTS FUNDS (Continued)

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

2024 Bond Project Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2024 General Obligation Bonds.

2026 Bond Project Fund - to account for bond proceeds used to pay qualified project costs related to the Village's 2026 General Obligation Bonds.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2025

	Central Road Corridor Improvement	Traffic Improvement	Prairie Stone Capital	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment
ASSETS							
Cash and Investments	\$ 59,663	\$ 18,695	\$ 3,467,607	\$ 24,772	\$ 1,222,454	\$ 1,371,814	\$ 2,370,485
Receivables							
Accounts	-	-	-	-	-	-	-
Accrued Interest	-	-	252	11	18	-	68
Other	-	-	-	-	285,939	-	-
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 59,663	\$ 18,695	\$ 3,467,859	\$ 24,783	\$ 1,508,411	\$ 1,371,814	\$ 2,370,553
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 699,938	\$ -	\$ 238,161	\$ -	\$ 365,135
Arbitrage Payable	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deposits Payable	-	-	-	22,678	815,395	302,738	-
Total Liabilities	-	-	699,938	22,678	1,053,556	302,738	365,135
FUND BALANCES							
Assigned							
Capital Projects	59,663	18,695	2,767,921	2,105	454,855	1,069,076	2,005,418
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	59,663	18,695	2,767,921	2,105	454,855	1,069,076	2,005,418
TOTAL LIABILITIES AND FUND BALANCES	\$ 59,663	\$ 18,695	\$ 3,467,859	\$ 24,783	\$ 1,508,411	\$ 1,371,814	\$ 2,370,553

Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvement	Stormwater Management	2024 Bond Project	2026 Bond Project	Total
\$ 317,068	\$ 3,208,921	\$ 2,670,266	\$ 603,322	\$ 2,723,889	\$ 273	\$ 1,824,486	\$ -	\$ 19,883,715
-	-	-	-	-	163,552	-	-	163,552
-	115	34	13	1,684	-	-	-	2,195
-	-	-	-	624,087	250,000	-	-	1,160,026
-	-	-	-	-	-	550,000	-	550,000
<u>\$ 317,068</u>	<u>\$ 3,209,036</u>	<u>\$ 2,670,300</u>	<u>\$ 603,335</u>	<u>\$ 3,349,660</u>	<u>\$ 413,825</u>	<u>\$ 2,374,486</u>	<u>\$ -</u>	<u>\$ 21,759,488</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,044,090	\$ 31,642	\$ 2,039,097	\$ 144,320	\$ 4,562,383
-	-	-	-	-	-	58,941	-	58,941
-	-	-	-	550,000	-	11,880	148,500	710,380
-	-	2,669,890	-	-	-	-	-	3,810,701
-	-	2,669,890	-	1,594,090	31,642	2,109,918	292,820	9,142,405
317,068	3,209,036	410	603,335	1,755,570	382,183	264,568	-	12,909,903
-	-	-	-	-	-	-	(292,820)	(292,820)
317,068	3,209,036	410	603,335	1,755,570	382,183	264,568	(292,820)	12,617,083
<u>\$ 317,068</u>	<u>\$ 3,209,036</u>	<u>\$ 2,670,300</u>	<u>\$ 603,335</u>	<u>\$ 3,349,660</u>	<u>\$ 413,825</u>	<u>\$ 2,374,486</u>	<u>\$ -</u>	<u>\$ 21,759,488</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2025

	Central Road Corridor Improvement	Traffic Improvement	Prairie Stone Capital	Western Area Traffic Improvement	Capital Improvements	Western Area Road Improvement Impact Fee	Capital Vehicle and Equipment
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,674,229	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	638,485
Charges for Services	-	-	-	-	-	16,230	-
Investment Income	1,082	-	40,770	312	57,648	29,784	117,116
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	1,082	-	40,770	312	1,731,877	46,014	755,601
EXPENDITURES							
Capital Outlay	-	-	1,177,440	-	1,730,017	-	3,542,714
Debt Service							
Principal Retirement	-	-	-	-	-	-	592,266
Interest and Fiscal Charges	-	-	-	-	-	-	12,546
Total Expenditures	-	-	1,177,440	-	1,730,017	-	4,147,526
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,082	-	(1,136,670)	312	1,860	46,014	(3,391,925)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	3,450,000	-	1,267,668	-	2,400,213
Transfers (Out)	-	-	-	-	(1,252,500)	-	-
Total Other Financing Sources (Uses)	-	-	3,450,000	-	15,168	-	2,400,213
NET CHANGE IN FUND BALANCES	1,082	-	2,313,330	312	17,028	46,014	(991,712)
FUND BALANCES, JANUARY 1	58,581	18,695	454,591	1,793	437,827	1,023,062	2,997,130
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 59,663	\$ 18,695	\$ 2,767,921	\$ 2,105	\$ 454,855	\$ 1,069,076	\$ 2,005,418

Hoffman Boulevard Bridge	Capital Replacement	Western Corridor	2017/2019 Capital Projects	Road Improvement	Stormwater Management	2024 Bond Project	2026 Bond Project	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,940,472	\$ -	\$ -	\$ -	\$ 3,614,701
-	-	-	-	787,023	322,260	-	-	1,747,768
-	-	25,602	-	87,659	1,491,997	-	-	1,621,488
12,878	238,331	126,319	20,350	155,929	4,031	171,555	-	976,105
-	-	-	333,798	-	-	-	-	333,798
12,878	238,331	151,921	354,148	2,971,083	1,818,288	171,555	-	8,293,860
-	-	-	47,214	7,314,255	2,165,817	7,918,892	292,820	24,189,169
-	-	-	-	-	40,000	-	-	632,266
-	-	-	-	-	8,200	-	-	20,746
-	-	-	47,214	7,314,255	2,214,017	7,918,892	292,820	24,842,181
12,878	238,331	151,921	306,934	(4,343,172)	(395,729)	(7,747,337)	(292,820)	(16,548,321)
-	-	-	-	5,241,667	774,616	-	-	13,134,164
-	(5,360,000)	(184,693)	-	-	-	-	-	(6,797,193)
-	(5,360,000)	(184,693)	-	5,241,667	774,616	-	-	6,336,971
12,878	(5,121,669)	(32,772)	306,934	898,495	378,887	(7,747,337)	(292,820)	(10,211,350)
304,190	8,330,705	33,182	296,401	857,075	3,296	8,011,905	-	22,828,433
\$ 317,068	\$ 3,209,036	\$ 410	\$ 603,335	\$ 1,755,570	\$ 382,183	\$ 264,568	\$ (292,820)	\$ 12,617,083

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CENTRAL ROAD CORRIDOR IMPROVEMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 500	\$ 500	\$ 1,082	\$ 1,025
Total Revenues	500	500	1,082	1,025
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	1,082	1,025
FUND BALANCE, JANUARY 1			58,581	57,556
FUND BALANCE, DECEMBER 31			<u>\$ 59,663</u>	<u>\$ 58,581</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

PRAIRIE STONE CAPITAL FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ -
Investment Income	-	-	40,770	45,936
Total Revenues	500,000	500,000	40,770	45,936
EXPENDITURES				
Capital Outlay	3,950,000	3,950,000	1,177,440	618,932
Total Expenditures	3,950,000	3,950,000	1,177,440	618,932
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,450,000)	(3,450,000)	(1,136,670)	(572,996)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,450,000	3,450,000	3,450,000	300,000
Total Other Financing Sources (Uses)	3,450,000	3,450,000	3,450,000	300,000
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	2,313,330	(272,996)
FUND BALANCE, JANUARY 1			454,591	727,587
FUND BALANCE, DECEMBER 31			<u>\$ 2,767,921</u>	<u>\$ 454,591</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN AREA TRAFFIC IMPROVEMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 312	\$ 745
Miscellaneous	23,060	23,060	-	-
Total Revenues	23,060	23,060	312	745
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,060	23,060	312	745
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(25,000)	(25,000)	-	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,940)</u>	<u>\$ (1,940)</u>	312	745
FUND BALANCE, JANUARY 1			1,793	1,048
FUND BALANCE, DECEMBER 31			<u>\$ 2,105</u>	<u>\$ 1,793</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 1,490,000	\$ 1,490,000	\$ 1,674,229	\$ 1,358,552
Intergovernmental	573,750	573,750	-	246,929
Investment Income	10,000	10,000	57,648	53,540
Total Revenues	2,073,750	2,073,750	1,731,877	1,659,021
EXPENDITURES				
Capital Outlay	1,845,000	1,845,000	1,730,017	2,619,952
Total Expenditures	1,845,000	1,845,000	1,730,017	2,619,952
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	228,750	228,750	1,860	(960,931)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,141,250	1,141,250	1,267,668	2,555,366
Transfers (Out)	(1,252,500)	(1,252,500)	(1,252,500)	(1,261,525)
Total Other Financing Sources (Uses)	(111,250)	(111,250)	15,168	1,293,841
NET CHANGE IN FUND BALANCE	<u>\$ 117,500</u>	<u>\$ 117,500</u>	17,028	332,910
FUND BALANCE, JANUARY 1			437,827	104,917
FUND BALANCE, DECEMBER 31			<u>\$ 454,855</u>	<u>\$ 437,827</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN AREA ROAD IMPROVEMENT IMPACT FEE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Services	\$ 350,000	\$ 350,000	\$ 16,230	\$ 54,499
Investment Income	20,000	20,000	29,784	67,184
Total Revenues	370,000	370,000	46,014	121,683
EXPENDITURES				
Capital Outlay	300	300	-	-
Total Expenditures	300	300	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	369,700	369,700	46,014	121,683
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(1,300,000)	(1,300,000)	-	-
Total Other Financing Sources (Uses)	(1,300,000)	(1,300,000)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (930,300)</u>	<u>\$ (930,300)</u>	46,014	121,683
FUND BALANCE, JANUARY 1			1,023,062	901,379
FUND BALANCE, DECEMBER 31			<u>\$ 1,069,076</u>	<u>\$ 1,023,062</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL VEHICLE AND EQUIPMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 638,485	\$ -
Investment Income	5,000	5,000	117,116	66,525
Miscellaneous	2,500,000	2,500,000	-	-
Total Revenues	2,505,000	2,505,000	755,601	66,525
EXPENDITURES				
Capital Outlay	4,490,270	4,490,270	3,542,714	3,384,709
Debt Service				
Principal Retirement	-	-	592,266	466,383
Interest and Fiscal Charges	-	-	12,546	21,332
Total Expenditures	4,490,270	4,490,270	4,147,526	3,872,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,985,270)	(1,985,270)	(3,391,925)	(3,805,899)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,990,270	1,990,270	2,400,213	5,287,798
Total Other Financing Sources (Uses)	1,990,270	1,990,270	2,400,213	5,287,798
NET CHANGE IN FUND BALANCE	\$ 5,000	\$ 5,000	(991,712)	1,481,899
FUND BALANCE, JANUARY 1			2,997,130	1,515,231
FUND BALANCE, DECEMBER 31			\$ 2,005,418	\$ 2,997,130

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

HOFFMAN BOULEVARD BRIDGE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 10,000	\$ 10,000	\$ 12,878	\$ 15,783
Total Revenues	10,000	10,000	12,878	15,783
EXPENDITURES				
Capital Outlay	80,000	80,000	-	-
Total Expenditures	80,000	80,000	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (70,000)</u>	<u>\$ (70,000)</u>	12,878	15,783
FUND BALANCE, JANUARY 1			304,190	288,407
FUND BALANCE, DECEMBER 31			<u>\$ 317,068</u>	<u>\$ 304,190</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

CAPITAL REPLACEMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 200,000	\$ 200,000	\$ 238,331	\$ 418,512
Total Revenues	200,000	200,000	238,331	418,512
EXPENDITURES				
Capital Outlay	-	-	-	64,759
Total Expenditures	-	-	-	64,759
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	200,000	200,000	238,331	353,753
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(5,360,000)	(5,360,000)	(5,360,000)	(300,000)
Total Other Financing Sources (Uses)	(5,360,000)	(5,360,000)	(5,360,000)	(300,000)
NET CHANGE IN FUND BALANCE	<u>\$ (5,160,000)</u>	<u>\$ (5,160,000)</u>	(5,121,669)	53,753
FUND BALANCE, JANUARY 1			8,330,705	8,276,952
FUND BALANCE, DECEMBER 31			<u>\$ 3,209,036</u>	<u>\$ 8,330,705</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WESTERN CORRIDOR FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for Service	\$ 1,566,250	\$ 1,566,250	\$ 25,602	\$ 488,307
Investment Income	50,000	50,000	126,319	129,790
Total Revenues	1,616,250	1,616,250	151,921	618,097
EXPENDITURES				
None	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,616,250	1,616,250	151,921	618,097
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(1,566,250)	(1,566,250)	(184,693)	(655,564)
Total Other Financing Sources (Uses)	(1,566,250)	(1,566,250)	(184,693)	(655,564)
NET CHANGE IN FUND BALANCE	<u>\$ 50,000</u>	<u>\$ 50,000</u>	(32,772)	(37,467)
FUND BALANCE, JANUARY 1			33,182	70,649
FUND BALANCE, DECEMBER 31			<u>\$ 410</u>	<u>\$ 33,182</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2017/2019 CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ -	\$ -	\$ 20,350	\$ 56,761
Miscellaneous	-	47,500	333,798	-
Total Revenues	-	47,500	354,148	56,761
EXPENDITURES				
Capital Outlay	-	47,500	47,214	635,757
Total Expenditures	-	47,500	47,214	635,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	306,934	(578,996)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	306,934	(578,996)
FUND BALANCE, JANUARY 1			296,401	875,397
FUND BALANCE, DECEMBER 31			<u>\$ 603,335</u>	<u>\$ 296,401</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

ROAD IMPROVEMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,940,472	\$ 1,962,647
Intergovernmental	2,037,100	2,037,100	787,023	69,572
Charges for Service	-	-	87,659	29,355
Investment Income	60,000	60,000	155,929	103,072
Total Revenues	4,097,100	4,097,100	2,971,083	2,164,646
EXPENDITURES				
Capital Outlay	12,522,100	12,402,100	7,314,255	4,431,454
Total Expenditures	12,522,100	12,402,100	7,314,255	4,431,454
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,425,000)	(8,305,000)	(4,343,172)	(2,266,808)
OTHER FINANCING SOURCES (USES)				
Transfers In	7,985,000	7,985,000	5,241,667	1,349,376
Total Other Financing Sources (Uses)	7,985,000	7,985,000	5,241,667	1,349,376
NET CHANGE IN FUND BALANCE	\$ (440,000)	\$ (320,000)	898,495	(917,432)
FUND BALANCE, JANUARY 1			857,075	1,774,507
FUND BALANCE, DECEMBER 31			\$ 1,755,570	\$ 857,075

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

STORMWATER MANAGEMENT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 322,260	\$ 300,000
Charges for Services	1,260,000	1,260,000	1,491,997	562,406
Investment Income	5,000	5,000	4,031	16,661
Miscellaneous	1,555,000	1,555,000	-	-
Total Revenues	3,120,000	3,120,000	1,818,288	879,067
EXPENDITURES				
Capital Outlay	2,855,000	2,855,000	2,165,817	2,134,724
Debt Service				
Principal Retirement	40,000	40,000	40,000	35,000
Interest and Fiscal Charges	8,200	8,200	8,200	9,600
Total Expenditures	2,903,200	2,903,200	2,214,017	2,179,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	216,800	216,800	(395,729)	(1,300,257)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	774,616	10,000
Total Other Financing Sources (Uses)	-	-	774,616	10,000
NET CHANGE IN FUND BALANCE	\$ 216,800	\$ 216,800	378,887	(1,290,257)
FUND BALANCE, JANUARY 1			3,296	1,293,553
FUND BALANCE, DECEMBER 31			\$ 382,183	\$ 3,296

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2024 BOND PROJECT FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment Income	\$ 220,000	\$ 220,000	\$ 171,555	\$ 235,731
Total Revenues	220,000	220,000	171,555	235,731
EXPENDITURES				
Capital Outlay	8,259,400	8,259,400	7,918,892	1,226,422
Debt Service				
Interest and Fiscal Charges	-	-	-	117,430
Total Expenditures	8,259,400	8,259,400	7,918,892	1,343,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,039,400)	(8,039,400)	(7,747,337)	(1,108,121)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds, Issued at Par	-	-	-	8,855,000
Premium on Bonds Issued	-	-	-	265,026
Total Other Financing Sources (Uses)	-	-	-	9,120,026
NET CHANGE IN FUND BALANCE	<u>\$ (8,039,400)</u>	<u>\$ (8,039,400)</u>	(7,747,337)	8,011,905
FUND BALANCE, JANUARY 1			8,011,905	-
FUND BALANCE, DECEMBER 31			<u>\$ 264,568</u>	<u>\$ 8,011,905</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

2026 BOND PROJECT FUND

For the Year Ended December 31, 2025

	2025		
	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital Outlay	1,550,000	1,550,000	292,820
Total Expenditures	1,550,000	1,550,000	292,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,550,000)	(1,550,000)	(292,820)
OTHER FINANCING SOURCES (USES)			
Bond Proceeds, Issued at Par	15,500,000	15,500,000	-
Total Other Financing Sources (Uses)	15,500,000	15,500,000	-
NET CHANGE IN FUND BALANCE	<u>\$ 13,950,000</u>	<u>\$ 13,950,000</u>	(292,820)
FUND BALANCE, JANUARY 1			-
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (292,820)</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND

December 31, 2025
(with comparative totals for 2024)

	2025	2024
CURRENT ASSETS		
Cash and Investments	\$ 16,275,804	\$ 18,704,085
Receivables		
Accounts - Billed	2,105,305	1,809,506
Accounts - Unbilled	2,043,868	1,754,052
Accrued Interest	128,844	35,491
Accounts - Other Invoices	160,474	331
Prepays	3,000	3,000
Inventories	303,401	287,866
Restricted Cash	-	865,227
Total Current Assets	21,020,696	23,459,558
TANGIBLE AND INTANGIBLE CAPITAL ASSETS		
Not Depreciated	3,167,721	2,008,757
Depreciated and Amortized	80,465,835	74,002,468
Accumulated Depreciation and Amortization	(44,088,112)	(42,198,035)
Net Capital Assets	39,545,444	33,813,190
Total Assets	60,566,140	57,272,748
DEFERRED OUTFLOWS OF RESOURCES		
Pension Items - IMRF	1,306,535	1,708,996
OPEB Items	280,699	201,575
Asset Retirement Obligation	298,760	305,550
Unamortized Loss on Refunding	170,989	184,488
Total Deferred Outflows of Resources	2,056,983	2,400,609
Total Assets and Deferred Outflows of Resources	62,623,123	59,673,357

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

WATERWORKS AND SEWERAGE FUND (Continued)

December 31, 2025
(with comparative totals for 2024)

	2025	2024
CURRENT LIABILITIES		
Accounts Payable	\$ 1,509,247	\$ 1,773,958
Accrued Payroll	103,598	89,292
Accrued Interest Payable	47,236	51,126
Deposits Payable	14,418	22,196
General Obligation Bonds Payable	1,209,055	1,178,235
IEPA Loans	104,632	102,571
SBITA Liability	-	128,099
Total OPEB Liability	44,816	43,909
Compensated Absences Payable	223,933	205,572
Total Current Liabilities	3,256,935	3,594,958
LONG-TERM LIABILITIES		
General Obligation Bonds Payable, Net of Premium	15,736,551	16,999,732
IEPA Loans	1,979,522	2,084,153
Asset Retirement Obligation	339,500	339,500
Compensated Absences Payable	89,633	116,125
Net Pension Liability	2,060,690	2,034,222
Total OPEB Liability	770,460	692,637
Total Long-Term Liabilities	20,976,356	22,266,369
Total Liabilities	24,233,291	25,861,327
DEFERRED INFLOWS OF RESOURCES		
Pension Items - IMRF	4,500	7,225
OPEB Items	775,262	831,574
Total Deferred Inflows of Resources	779,762	838,799
Total Liabilities and Deferred Inflows of Resources	25,013,053	26,700,126
NET POSITION		
Net Investment in Capital Assets	20,274,239	14,345,006
Unrestricted	17,335,831	18,628,225
TOTAL NET POSITION	\$ 37,610,070	\$ 32,973,231

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 24,596,520	\$ 25,446,520	\$ 25,521,920	\$ 22,972,614
Total Operating Revenues	24,596,520	25,446,520	25,521,920	22,972,614
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Water Division	19,354,110	20,479,110	21,089,674	18,198,969
Sewer Division	6,698,350	6,863,350	6,157,906	3,179,743
Total Operating Expenses Excluding Depreciation	26,052,460	27,342,460	27,247,580	21,378,712
OPERATING INCOME (LOSS)	(1,455,940)	(1,895,940)	(1,725,660)	1,593,902
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	250,000	690,000	769,858	961,989
Interest Expense	(647,350)	(647,350)	(607,851)	(644,194)
Principal Expense	(1,277,740)	(1,277,740)	(1,408,905)	(1,366,351)
Gain on Sale of Capital Assets	-	-	6,575	31,327
Miscellaneous Revenue	-	-	37,467	14,514
Total Non-Operating Revenues (Expenses)	(1,675,090)	(1,235,090)	(1,202,856)	(1,002,715)
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(3,131,030)	(3,131,030)	(2,928,516)	591,187

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)**

WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
TRANSFERS				
Transfers In	\$ -	\$ -	\$ 174,785	\$ -
Transfers (Out)	(940,000)	(940,000)	(930,995)	-
Total Transfers	(940,000)	(940,000)	(756,210)	-
GRANTS AND CONTRIBUTIONS				
Intergovernmental	-	-	1,000,000	-
Capital Contributions	-	-	495,160	420,325
Total Grants and Contributions	-	-	1,495,160	420,325
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (4,071,030)	\$ (4,071,030)	(2,189,566)	1,011,512
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			7,721,615	3,150,149
Depreciation and Amortization			(1,934,616)	(1,860,693)
Pension Expense			(426,205)	557,657
OPEB Expense			56,706	91,907
Principal Retirement			1,408,905	1,366,351
Total Adjustments to GAAP Basis			6,826,405	3,305,371
CHANGE IN NET POSITION (GAAP BASIS)			4,636,839	4,316,883
NET POSITION, JANUARY 1			32,973,231	28,656,348
NET POSITION, DECEMBER 31			\$ 37,610,070	\$ 32,973,231

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION

NOW ARENA OPERATING FUND

December 31, 2025
(with comparative totals for 2024)

	2025	2024
CURRENT ASSETS		
Cash and Investments	\$ 8,320,874	\$ 9,452,742
Receivables (Net, Where Applicable, of Allowances)		
Accounts	201,663	214,873
Leases	306,232	342,849
Accrued Interest	17,443	45,659
Other	1,825,711	1,401,795
Prepaid Items	316,435	11,099
Total Current Assets	10,988,358	11,469,017
TANGIBLE AND INTANGIBLE CAPITAL ASSETS		
Not Depreciated	6,113,054	6,064,000
Depreciated and Amortized	83,604,757	83,371,341
Accumulated Depreciation and Amortization	(35,125,899)	(32,946,084)
Net Capital Assets	54,591,912	56,489,257
Total Assets	65,580,270	67,958,274
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Refunding	322,460	410,443
Total Deferred Outflows of Resources	322,460	410,443
Total Assets and Deferred Outflows of Resources	65,902,730	68,368,717
CURRENT LIABILITIES		
Accounts Payable	740,507	717,298
Accrued Interest Payable	93,978	102,891
Unearned Revenue	5,344,889	5,755,357
General Obligation Bonds Payable	2,730,000	2,515,000
SBITA Liability	13,693	13,531
Total Current Liabilities	8,923,067	9,104,077

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

STATEMENT OF NET POSITION (Continued)

NOW ARENA OPERATING FUND

December 31, 2025
(with comparative totals for 2023)

	2025	2024
LONG-TERM LIABILITIES		
General Obligation Bonds Payable, Net of Discount	\$ 21,562,324	\$ 24,266,980
SBITA Liability	-	13,693
Total Long-Term Liabilities	21,562,324	24,280,673
Total Liabilities	30,485,391	33,384,750
DEFERRED INFLOWS OF RESOURCES		
Leases	282,354	322,690
Total Deferred Inflows of Resources	282,354	322,690
Total Liabilities and Deferred Inflows of Resources	30,767,745	33,707,440
NET POSITION		
Net Investment in Capital Assets	30,608,355	30,026,496
Unrestricted	4,526,630	4,634,781
TOTAL NET POSITION	\$ 35,134,985	\$ 34,661,277

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

NOW ARENA OPERATING FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 17,212,330	\$ 17,212,330	\$ 14,785,438	\$ 11,924,973
Total Operating Revenues	17,212,330	17,212,330	14,785,438	11,924,973
OPERATING EXPENSES EXCLUDING DEPRECIATION				
NOW Arena	18,903,630	18,903,630	15,902,869	12,714,338
Total Operating Expenses Excluding Depreciation	18,903,630	18,903,630	15,902,869	12,714,338
OPERATING INCOME (LOSS)	(1,691,300)	(1,691,300)	(1,117,431)	(789,365)
NON-OPERATING REVENUES (EXPENSES)				
Entertainment and Food and Beverage Tax	3,400,000	3,400,000	3,725,286	3,396,862
Lease Revenue	39,350	39,350	40,556	49,041
Investment Income	95,000	95,000	219,042	270,705
Principal Retirement	(2,515,000)	(2,515,000)	(2,528,531)	(2,438,858)
Interest Expense	(1,232,080)	(1,232,080)	(1,337,285)	(1,434,528)
Miscellaneous Revenue	855,000	855,000	840,885	984,779
Total Non-Operating Revenues (Expenses)	642,270	642,270	959,953	828,001
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,049,030)	(1,049,030)	(157,478)	38,636

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)**

NOW ARENA OPERATING FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
TRANSFERS				
Transfers In	\$ 947,000	\$ 947,000	\$ -	\$ 205,406
Transfers (Out)	-	-	-	(20,304)
Total Transfers	947,000	947,000	-	185,102
GRANTS AND CONTRIBUTIONS				
Intergovernmental	-	-	-	73,859
Capital Contributions	-	-	47,194	-
Total Grants and Contributions	-	-	47,194	73,859
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (102,030)	\$ (102,030)	(110,284)	297,597
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			235,276	105,082
Depreciation and amortization			(2,179,815)	(2,199,600)
Principal Retirement			2,528,531	2,438,858
Total Adjustments to GAAP Basis			583,992	344,340
CHANGE IN NET POSITION (GAAP BASIS)			473,708	641,937
NET POSITION, JANUARY 1			34,661,277	34,019,340
NET POSITION, DECEMBER 31			\$ 35,134,985	\$ 34,661,277

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

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

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2025

	Information Systems	Insurance	Total
CURRENT ASSETS			
Cash and Investments	\$ 2,498,360	\$ 2,177,473	\$ 4,675,833
Receivables			
Accrued Interest	5,149	17,332	22,481
Deposits	-	30,000	30,000
Prepaid Expenses	52,439	1,212,065	1,264,504
Total Current Assets	2,555,948	3,436,870	5,992,818
TANGIBLE AND INTANGIBLE CAPITAL ASSETS			
Not Depreciated	82,103	-	82,103
Depreciated and Amortized	1,714,509	-	1,714,509
Accumulated Depreciation and Amortization	(742,898)	-	(742,898)
Net Capital Assets	1,053,714	-	1,053,714
Total Assets	3,609,662	3,436,870	7,046,532
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	217,756	-	217,756
OPEB Items	52,482	-	52,482
Total Deferred Outflows of Resources	270,238	-	270,238
Total Assets and Deferred Outflows of Resources	3,879,900	3,436,870	7,316,770
LIABILITIES			
Current Liabilities			
Accounts Payable	49,552	82,792	132,344
Accrued Payroll	19,921	4,469	24,390
Accrued Interest Payable	1,911	-	1,911
Claims Payable	-	1,015,994	1,015,994
Benefits Payable	-	285,811	285,811
SBITA Liability	199,974	-	199,974
Total OPEB Liability	8,379	-	8,379
Compensated Absences Payable	28,780	6,968	35,748
Total Current Liabilities	308,517	1,396,034	1,704,551
Long-Term Liabilities			
SBITA Liability	50,462	-	50,462
Net Pension Liability	343,449	-	343,449
Total OPEB Liability	144,053	-	144,053
Total Long-Term Liabilities	537,964	-	537,964
Total Liabilities	846,481	1,396,034	2,242,515

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF NET POSITION (Continued)

INTERNAL SERVICE FUNDS

December 31, 2025

	Information Systems	Insurance	Total
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	\$ 750	\$ -	\$ 750
OPEB Items	144,950	-	144,950
Total Deferred Inflows of Resources	145,700	-	145,700
Total Liabilities and Deferred Inflows of Resources	992,181	1,396,034	2,388,215
NET POSITION			
Net Investment in Capital Assets	1,053,714	-	1,053,714
Unrestricted	1,834,005	2,040,836	3,874,841
TOTAL NET POSITION	\$ 2,887,719	\$ 2,040,836	\$ 4,928,555

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION****INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2025

	Information Systems	Insurance	Total
OPERATING REVENUES			
Charges for Services	\$ 1,591,270	\$ 2,011,533	\$ 3,602,803
Total Operating Revenues	1,591,270	2,011,533	3,602,803
OPERATING EXPENSES			
Operations	2,423,885	156,040	2,579,925
Claims and Insurance	-	2,231,217	2,231,217
Depreciation and Amortization	275,356	-	275,356
Total Operating Expenses	2,699,241	2,387,257	5,086,498
OPERATING INCOME (LOSS)	(1,107,971)	(375,724)	(1,483,695)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	96,294	129,095	225,389
Interest Expense	(703)	-	(703)
Miscellaneous	-	64,732	64,732
Total Non-Operating Revenues (Expenses)	95,591	193,827	289,418
INCOME (LOSS) BEFORE TRANSFERS	(1,012,380)	(181,897)	(1,194,277)
TRANSFERS			
Transfers In	1,376,934	-	1,376,934
Total Transfers	1,376,934	-	1,376,934
GRANTS AND CONTRIBUTIONS			
Intergovernmental	149,343	-	149,343
Total Grants and Contributions	149,343	-	149,343
CHANGE IN NET POSITION	513,897	(181,897)	332,000
NET POSITION, JANUARY 1	2,373,822	2,222,733	4,596,555
NET POSITION, DECEMBER 31	\$ 2,887,719	\$ 2,040,836	\$ 4,928,555

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2025

	Information Systems	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Services Transactions	\$ 1,546,831	\$ 799,468	\$ 2,346,299
Payments to Suppliers	(1,814,536)	(2,068,120)	(3,882,656)
Payments to Employees	(621,998)	(260,915)	(882,913)
Net Cash from Operating Activities	(889,703)	(1,529,567)	(2,419,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	1,376,934	-	1,376,934
Intergovernmental	149,343	-	149,343
Reimbursements and Recoveries	-	64,732	64,732
Net Cash from Noncapital Financing Activities	1,526,277	64,732	1,591,009
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(225,080)	-	(225,080)
Principal Payments on SBITA Liabilities	(223,292)	-	(223,292)
Interest Payments on SBITA Liabilities	(1,910)	-	(1,910)
Net Cash from Capital and Related Financing Activities	(450,282)	-	(450,282)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	94,702	151,637	246,339
Net Cash from Investing Activities	94,702	151,637	246,339
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	280,994	(1,313,198)	(1,032,204)
CASH AND CASH EQUIVALENTS, JANUARY 1	2,217,366	3,490,671	5,708,037
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,498,360	\$ 2,177,473	\$ 4,675,833

(This schedule continued on the following page.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2025

	Information Systems	Insurance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,107,971)	\$ (375,724)	\$ (1,483,695)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	275,356	-	275,356
Changes in Assets and Liabilities			
Pension Related Items	66,623	-	66,623
OPEB Items	(29,326)	-	(29,326)
Other Receivables	-	3,139	3,139
Deposits	-	-	-
Prepaid Expenses	(44,439)	(1,212,065)	(1,256,504)
Accounts Payable	(61,811)	(108,425)	(170,236)
Accrued Payroll	378	1,500	1,878
Claims Payable	-	177,326	177,326
Benefits Payable	-	(17,368)	(17,368)
Compensated Absences Payable	(2,965)	2,050	(915)
Net Pension Liability	4,412	-	4,412
Total OPEB Liability	10,040	-	10,040
NET CASH FROM OPERATING ACTIVITIES	\$ (889,703)	\$ (1,529,567)	\$ (2,419,270)
NONCASH TRANSACTIONS			
SBITA Right-to-Use Asset Addition	\$ 125,420	\$ -	\$ 125,420
Issuance of SBITA Liability	(125,420)	-	(125,420)
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

INFORMATION SYSTEMS FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 1,983,130	\$ 1,983,130	\$ 1,591,270	\$ 1,715,250
Total Operating Revenues	1,983,130	1,983,130	1,591,270	1,715,250
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Operations	4,055,630	4,055,630	2,722,636	2,653,871
Total Operating Expenses Excluding Depreciation and Amortization	4,055,630	4,055,630	2,722,636	2,653,871
OPERATING INCOME (LOSS)	(2,072,500)	(2,072,500)	(1,131,366)	(938,621)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	40,000	40,000	96,294	102,842
Principal Retirement	-	-	(223,292)	(176,536)
Interest Expense	-	-	(703)	(3,118)
Total Non-Operating Revenues (Expenses)	40,000	40,000	(127,701)	(76,812)
INCOME (LOSS) BEFORE TRANSFERS	(2,032,500)	(2,032,500)	(1,259,067)	(1,015,433)
TRANSFERS				
Transfers In	1,492,470	1,492,470	1,376,934	1,470,197
Total Transfers	1,492,470	1,492,470	1,376,934	1,470,197
GRANTS AND CONTRIBUTIONS				
Intergovernmental	180,000	180,000	149,343	-
Total Grants and Contributions	180,000	180,000	149,343	-
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ (360,030)	\$ (360,030)	267,210	454,764
ADJUSTMENTS TO GAAP BASIS				
Additions to Capital Assets			350,500	624,791
Depreciation and Amortization			(275,356)	(170,087)
Principal Retirement			223,292	176,536
Pension Expense			(71,035)	92,944
OPEB Expense			19,286	2,328
Total Adjustments to GAAP Basis			246,687	726,512
CHANGE IN NET POSITION (GAAP BASIS)			513,897	1,181,276
NET POSITION, JANUARY 1			2,373,822	1,192,546
NET POSITION, DECEMBER 31			\$ 2,887,719	\$ 2,373,822

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF NET POSITION - BY PROGRAM

INSURANCE FUND

December 31, 2025
(with comparative totals for 2024)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Total	
					2025	2024
ASSETS						
Cash and Investments	\$ 17,176	\$ 285,591	\$ 743,318	\$ 1,131,388	\$ 2,177,473	\$ 3,490,671
Receivables						
Accrued Interest	44	1,481	4,115	11,692	17,332	39,874
Other Receivables	-	-	-	-	-	3,139
Deposits	-	-	20,000	10,000	30,000	30,000
Prepaid Expenses	-	-	158,926	1,053,139	1,212,065	-
Total Assets	17,220	287,072	926,359	2,206,219	3,436,870	3,563,684
LIABILITIES						
Accounts Payable	-	1,260	48,904	32,628	82,792	191,217
Accrued Payroll	4,469	-	-	-	4,469	2,969
Claims Payable	-	-	877,454	138,540	1,015,994	838,668
Benefits Payable	-	285,811	-	-	285,811	303,179
Compensated Absences Payable	6,968	-	-	-	6,968	4,918
Total Liabilities	11,437	287,071	926,358	171,168	1,396,034	1,340,951
NET POSITION						
Unrestricted	5,783	1	1	2,035,051	2,040,836	2,222,733
TOTAL NET POSITION	\$ 5,783	\$ 1	\$ 1	\$ 2,035,051	\$ 2,040,836	\$ 2,222,733

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

INSURANCE FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services	\$ 2,128,730	\$ 2,128,730	\$ 2,011,533	\$ 1,910,810
Total Operating Revenues	2,128,730	2,128,730	2,011,533	1,910,810
OPERATING EXPENSES				
Operations	151,920	151,920	156,040	144,995
Claims and Insurance	2,210,240	2,236,240	2,231,217	2,377,222
Total Operating Expenses	2,362,160	2,388,160	2,387,257	2,522,217
OPERATING INCOME (LOSS)	(233,430)	(259,430)	(375,724)	(611,407)
NON-OPERATING REVENUES (EXPENSES)				
Miscellaneous	-	-	64,732	64,649
Investment Income	50,000	50,000	129,095	169,619
Total Non-Operating Revenues (Expenses)	50,000	50,000	193,827	234,268
CHANGE IN NET POSITION	<u>\$ (183,430)</u>	<u>\$ (209,430)</u>	(181,897)	(377,139)
NET POSITION, JANUARY 1			2,222,733	2,599,872
NET POSITION, DECEMBER 31			<u>\$ 2,040,836</u>	<u>\$ 2,222,733</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

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

INSURANCE FUND

For the Year Ended December 31, 2025
(with comparative totals for 2024)

	Administration	Health Program	Workers' Compensation Program	Liability Program	Totals	
					2025	2024
OPERATING REVENUES						
Charges for Services	\$ 166,842	\$ -	\$ 666,801	\$ 1,177,890	\$ 2,011,533	\$ 1,910,810
Total Operating Revenues	166,842	-	666,801	1,177,890	2,011,533	1,910,810
OPERATING EXPENSES						
Operations	156,040	-	-	-	156,040	144,995
Claims and Insurance	6,076	83,519	940,963	1,200,659	2,231,217	2,377,222
Total Operating Expenses	162,116	83,519	940,963	1,200,659	2,387,257	2,522,217
OPERATING INCOME (LOSS)	4,726	(83,519)	(274,162)	(22,769)	(375,724)	(611,407)
NON-OPERATING REVENUES (EXPENSES)						
Miscellaneous	-	-	64,732	-	64,732	64,649
Investment Income	316	11,031	30,647	87,101	129,095	169,619
Total Non-Operating Revenues (Expenses)	316	11,031	95,379	87,101	193,827	234,268
INCOME (LOSS) BEFORE TRANSFERS	5,042	(72,488)	(178,783)	64,332	(181,897)	(377,139)
TRANSFERS						
Transfers In	-	72,488	178,784	-	251,272	20,618
Transfers (Out)	-	-	-	(251,272)	(251,272)	(20,618)
Total Transfers	-	72,488	178,784	(251,272)	-	-
CHANGE IN NET POSITION	5,042	-	1	(186,940)	(181,897)	(377,139)
NET POSITION, JANUARY 1	741	1	-	2,221,991	2,222,733	2,599,872
NET POSITION, DECEMBER 31	\$ 5,783	\$ 1	\$ 1	\$ 2,035,051	\$ 2,040,836	\$ 2,222,733

(See independent auditor's report.)

FIDUCIARY FUNDS

FIDUCIARY FUNDS

PENSION TRUST FUND

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

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

December 31, 2025

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 1,683,367	\$ 1,742,564	\$ 3,425,931
Investments, at Fair Value			
Held in the Illinois Police Officers'			
Pension Investment Fund	111,140,383	-	111,140,383
Held in the Illinois Firefighters'			
Pension Investment Fund	-	133,326,726	133,326,726
Due from Municipality	2,904,444	2,093,823	4,998,267
Prepaid Expenses	4,427	6,627	11,054
Total Assets	115,732,621	137,169,740	252,902,361
LIABILITIES			
Accounts Payable	-	300	300
Total Liabilities	-	300	300
NET POSITION RESTRICTED FOR PENSIONS	\$ 115,732,621	\$ 137,169,440	\$ 252,902,061

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****PENSION TRUST FUNDS**

For the Year Ended December 31, 2025

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer Contributions	\$ 6,334,659	\$ 4,631,746	\$ 10,966,405
Employee Contributions	966,461	1,037,403	2,003,864
Miscellaneous Contributions	116,643	-	116,643
Total Contributions	7,417,763	5,669,149	13,086,912
Investment Income			
Net Appreciation in Fair Value of Investments	16,830,057	18,177,307	35,007,364
Interest	627,848	2,512,628	3,140,476
Total Investment Income	17,457,905	20,689,935	38,147,840
Less Investment Expense	(88,493)	(252,662)	(341,155)
Net Investment Income	17,369,412	20,437,273	37,806,685
Total Additions	24,787,175	26,106,422	50,893,597
DEDUCTIONS			
Benefits and Refunds	9,788,399	8,586,794	18,375,193
Miscellaneous	38,733	51,749	90,482
Total Deductions	9,827,132	8,638,543	18,465,675
NET INCREASE	14,960,043	17,467,879	32,427,922
NET POSITION RESTRICTED FOR PENSIONS			
January 1	100,772,578	119,701,561	220,474,139
December 31	\$ 115,732,621	\$ 137,169,440	\$ 252,902,061

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

POLICE PENSION FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 6,902,910	\$ 6,902,910	\$ 6,312,553	\$ 6,411,115
Intergovernmental	37,800	37,800	22,106	25,126
Employee Contributions	898,000	898,000	966,461	907,443
Miscellaneous Contributions	-	-	116,643	261,809
Total Contributions	7,838,710	7,838,710	7,417,763	7,605,493
Investment Income				
Net Appreciation in				
Fair Value of Investments	100,000	245,000	16,830,057	8,184,798
Interest	600,000	600,000	627,848	695,175
Total Investment Income	700,000	845,000	17,457,905	8,879,973
Less Investment Expense	(100,000)	(100,000)	(88,493)	(53,780)
Net Investment Income	600,000	745,000	17,369,412	8,826,193
Total Additions	8,438,710	8,583,710	24,787,175	16,431,686
DEDUCTIONS				
Benefits and Refunds	9,616,600	9,761,600	9,788,399	9,420,404
Administration	58,100	58,100	38,733	35,292
Total Deductions	9,674,700	9,819,700	9,827,132	9,455,696
NET INCREASE (DECREASE)	<u>\$ (1,235,990)</u>	<u>\$ (1,235,990)</u>	14,960,043	6,975,990
NET POSITION RESTRICTED FOR PENSIONS				
January 1			100,772,578	93,796,588
December 31			<u>\$ 115,732,621</u>	<u>\$ 100,772,578</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2025
(with comparative actual for 2024)

	2025		2024	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer Contributions				
Taxes	\$ 5,063,270	\$ 5,063,270	\$ 4,609,639	\$ 4,722,123
Intergovernmental	24,570	24,570	22,107	25,126
Employee Contributions	950,000	950,000	1,037,403	998,332
Miscellaneous Contributions	-	-	-	659
Total Contributions	6,037,840	6,037,840	5,669,149	5,746,240
Investment Income				
Net Appreciation in				
Fair Value of Investments	-	-	18,177,307	9,674,336
Interest	850,000	1,110,000	2,512,628	2,352,322
Total Investment Income	850,000	1,110,000	20,689,935	12,026,658
Less Investment Expense	(100,000)	(253,000)	(252,662)	(141,889)
Net Investment Income	750,000	857,000	20,437,273	11,884,769
Total Additions	6,787,840	6,894,840	26,106,422	17,631,009
DEDUCTIONS				
Benefits and Refunds	8,484,060	8,591,060	8,586,794	8,245,140
Administration	53,950	53,950	51,749	62,974
Total Deductions	8,538,010	8,645,010	8,638,543	8,308,114
NET INCREASE (DECREASE)	<u>\$ (1,750,170)</u>	<u>\$ (1,750,170)</u>	17,467,879	9,322,895
NET POSITION RESTRICTED FOR PENSIONS				
January 1			119,701,561	110,378,666
December 31			<u>\$ 137,169,440</u>	<u>\$ 119,701,561</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2025

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	12/31/2025
Mobile Equipment	100,000 *	900,000	N/A	BRIT Syndicate 2987	12/31/2025
Earthquake	100,000 *	900,000	N/A	BRIT Syndicate 2987	12/31/2025
Flood	100,000 *	900,000	N/A	BRIT Syndicate 2987	12/31/2025
Business Income	100,000 *	900,000	N/A	BRIT Syndicate 2987	12/31/2025
Excess Property	100,000	250,000,000	N/A	Chubb	12/31/2025
General Liability					
Premises Liability	250,000 *	1,750,000	\$ 3,500,000	BRIT Syndicate 2987	12/31/2025
Employee Benefit Liability	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	12/31/2025
Damages to Premises Rented	*	1,000,000	N/A	BRIT Syndicate 2987	12/31/2025
Failure to Supply - Property Damage	100,000 *	1,000,000	1,000,000	BRIT Syndicate 2987	12/31/2025
Failure to Supply - General Liability	250,000 *	1,000,000	1,000,000	BRIT Syndicate 2987	12/31/2025
Sexual Abuse	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	12/31/2025
Law Enforcement	250,000 *	1,750,000	3,500,000	BRIT Syndicate 2987	12/31/2025
Auto Liability	250,000 *	1,750,000	N/A	BRIT Syndicate 2987	12/31/2025
Auto Physical Damage	100,000 *	900,000	N/A	BRIT Syndicate 2987	12/31/2025
Auto - Hired and Non-Owned Liability	250,000 *	1,750,000	N/A	BRIT Syndicate 2987	12/31/2025
Excess Liability					
	2,000,000	5,000,000	5,000,000	Illinois Union Insurance Company	12/31/2025
	7,000,000	5,000,000	5,000,000	Gemini Insurance Company	12/31/2025
	12,000,000	3,000,000	3,000,000	Vantage	12/31/2025
Boiler and Machinery	10,000	250,000,000	N/A	Liberty Mutual Insurance	12/31/2025
Public Officials' Liability	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	12/31/2025
Healthcare/EMT	250,000 *	1,750,000	1,750,000	BRIT Syndicate 2987	12/31/2025
Cyber Liability	50,000	2,000,000	2,000,000	Palomar Excess and Surplus Insurance	1/1/2026
Liquor Liability (Primary)	N/A	N/A	1,000,000	Lloyds	1/1/2026
Liquor Liability (Excess)					
Pollution Legal Liability					
Underground Storage Tanks	75,000	1,000,000	1,000,000	Iron Shore	1/1/2026
Terrorism Property and Liability					
Property and General Liability	10,000	25,000,000	N/A	Lloyds	12/31/2025
Position Surety Bonds					
William McLeod, Village President	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2026
Dan O'Malley, Deputy Village Manager	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2026
Patty Richter, Village Clerk	N/A	3,000	3,000	Fidelity & Deposit Co.	1/1/2026
Eric Palm, Village Manager	N/A	50,000	50,000	Fidelity & Deposit Co.	1/1/2026
Stan Helgersen, Treasurer	N/A	150,000	150,000	Fidelity & Deposit Co.	1/1/2026
Rachel Musiala, Assistant Treasurer	N/A	150,000	150,000	Fidelity & Deposit Co.	1/1/2026
Susana Arroyo, Assistant Finance Director	N/A	150,000	150,000	Fidelity & Deposit Co.	1/1/2026
Police and Fire Commission/Member	N/A	500	2,500	Fidelity & Deposit Co.	1/1/2026
Excess Workers' Compensation	500,000	Statutory	3,000,000	IPRF	12/31/2025

*BRIT - All casualty lines retentions subject to a maximum \$525,000 aggregate loss fund.

N/A - Not Applicable

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015A

December 31, 2025

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

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2025	\$ 2,620,000	\$ 114,626	\$ 2,734,626	2026	\$ 57,313	2026	\$ 57,313
	<u>\$ 2,620,000</u>	<u>\$ 114,626</u>	<u>\$ 2,734,626</u>		<u>\$ 57,313</u>		<u>\$ 57,313</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2015B

December 31, 2025

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 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
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>\$ 1,925,000</u>	<u>\$ 186,600</u>	<u>\$ 2,111,600</u>		<u>\$ 93,300</u>		<u>\$ 93,300</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2015C

December 31, 2025

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 5,185,444</u>	<u>\$ 26,950,444</u>		<u>\$ 2,592,722</u>		<u>\$ 2,592,722</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2016

December 31, 2025

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
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>\$ 7,090,000</u>	<u>\$ 858,600</u>	<u>\$ 7,948,600</u>		<u>\$ 429,300</u>		<u>\$ 429,300</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2017A

December 31, 2025

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
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>\$ 3,675,000</u>	<u>\$ 766,442</u>	<u>\$ 4,441,442</u>		<u>\$ 383,221</u>		<u>\$ 383,221</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B

December 31, 2025

Date of Issue	September 12, 2017
Date of Maturity	December 1, 2038
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
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>\$ 2,975,000</u>	<u>\$ 1,225,000</u>	<u>\$ 4,200,000</u>		<u>\$ 612,500</u>		<u>\$ 612,500</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BOND SERIES OF 2018

December 31, 2025

Date of Issue	September 5, 2018
Date of Maturity	December 1, 2038
Authorized Issue	\$ 35,180,000
Denomination of Bonds	\$ 5,000
Interest Rates	2019-2026 5.00%
	2027-2029 5.00%
	2030-2033 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
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	102,176	2,827,176	2038	51,094	2038	51,082
	<u>\$ 24,445,000</u>	<u>\$ 8,797,234</u>	<u>\$ 33,242,234</u>		<u>\$ 4,398,623</u>		<u>\$ 4,398,611</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2019

December 31, 2025

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
2025	\$ 626,520	\$ 132,198	\$ 758,718	2026	\$ 66,099	2025	\$ 66,099
2026	639,995	118,728	758,723	2027	59,364	2026	59,364
2027	653,750	104,968	758,718	2028	52,484	2027	52,484
2028	667,810	90,912	758,722	2029	45,456	2028	45,456
2029	682,165	76,554	758,719	2030	38,277	2029	38,277
2030	696,830	61,888	758,718	2031	30,944	2030	30,944
2031	711,815	46,906	758,721	2032	23,453	2031	23,453
2032	727,120	31,602	758,722	2033	15,801	2032	15,801
2033	742,750	15,966	758,716	2034	7,983	2033	7,983
	<u>\$ 6,148,755</u>	<u>\$ 679,722</u>	<u>\$ 6,828,477</u>		<u>\$ 339,861</u>		<u>\$ 339,861</u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BOND SERIES OF 2024

December 31, 2025

Date of Issue	June 5, 2024
Date of Maturity	December 1, 2043
Authorized Issue	\$ 8,855,000
Denomination of Bonds	\$ 5,000
Interest Rates	2024-2036 5.00%
	2037-2041 4.00%
	2041-2043 4.25%
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
2025	\$ -	\$ 385,025	\$ 385,025	2026	\$ 192,513	2025	\$ 192,513
2026	-	385,025	385,025	2027	192,513	2026	192,513
2027	-	385,025	385,025	2028	192,513	2027	192,513
2028	-	385,025	385,025	2029	192,513	2028	192,513
2029	-	385,025	385,025	2030	192,513	2029	192,513
2030	-	385,025	385,025	2031	192,513	2030	192,513
2031	-	385,025	385,025	2032	192,513	2031	192,513
2032	430,000	385,025	815,025	2033	192,513	2032	192,513
2033	685,000	363,525	1,048,525	2034	181,763	2033	181,763
2034	720,000	329,275	1,049,275	2035	164,638	2034	164,638
2035	755,000	293,275	1,048,275	2036	146,638	2035	146,638
2036	795,000	255,525	1,050,525	2037	127,763	2036	127,763
2037	825,000	223,725	1,048,725	2038	111,863	2037	111,863
2038	860,000	190,725	1,050,725	2039	95,363	2038	95,363
2039	890,000	156,325	1,046,325	2040	78,163	2039	78,163
2040	925,000	120,725	1,045,725	2041	60,363	2040	60,363
2041	965,000	83,725	1,048,725	2042	41,863	2041	41,863
2042	1,005,000	42,713	1,047,713	2044	21,356	2043	21,356
	<u>\$ 8,855,000</u>	<u>\$ 5,139,738</u>	<u>\$ 13,994,738</u>		<u>\$ 2,569,877</u>		<u>\$ 2,569,877</u>

(See independent auditor's report.)

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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	175-190
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	191-197
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	198-202
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	203-205
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	206-207

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 101,583,059	\$ 103,869,592	\$ 107,355,435	\$ 104,398,541
Restricted	1,900,712	1,935,130	1,820,471	4,499,146
Unrestricted	(187,342,519)	(189,957,186)	(207,926,064)	(211,788,378)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (83,858,748)	\$ (84,152,464)	\$ (98,750,158)	\$ (102,890,691)
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 48,783,047	\$ 46,285,711	\$ 43,632,372	\$ 41,205,067
Restricted	-	-	-	12,204,432
Unrestricted	2,478,512	4,137,575	4,589,226	(5,233,538)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 51,261,559	\$ 50,423,286	\$ 48,221,598	\$ 48,175,961
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 150,366,106	\$ 150,155,303	\$ 150,987,807	\$ 145,603,608
Restricted	1,900,712	1,935,130	1,820,471	16,703,578
Unrestricted	(184,864,007)	(185,819,611)	(203,336,838)	(217,021,916)
TOTAL PRIMARY GOVERNMENT	\$ (32,597,189)	\$ (33,729,178)	\$ (50,528,560)	\$ (54,714,730)

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

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 106,863,396	\$ 109,680,826	\$ 107,087,502	\$ 109,648,888	\$ 113,447,497	\$ 117,894,355
4,609,552	6,322,078	12,630,973	7,125,337	8,050,646	8,496,559
(219,937,102)	(83,890,268)	(94,770,300)	(98,043,836)	(109,936,831)	(119,374,084)
\$ (108,464,154)	\$ 32,112,636	\$ 24,948,175	\$ 18,730,389	\$ 11,561,312	\$ 7,016,830
\$ 35,887,345	\$ 36,056,978	\$ 40,813,454	\$ 42,987,638	\$ 44,371,502	\$ 50,882,594
4,278,213	2,708,847	1,759,270	-	-	-
3,027,782	15,230,703	16,409,186	19,688,050	23,263,006	21,862,461
\$ 43,193,340	\$ 53,996,528	\$ 58,981,910	\$ 62,675,688	\$ 67,634,508	\$ 72,745,055
\$ 142,750,741	\$ 145,737,804	\$ 147,900,956	\$ 152,636,526	\$ 157,818,999	\$ 168,776,949
8,887,765	9,030,925	14,390,243	7,125,337	8,050,646	8,496,559
(216,909,320)	(68,659,565)	(78,361,114)	(78,355,786)	(86,673,825)	(97,511,623)
\$ (65,270,814)	\$ 86,109,164	\$ 83,930,085	\$ 81,406,077	\$ 79,195,820	\$ 79,761,885

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

NET POSITION BY COMPONENT EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 101,583,059	\$ 103,869,592	\$ 107,355,435	\$ 104,398,541
Restricted	(101,992)	331,204	582,078	2,212,304
Unrestricted	(64,180,197)	(71,342,472)	(85,410,468)	(92,601,938)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 37,300,870	\$ 32,858,324	\$ 22,527,045	\$ 14,008,907
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 48,783,047	\$ 46,285,711	\$ 43,632,372	\$ 41,205,067
Restricted	-	-	-	12,204,432
Unrestricted	2,478,512	4,137,575	4,589,226	(5,233,538)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 51,261,559	\$ 50,423,286	\$ 48,221,598	\$ 48,175,961
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 150,366,106	\$ 150,155,303	\$ 150,987,807	\$ 145,603,608
Restricted	(101,992)	331,204	582,078	14,416,736
Unrestricted	(61,701,685)	(67,204,897)	(80,821,242)	(97,835,476)
TOTAL PRIMARY GOVERNMENT	\$ 88,562,429	\$ 83,281,610	\$ 70,748,643	\$ 62,184,868

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

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

Data Source

Audited Financial Statements

2020	2021*	2022*	2023*	2024*	2025*
\$ 106,863,396					
3,717,439					
(96,681,484)					
<u>\$ 13,899,351</u>					
\$ 35,887,345					
4,278,213					
3,027,782					
<u>\$ 43,193,340</u>					
\$ 142,750,741					
7,995,652					
(93,653,702)					
<u>\$ 57,092,691</u>					

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
EXPENSES				
Governmental Activities				
General Government	\$ 6,646,068	\$ 6,554,140	\$ 6,457,392	\$ 6,846,664
Public Safety	41,446,709	39,733,471	43,887,837	46,590,040
Highways and Streets	12,138,772	13,455,206	8,510,473	16,146,855
Sanitation	3,325,231	3,833,464	3,589,671	3,037,119
Health and Welfare	1,975,323	2,118,952	1,971,286	2,231,229
Culture and Recreation	356,009	298,721	335,008	299,224
Economic Development	5,386,050	5,965,340	2,384,611	3,052,597
Interest	6,836,905	6,670,096	6,217,407	6,164,040
Total Governmental Activities Expenses	78,111,067	78,629,390	73,353,685	84,367,768
Business-Type Activities				
Water/Sewer	18,261,791	19,374,285	18,863,430	19,131,469
Sears Centre	11,953,804	14,260,596	14,711,494	15,929,020
Total Business-Type Activities Expenses	30,215,595	33,634,881	33,574,924	35,060,489
TOTAL GOVERNMENT EXPENSES	\$ 108,326,662	\$ 112,264,271	\$ 106,928,609	\$ 119,428,257
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 3,637,561	\$ 3,672,654	\$ 3,633,874	\$ 3,758,732
Public Safety	4,113,151	3,683,940	3,988,664	4,168,562
Highways and Streets	138,882	738,598	160,250	97,470
Sanitation	3,186,227	3,451,809	3,464,068	3,600,984
Health and Welfare	948,703	892,563	1,242,522	1,177,656
Culture and Recreation	752,984	716,198	661,359	766,970
Economic Development	170,416	279,512	287,768	403,059
Operating Grants and Contributions	2,097,845	2,086,778	2,073,453	2,650,104
Capital Grants and Contributions	297,581	108,344	107,947	33,906
Total Governmental Activities Program Revenues	15,343,350	15,630,396	15,619,905	16,657,443
Business-Type Activities				
Charges for Services				
Water/Sewer	17,460,743	18,260,298	18,491,333	19,105,209
Sears Centre	6,946,532	9,648,371	9,995,417	11,156,948
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	219,676	-	-
Sears Centre	24,767	139,947	30,925	37,423
Total Business-Type Activities Program Revenues	24,432,042	28,268,292	28,517,675	30,299,580
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 39,775,392	\$ 43,898,688	\$ 44,137,580	\$ 46,957,023
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (62,767,717)	\$ (62,998,994)	\$ (57,733,780)	\$ (67,710,325)
Business-Type Activities	(5,783,553)	(5,366,589)	(5,057,249)	(4,760,909)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (68,551,270)	\$ (68,365,583)	\$ (62,791,029)	\$ (72,471,234)

2020*	2021	2022	2023	2024	2025
\$ 6,433,742	\$ 6,746,153	\$ 7,038,155	\$ 8,987,322	\$ 10,397,005	\$ 9,374,944
41,575,926	35,580,416	54,084,727	51,230,535	52,683,431	52,786,527
13,304,909	11,295,943	10,875,090	16,066,701	18,660,611	24,413,800
2,979,804	2,807,057	3,111,958	4,175,698	3,298,203	3,504,468
2,407,532	2,378,287	2,338,814	2,791,239	562,608	3,131,326
168,353	201,565	114,801	220,740	1,002,924	1,195,981
4,023,365	10,767,293	18,904,402	10,529,544	12,898,321	3,137,030
6,156,942	6,708,689	1,828,708	2,830,296	2,627,774	3,889,245
77,050,573	76,485,403	98,296,655	96,832,075	102,130,877	101,433,321
25,641,206	18,676,321	18,485,664	21,786,017	20,083,886	22,437,931
7,924,387	8,997,196	13,860,808	14,867,686	16,243,384	19,184,693
33,565,593	27,673,517	32,346,472	36,653,703	36,327,270	41,622,624
\$ 110,616,166	\$ 104,158,920	\$ 130,643,127	\$ 133,485,778	\$ 138,458,147	\$ 143,055,945
\$ 3,916,539	\$ 4,222,490	\$ 4,055,451	\$ 3,994,105	\$ 3,576,778	\$ 3,562,544
3,759,221	4,658,462	8,944,206	7,534,269	7,064,199	6,957,352
128,024	1,203,285	346,244	934,098	2,567,758	1,918,328
3,528,587	3,552,013	3,669,176	3,709,833	3,831,110	4,890,831
935,905	3,204,779	1,704,521	1,866,511	4,971,829	3,834,326
522,410	609,102	747,787	592,225	624,965	564,074
120,302	122,000	275,298	317,096	334,748	352,704
2,969,883	2,597,932	2,823,945	2,957,568	3,659,424	3,115,532
1,738,720	1,235,789	1,676,709	107,675	326,976	1,347,453
17,619,591	21,405,852	24,243,337	22,013,380	26,957,787	26,543,144
19,472,378	21,014,458	20,802,811	21,830,465	22,972,614	25,521,920
2,528,510	4,323,795	9,952,817	10,771,742	11,974,014	14,825,994
-	7,004,373	249,198	-	-	-
-	1,432,736	4,472,970	-	420,325	1,495,160
20,846	25,689	60,755	75,071	73,859	47,194
22,021,734	33,801,051	35,538,551	32,677,278	35,440,812	41,890,268
\$ 39,641,325	\$ 55,206,903	\$ 59,781,888	\$ 54,690,658	\$ 62,398,599	\$ 68,433,412
\$ (59,430,982)	\$ (55,079,551)	\$ (74,053,318)	\$ (74,818,695)	\$ (75,173,090)	\$ (74,890,177)
(11,543,859)	6,127,534	3,192,079	(3,976,425)	(886,458)	267,644
\$ (70,974,841)	\$ (48,952,017)	\$ (70,861,239)	\$ (78,795,120)	\$ (76,059,548)	\$ (74,622,533)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 37,672,733	\$ 34,559,674	\$ 26,653,561	\$ 34,449,008
Sales	7,887,857	8,252,713	7,980,164	7,121,685
Income and Local Use	6,224,044	6,055,330	6,508,950	7,310,628
Telecommunications	2,172,136	1,808,685	1,559,160	1,333,814
Real Estate Transfer	761,315	1,087,913	1,381,303	1,937,262
Home Rule Sales	3,627,746	3,637,260	3,717,518	2,735,010
Other	6,012,152	6,312,312	6,487,279	7,212,525
Investment Earnings	119,737	280,937	638,402	996,174
Grants - American Recovery Plus Funds	-	-	-	-
TIF/EDA Debt Termination	-	-	-	-
Miscellaneous	1,244,976	1,793,516	790,419	886,328
Gain on Sale of Capital Assets	-	-	-	220,548
Transfers In (Out)	(1,602,741)	(1,083,062)	(774,500)	(633,190)
Total Governmental Activities	64,119,955	62,705,278	54,942,256	63,569,792
Business-Type Activities				
Taxes				
Other	2,260,278	2,357,087	2,314,507	2,662,088
Investment Earnings	29,031	56,616	148,265	227,124
Miscellaneous	390,500	1,031,551	1,144,257	1,192,870
Gain on Sale of Capital Assets	-	-	-	-
Transfers In (Out)	2,053,026	1,083,062	774,500	633,190
Total Business-Type Activities	4,732,835	4,528,316	4,381,529	4,715,272
TOTAL PRIMARY GOVERNMENT	\$ 68,852,790	\$ 67,233,594	\$ 59,323,785	\$ 68,285,064
CHANGE IN NET POSITION				
Governmental Activities	\$ 1,352,238	\$ (293,716)	\$ (2,791,524)	\$ (4,140,533)
Business-Type Activities	(1,050,718)	(838,273)	(675,720)	(45,637)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 301,520	\$ (1,131,989)	\$ (3,467,244)	\$ (4,186,170)

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

2020*	2021	2022	2023	2024	2025
\$ 27,955,458	\$ 31,035,324	\$ 27,992,282	\$ 29,605,363	\$ 28,841,691	\$ 28,084,510
7,387,406	9,137,605	9,499,028	9,912,739	9,698,468	11,224,027
7,960,622	9,126,402	10,692,964	10,513,754	10,909,684	10,148,441
1,118,040	945,680	979,778	835,058	857,770	816,198
1,042,874	1,109,114	1,091,137	1,762,659	1,186,197	1,195,368
3,074,487	4,477,476	5,211,868	5,439,627	5,223,655	6,359,070
5,598,784	6,494,456	7,746,774	6,337,966	6,876,544	7,356,218
301,014	(105,438)	139,096	2,967,841	3,532,571	2,725,532
-	2,865,772	2,832,994	-	-	-
-	131,030,734	-	-	-	-
657,023	713,641	601,273	534,996	1,062,535	1,680,121
-	-	-	-	-	-
(1,238,189)	(1,174,425)	91,663	588,990	(185,102)	756,210
53,857,519	195,656,341	66,878,857	68,498,993	68,004,013	70,345,695
1,739,637	2,395,996	3,039,451	3,266,376	3,396,862	3,725,286
69,232	2,324	256,440	1,168,675	1,232,694	988,900
3,514,180	1,102,909	1,336,629	1,076,588	1,030,620	884,927
-	-	-	-	-	-
1,238,189	1,174,425	(91,663)	(588,990)	185,102	(756,210)
6,561,238	4,675,654	4,540,857	4,922,649	5,845,278	4,842,903
\$ 60,418,757	\$ 200,331,995	\$ 71,419,714	\$ 73,421,642	\$ 73,849,291	\$ 75,188,598
\$ (5,573,463)	\$ 140,576,790	\$ (7,174,461)	\$ (6,319,702)	\$ (7,169,077)	\$ (4,544,482)
(4,982,621)	10,803,188	7,732,936	946,224	4,958,820	5,110,547
\$ (10,556,084)	\$ 151,379,978	\$ 558,475	\$ (5,373,478)	\$ (2,210,257)	\$ 566,065

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
EXPENSES				
Governmental Activities				
General Government	\$ 6,646,068	\$ 6,554,140	\$ 6,457,392	\$ 6,846,664
Public Safety	41,131,756	39,733,471	43,887,837	46,590,040
Highways and Streets	12,138,772	13,455,206	8,510,473	16,146,855
Sanitation	3,325,231	3,833,464	3,589,671	3,037,119
Health and Welfare	1,975,323	2,118,952	1,971,286	2,231,229
Culture and Recreation	356,009	298,721	335,008	299,224
Economic Development	841,211	5,698,391	2,101,798	2,966,719
Interest	6,836,905	2,273,239	2,143,207	1,997,985
Total Governmental Activities Expenses	73,251,275	73,965,584	68,996,672	80,115,835
Business-Type Activities				
Water/Sewer	18,261,791	19,374,285	18,863,430	19,131,469
Sears Centre	11,953,804	14,260,596	14,711,494	15,929,020
Total Business-Type Activities Expenses	30,215,595	33,634,881	33,574,924	35,060,489
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 103,466,870	\$ 107,600,465	\$ 102,571,596	\$ 115,176,324
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 3,637,561	\$ 3,672,654	3,570,245	\$ 3,711,783
Public Safety	4,113,151	3,683,940	3,988,664	4,168,562
Highways and Streets	138,882	738,598	160,250	97,470
Sanitation	3,186,227	3,451,809	3,464,068	3,600,984
Health and Welfare	948,703	892,563	1,242,522	1,177,656
Culture and Recreation	752,984	716,198	661,359	766,970
Economic Development	170,416	279,512	287,768	403,059
Operating Grants and Contributions	2,097,845	2,086,778	2,073,453	2,650,104
Capital Grants and Contributions	297,581	108,344	107,947	33,906
Total Governmental Activities Program Revenues	15,343,350	15,630,396	15,556,276	16,610,494
Business-Type Activities				
Charges for Services				
Water/Sewer	17,460,743	18,260,298	18,491,333	19,105,209
Sears Centre	6,946,532	9,648,371	9,995,417	11,156,948
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions				
Water/Sewer	-	219,676	-	-
Sears Centre	24,767	139,947	30,925	37,423
Total Business-Type Activities Program Revenues	24,432,042	28,268,292	28,517,675	30,299,580
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 39,775,392	\$ 43,898,688	\$ 44,073,951	\$ 46,910,074
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (57,907,925)	\$ (58,335,188)	\$ (53,440,396)	\$ (63,505,341)
Business-Type Activities	(5,783,553)	(5,366,589)	(5,057,249)	(4,760,909)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (63,691,478)	\$ (63,701,777)	\$ (58,497,645)	\$ (68,266,250)

	2020**	2021*	2022*	2023*	2024*	2025*
\$	6,433,742					
	41,575,926					
	13,304,909					
	2,979,804					
	2,407,532					
	168,353					
	2,101,520					
	2,087,764					
	<u>71,059,550</u>					
	25,641,206					
	7,924,387					
	<u>33,565,593</u>					
\$	<u>104,625,143</u>					
\$	3,913,622					
	3,759,221					
	128,024					
	3,528,587					
	935,905					
	522,410					
	120,302					
	2,969,883					
	1,738,720					
	<u>17,616,674</u>					
	19,472,378					
	2,528,510					
	-					
	-					
	<u>20,846</u>					
	<u>22,021,734</u>					
\$	<u>39,638,408</u>					
\$	(53,442,876)					
	<u>(11,543,859)</u>					
\$	<u>(64,986,735)</u>					

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGE IN NET POSITION EXCLUDING EDA TIF ACTIVITY (Continued)

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 25,593,040	\$ 25,615,209	\$ 26,653,561	\$ 26,787,031
Sales	7,887,857	8,252,713	7,980,164	7,121,685
Income and Local Use	6,224,044	6,055,330	6,508,950	7,310,628
Telecommunications	2,172,136	1,808,685	1,559,160	1,333,814
Real Estate Transfer	761,315	1,087,913	1,381,303	1,937,262
Home Rule Sales	3,627,746	3,637,260	3,717,518	2,735,010
Other	6,012,152	6,226,293	6,456,977	6,271,913
Investment Earnings	112,723	280,937	638,402	996,174
Miscellaneous	1,238,262	1,793,516	790,419	886,328
Gain on Sale of Capital Assets	-	-	-	220,548
Contributions	-	-	-	-
Transfers In (Out)	(502,262)	(1,083,062)	(771,167)	(613,190)
Total Governmental Activities	53,127,013	53,674,794	54,915,287	54,987,203
Business-Type Activities				
Taxes				
Other	2,260,278	2,357,087	2,314,507	2,662,088
Investment Earnings	29,031	56,616	148,265	227,124
Miscellaneous	390,500	1,031,551	1,144,257	1,192,870
Gain on Sale of Capital Assets	-	-	-	-
Contributions	-	-	-	-
Transfers In (Out)	2,053,026	1,083,062	774,500	633,190
Total Business-Type Activities	4,732,835	4,528,316	4,381,529	4,715,272
TOTAL PRIMARY GOVERNMENT	\$ 57,859,848	\$ 58,203,110	\$ 59,296,816	\$ 59,702,475
CHANGE IN NET POSITION				
Governmental Activities	\$ (4,780,912)	\$ (4,660,394)	\$ 1,474,891	\$ (8,518,138)
Business-Type Activities	(1,050,718)	(838,273)	(675,720)	(45,637)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ (5,831,630)	\$ (5,498,667)	\$ 799,171	\$ (8,563,775)

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

*As of December 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

	2020**	2021*	2022*	2023*	2024*	2025*
\$	27,955,458					
	7,387,406					
	7,960,622					
	1,118,040					
	1,042,874					
	3,074,487					
	5,598,784					
	293,315					
	657,023					
	-					
	-					
	(1,754,689)					
	<u>53,333,320</u>					
	1,739,637					
	69,232					
	3,514,180					
	-					
	-					
	<u>1,238,189</u>					
	<u>6,561,238</u>					
\$	<u>59,894,558</u>					
\$	(109,556)					
	<u>(4,982,621)</u>					
\$	<u>(5,092,177)</u>					

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL FUND				
Nonspendable	\$ 277,704	\$ 198,904	\$ 204,701	\$ 171,820
Restricted	172,034	183,232	-	47,469
Assigned	4,719,896	2,794,747	1,104,220	5,336,101
Unassigned	18,181,441	19,193,924	23,610,274	20,242,741
TOTAL GENERAL FUND	\$ 23,351,075	\$ 22,370,807	\$ 24,919,195	\$ 25,798,131
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 273,375	\$ 30,080	\$ 34,157	\$ 573,551
Restricted	1,728,678	2,183,862	1,820,471	4,451,677
Assigned	6,083,147	5,253,240	4,940,599	5,845,727
Unassigned	(45,036)	-	(8,290)	(14,683)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 8,040,164	\$ 7,467,182	\$ 6,786,937	\$ 10,856,272

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
\$ 183,447	\$ 215,023	\$ 201,608	\$ 351,399	\$ 387,792	\$ 432,183
40,679	41,167	30,088	304,079	338,145	348,498
4,415,706	4,605,657	6,812,947	8,199,289	7,763,877	7,849,302
19,047,434	25,766,983	29,284,599	29,114,000	29,253,076	26,421,923
\$ 23,687,266	\$ 30,628,830	\$ 36,329,242	\$ 37,968,767	\$ 37,742,890	\$ 35,051,906
\$ 548,170	\$ 102,416	\$ 816,242	\$ 805,188	\$ 31,250	\$ -
4,568,873	6,280,911	7,053,706	6,821,268	7,712,501	8,148,061
5,275,433	9,596,967	12,398,361	15,100,690	22,797,183	12,909,903
(154,384)	(10,136)	(63,585)	(65,625)	(10,036)	(350,739)
\$ 10,238,092	\$ 15,970,158	\$ 20,204,724	\$ 22,661,521	\$ 30,530,898	\$ 20,707,225

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
REVENUES				
Taxes	\$ 49,586,716	\$ 46,669,596	\$ 39,129,755	\$ 46,875,928
Licenses and Permits	1,774,407	1,707,137	2,080,112	2,008,952
Intergovernmental	17,576,568	18,054,009	17,134,698	17,404,105
Charges for Services	9,435,945	10,168,721	9,794,675	10,232,720
Fines and Forfeitures	1,922,768	1,750,921	1,790,946	1,990,634
Investment Income	119,737	280,937	638,402	996,174
Miscellaneous	680,477	831,669	793,093	987,074
Total Revenues	81,096,618	79,462,990	71,361,681	80,495,587
EXPENDITURES				
General Government	5,904,784	5,910,231	5,969,028	6,386,268
Public Safety	34,703,000	36,098,087	36,100,476	36,959,044
Highways and Streets	7,235,536	6,940,943	7,850,181	7,993,021
Sanitation	2,843,463	2,917,600	2,982,280	3,037,119
Health and Welfare	1,823,939	2,018,586	2,122,912	2,166,630
Culture and Recreation	321,265	310,459	315,852	275,239
Economic Development	5,271,336	5,846,061	2,783,606	2,930,213
Capital Outlay	8,328,496	9,949,220	6,429,502	6,080,497
Debt Service				
Principal	13,759,693	10,693,312	2,036,236	9,605,499
Interest and Other Charges	2,368,908	2,322,815	2,222,409	2,132,273
Total Expenditures	82,560,420	83,007,314	68,812,482	77,565,803
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,463,802)	(3,544,324)	2,549,199	2,929,784
OTHER FINANCIAL SOURCES (USES)				
Transfers In	6,004,353	7,589,427	3,523,493	4,811,010
Transfers (Out)	(7,672,060)	(8,795,257)	(4,597,752)	(5,410,614)
Sale of Capital Assets	-	-	-	890,146
Bonds Issued, at Par	8,975,000	2,970,000	29,580,000	1,727,945
Premium (Discount) on Issuance of Bonds	866,916	182,988	2,593,638	-
Payment to Escrow Agent	(9,673,407)	(2,510,274)	(31,927,008)	-
Notes Issued, at Par	1,646,250	2,700,763	-	-
SBITAs Issued	-	-	-	-
Total Other Financing Sources (Uses)	147,052	2,137,647	(827,629)	2,018,487
NET CHANGE IN FUND BALANCES	\$ (1,316,750)	\$ (1,406,677)	\$ 1,721,570	\$ 4,948,271
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	21.19%	16.94%	7.16%	15.58%

Data Source

Audited Financial Statements

	2020	2021	2022	2023	2024	2025
\$	38,034,500	\$ 42,933,929	\$ 41,520,167	\$ 43,346,210	\$ 41,848,838	\$ 42,641,428
	1,744,758	3,976,507	2,443,280	2,601,547	5,701,900	4,548,592
	20,397,647	25,752,856	28,838,550	25,078,377	25,909,118	27,411,203
	9,953,848	12,181,865	14,782,739	14,785,213	16,222,313	16,580,000
	1,324,340	1,335,381	1,616,558	1,431,474	1,001,873	827,870
	260,539	(105,438)	139,096	2,967,841	3,532,571	2,725,532
	928,885	751,817	645,902	559,017	1,000,683	1,283,507
	72,644,517	86,826,917	89,986,292	90,769,679	95,217,296	96,018,132
	6,045,134	6,800,594	7,567,304	7,483,065	8,350,852	9,537,566
	37,996,208	39,998,352	43,236,429	45,468,337	45,978,700	47,499,490
	8,000,897	9,616,950	9,181,437	8,723,288	9,752,767	11,174,941
	2,979,804	2,807,057	3,111,958	3,368,183	3,298,203	3,504,468
	2,379,164	2,447,797	2,593,275	2,910,873	3,071,858	3,431,464
	152,351	205,532	139,061	170,392	260,004	273,498
	4,000,711	10,892,264	19,211,494	10,587,384	12,216,866	3,499,675
	9,625,363	5,479,678	5,551,982	8,716,441	15,290,136	25,669,063
	2,055,714	2,519,211	2,527,501	2,883,880	3,060,831	3,634,360
	2,226,102	2,162,612	1,683,903	1,591,145	1,798,198	1,778,441
	75,461,448	82,930,047	94,804,344	91,902,988	103,078,415	110,002,966
	(2,816,931)	3,896,870	(4,818,052)	(1,133,309)	(7,861,119)	(13,984,834)
	5,292,198	9,276,583	6,965,042	10,087,499	11,173,754	15,081,013
	(6,615,498)	(10,560,698)	(7,024,368)	(10,723,136)	(12,829,053)	(15,701,737)
	1,411,186	-	785,835	-	-	-
	-	10,060,875	-	-	8,855,000	-
	-	-	-	-	265,026	-
	-	-	-	-	-	-
	-	-	14,026,521	5,541,070	7,866,475	611,006
	-	-	-	324,188	173,427	1,479,895
	87,886	8,776,760	14,753,030	5,229,621	15,504,629	1,470,177
\$	(2,729,045)	\$ 12,673,630	\$ 9,934,978	\$ 4,096,312	\$ 7,643,510	\$ (12,514,657)
	6.40%	6.27%	4.64%	5.17%	5.24%	6.00%

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	TIF Property	Total Taxable Assessed Value	Total Direct Tax Rate (A)	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2016	\$ 1,017,417,237	\$ 326,913,705	\$ 42,926,385	\$ 85,704	\$ 262,473,500	\$ 1,649,816,531	1.417	\$ 4,949,449,593	33.333%
2017	1,015,939,978	343,474,918	43,251,062	80,912	286,946,621	1,689,693,491	1.470	5,069,080,473	33.333%
2018	997,720,511	330,207,432	42,651,480	106,305	279,504,242	1,650,189,970	1.528	4,950,569,910	33.333%
2019	1,141,146,061	388,353,448	55,875,519	106,305	220,773,753	1,806,255,086	1.377	5,418,765,258	33.333%
2020	1,142,732,588	397,466,679	71,990,085	106,305	277,271,060	1,889,566,717	1.421	5,668,700,151	33.333%
2021	1,057,382,072	499,838,188	79,395,982	106,305	83,102,081	1,719,824,628	1.627	5,159,473,884	33.333%
2022	1,308,986,950	504,506,599	89,128,049	106,305	116,369,602	2,019,097,505	1.400	6,057,292,515	33.333%
2023	1,351,797,919	526,162,316	113,110,461	84,382	122,801,770	2,113,956,848	1.384	6,341,870,544	33.333%
2024	1,349,427,965	511,639,130	129,632,865	84,389	124,104,554	2,114,888,903	1.413	6,344,666,709	33.333%
2025	(B)								

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

(B) 2025 detail valuations and Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the Cook and Kane County Clerks

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
SCHAUMBURG TOWNSHIP**

Last Ten Levy Years

Tax Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
VILLAGE DIRECT RATES (A)										
General	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(B)
Police Protection Services	0.408	0.403	0.413	0.357	0.351	0.419	0.360	0.344	0.344	
Fire Protection Services	0.420	0.416	0.426	0.368	0.362	0.429	0.370	0.353	0.353	
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.114	0.153	0.156	0.135	0.095	0.131	0.113	0.108	0.108	
Police Pension	0.248	0.260	0.282	0.279	0.343	0.371	0.319	0.333	0.352	
Firefighters Pension	0.227	0.238	0.251	0.238	0.270	0.277	0.238	0.246	0.257	
TOTAL DIRECT RATES	1.417	1.470	1.528	1.377	1.421	1.627	1.400	1.384	1.414	
OVERLAPPING RATES										
School District #54	3.790	3.844	4.030	3.545	3.575	3.976	3.685	3.696	3.902	
Palatine Twp. H.S. #211	2.871	2.922	3.044	2.749	2.787	3.020	2.710	2.751	2.965	
Junior College District #512	0.416	0.425	0.443	0.403	0.409	0.457	0.410	0.413	0.434	
Forest Preserve District of Cook County	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	0.069	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.314	
Schaumburg Township Library District	0.352	0.357	0.372	0.294	0.319	0.355	0.328	0.318	0.173	
Township of Schaumburg (All Funds)	0.148	0.152	0.160	0.142	0.144	0.160	0.146	0.172		
Metropolitan Sanitary District of Greater Chicago	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	0.011	
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.010	0.010	0.011	0.009	0.010	0.622	
Hoffman Estates Park District	0.622	0.639	0.669	0.588	0.597	0.647	0.584	0.592	0.000	
Consolidated Elections	0.000	0.031	0.000	0.030	0.000	0.019	0.000	0.032	0.390	
County of Cook	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386	0.000	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	10.628	10.810	11.202	10.040	10.151	11.158	10.158	10.174	10.634	
SHARE OF TOTAL TAX RATES LEVIED BY THE VILLAGE OF HOFFMAN ESTATES	13.3%	13.6%	13.6%	13.7%	14.0%	14.6%	13.8%	13.6%	13.3%	

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

(B) 2025 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
BARRINGTON TOWNSHIP**

Last Ten Levy Years

Tax Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
VILLAGE DIRECT RATES (A)										
General	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(B)
Police Protection Services	0.408	0.403	0.413	0.357	0.351	0.419	0.360	0.344	0.344	
Fire Protection Services	0.420	0.416	0.426	0.368	0.362	0.429	0.370	0.353	0.353	
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.114	0.153	0.156	0.135	0.095	0.131	0.113	0.108	0.108	
Police Pension	0.248	0.260	0.282	0.279	0.343	0.371	0.319	0.333	0.352	
Firefighters Pension	0.227	0.238	0.251	0.238	0.270	0.277	0.238	0.246	0.257	
TOTAL DIRECT RATES	1.417	1.470	1.528	1.377	1.421	1.627	1.400	1.384	1.414	
OVERLAPPING RATES										
Unit School District #220	4.538	4.560	4.853	4.669	4.842	5.429	4.911	4.902	5.153	
Junior College District #512	0.416	0.425	0.443	0.403	0.409	0.457	0.410	0.413	0.434	
Forest Preserve District of Cook County	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	0.069	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Barrington Public Library District	0.231	0.230	0.248	0.244	0.253	0.269	0.249	0.246	0.257	
Township of Barrington (All Funds)	0.031	0.032	0.033	0.033	0.034	0.035	0.033	0.032	0.031	
Metropolitan Sanitary District of Greater Chicago	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	0.340	
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.010	0.010	0.011	0.009	0.010	0.011	
Hoffman Estates Park District	0.622	0.639	0.669	0.588	0.597	0.647	0.584	0.592	0.622	
Consolidated Elections	0.000	0.031	0.000	0.030	0.000	0.019	0.000	0.032	0.000	
County of Cook	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386	0.390	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Lake County Tax Obj Ct Ord-220	0.065	0.068	0.054	0.048	0.046	0.051	0.043	0.044	0.040	
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	8.332	8.425	8.784	8.304	8.501	9.431	8.525	8.461	8.761	
SHARE OF TOTAL TAX RATES LEVIED BY THE VILLAGE OF HOFFMAN ESTATES	17.0%	17.4%	17.4%	16.6%	16.7%	17.3%	16.4%	16.4%	16.1%	

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

(B) 2025 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PALATINE TOWNSHIP**

Last Ten Levy Years

Tax Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
VILLAGE DIRECT RATES (A)										
General	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(B)
Police Protection Services	0.408	0.403	0.413	0.357	0.351	0.419	0.360	0.344	0.344	
Fire Protection Services	0.420	0.416	0.426	0.368	0.362	0.429	0.370	0.353	0.353	
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.114	0.153	0.156	0.135	0.095	0.131	0.113	0.108	0.108	
Police Pension	0.248	0.260	0.282	0.279	0.343	0.371	0.319	0.333	0.352	
Firefighters Pension	0.227	0.238	0.251	0.238	0.270	0.277	0.238	0.246	0.257	
TOTAL DIRECT RATES	1.417	1.470	1.528	1.377	1.421	1.627	1.400	1.384	1.414	
OVERLAPPING RATES										
School District #15	3.543	3.618	3.807	3.486	3.564	3.955	3.673	3.714	3.927	
Palatine Twp. H.S. #211	2.871	2.922	3.044	2.749	2.787	3.020	2.710	2.751	2.965	
Junior College District #512	0.416	0.425	0.443	0.403	0.409	0.457	0.410	0.413	0.434	
Forest Preserve District of Cook County	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	0.069	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Palatine Public Library	0.268	0.276	0.291	0.344	0.353	0.388	0.346	0.353	0.370	
Township of Palatine (All Funds)	0.145	0.143	0.146	0.134	0.130	0.142	0.117	0.109	0.107	
Metropolitan Sanitary District of Greater Chicago	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	0.340	
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.010	0.010	0.011	0.009	0.010	0.011	
Hoffman Estates Park District	0.622	0.639	0.669	0.588	0.597	0.647	0.584	0.592	0.622	
Consolidated Elections	0.000	0.031	0.000	0.030	0.000	0.019	0.000	0.032	0.000	
County of Cook	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386	0.390	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	10.294	10.494	10.884	10.023	10.160	11.152	10.135	10.164	10.649	
SHARE OF TOTAL TAX RATES LEVIED BY THE VILLAGE OF HOFFMAN ESTATES	13.8%	14.0%	14.0%	13.7%	14.0%	14.6%	13.8%	13.6%	13.3%	

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

(B) 2025 Tax Rates were not available at the time of issuance of this report.

Data Source

Office of the County Clerk

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

Last Ten Levy Years

Tax Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
VILLAGE DIRECT RATES (A)										
General	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(B)
Police Protection Services	0.408	0.403	0.413	0.357	0.351	0.419	0.360	0.344	0.344	
Fire Protection Services	0.420	0.416	0.426	0.368	0.362	0.429	0.370	0.353	0.353	
Municipal Waste	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
IMRF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Debt Service	0.114	0.153	0.156	0.135	0.095	0.131	0.113	0.108	0.108	
Police Pension	0.248	0.260	0.282	0.279	0.343	0.371	0.319	0.333	0.352	
Firefighters Pension	0.227	0.238	0.251	0.238	0.270	0.277	0.238	0.246	0.257	
TOTAL DIRECT RATES	1.417	1.470	1.528	1.377	1.421	1.627	1.400	1.384	1.414	
OVERLAPPING RATES										
Unit School District #220	4.538	4.560	4.853	4.669	4.842	5.429	4.911	4.902	5.153	
Junior College District #512	0.416	0.425	0.443	0.403	0.409	0.457	0.410	0.413	0.434	
Forest Preserve District of Cook County	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	0.069	
Sub. T.B. Sanitarium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Poplar Creek Public Library District	0.580	0.590	0.621	0.546	0.564	0.623	0.524	0.526	0.546	
Township of Hanover (All Funds)	0.361	0.367	0.384	0.341	0.352	0.392	0.332	0.327	0.342	
Metropolitan Sanitary District of Greater Chicago	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	0.340	
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.010	0.010	0.011	0.009	0.010	0.010	
Hoffman Estates Park District	0.622	0.639	0.669	0.588	0.597	0.647	0.584	0.592	0.622	
Consolidated Elections	0.000	0.031	0.000	0.030	0.000	0.019	0.000	0.032	0.000	
County of Cook	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386	0.390	
Cook County Health Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Comm. Mental Health Facility and Service District	0.057	0.059	0.063	0.057	0.059	0.067	0.057	0.057	0.058	
Lake County Tax Obj Ct Ord-220	0.065	0.068	0.054	0.048	0.046	0.051	0.043	0.044	0.040	
TOTAL TAX RATES PER \$100 OF ASSESSED VALUATION	9.068	9.179	9.571	8.971	9.189	10.209	9.156	9.093	9.418	
SHARE OF TOTAL TAX RATES LEVIED BY THE VILLAGE OF HOFFMAN ESTATES	15.6%	16.0%	16.0%	15.3%	15.5%	15.9%	15.3%	15.2%	15.0%	

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

(B) 2025 Tax Rates were not available at the time of issuance of this report.

[Data Source](#)

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2023 Tax Levy			2015 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Hoffman Estates Acq.	\$ 41,636,512	1	1.97%			
Transform Holdco LLC	36,258,653	2	1.72%			
Microsoft Corporation	34,700,365	3	1.64%			
American Heritage	23,188,606	4	1.10%	\$ 11,621,630	9	0.67%
Amita Health/David Hill	21,989,614	5	1.04%			
Lincoln Property Co.	21,354,288	6	1.01%	17,395,972	3	1.00%
Paul Hastings LLC	20,754,937	7	0.98%			
LBX Polar Creek / Prairie Stone LLC	19,605,983	8	0.93%	16,934,992	4	0.97%
Broadstone CLE IL LLC	16,578,999	9	0.78%			
Siemens Corp.	15,155,080	10	0.72%			
Sears Roebuck & Co.				135,413,496	1	7.79%
AT&T Lease & SBC Ameritech				93,422,143	2	5.37%
Cabelas				14,294,266	5	0.82%
Stonegate Properties				13,277,725	6	0.76%
Alexian Brothers Health System				12,749,282	7	0.73%
TransAmerica				12,082,835	8	0.69%
BVF II Park Place LLC				10,322,491	10	0.59%
	<u>\$ 251,223,037</u>		<u>11.88%</u>	<u>\$ 337,514,832</u>		<u>19.39%</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.

2024 data is not available yet, so 2023 data is reported.

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
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	96.02%
2021	26,625,921	21,948,284	82.43%	4,328,486	26,276,770	98.69%
2022	26,625,921	25,858,060	97.12%	493,012	26,351,072	98.97%
2023	27,545,493	26,223,556	95.20%	29,972	26,253,528	95.31%
2024	28,132,897	13,844,056	49.21%	-	13,844,056	49.21%
2025	29,306,091	(A)				

(A) Collections for the 2025 Tax Levy Year will not be received until fiscal year 2026.

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

Data Source

Office of the County Clerk

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income*	
	General Obligation Bonds	Unamortized Premium (Discount)	TIF Bonds Payable	TIF Notes Payable	Equipment Financing Loans	SBITA Liability	General Obligation Bonds	Unamortized Premium (Discount)	Loans Payable	Lease Liabilities	SBITA Liability		Per Capita*	
2016	\$ 46,968,750	\$ 1,249,522	\$ -	\$ 130,239,359	\$ -	\$ -	\$ 53,891,250	\$ (152,070)	\$ -	\$ -	\$ -	\$ 232,196,811	12.2%	\$ 4,474
2017	45,887,500	1,347,733	-	128,268,667	-	-	57,442,500	119,323	-	-	-	233,065,723	12.0%	4,491
2018	42,380,000	3,473,673	-	131,721,091	-	-	55,175,000	644,406	-	-	-	233,394,170	11.6%	4,497
2019	42,447,945	3,266,923	-	127,935,095	-	-	60,687,905	615,626	-	-	-	234,953,494	11.7%	4,527
2020	40,616,580	3,060,173	-	133,191,109	-	-	57,757,450	586,845	-	-	-	235,212,157	11.4%	4,532
2021	38,590,460	2,853,423	-	14,194,029	1,724,409	-	54,750,265	558,064	1,614,177	-	-	114,284,827	11.6%	2,176
2022	36,577,165	2,646,673	-	27,985,243	1,445,509	472,652	51,503,140	529,283	2,326,596	-	-	123,486,261	5.4%	2,351
2023	34,471,650	2,439,923	-	33,212,645	1,163,263	614,389	48,055,865	500,503	2,286,313	-	217,887	122,962,438	5.8%	2,341
2024	41,123,865	2,484,951	-	40,745,957	877,630	896,874	44,488,225	471,721	2,186,725	-	155,323	133,431,271	5.2%	2,540
2025	38,703,765	2,264,950	-	41,008,762	588,569	1,701,899	40,794,990	442,940	2,084,154	-	13,693	127,603,722	5.1%	2,429

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

*See the schedule of Demographic and Economic Statistics on page 204 for personal income and population data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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	85,467,941	23,533	85,444,408	1.73%	1,646.49
2019	107,018,399	27,299	106,991,100	1.97%	2,061.68
2020	102,021,048	23,494	101,997,554	1.80%	1,965.46
2021	96,752,212	26,937	96,725,275	1.87%	1,941.70
2022	88,080,305	604,187	87,476,118	1.44%	1,841.33
2023	82,527,515	(49,005)	82,576,520	1.30%	1,725.98
2024	85,612,090	25,835	85,586,255	1.35%	1,629.28
2025	79,498,755	8,560	79,490,195	1.25%	1,513.23

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

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 192 for property value data.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2025

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Hoffman Estates (A)	Village of Hoffman Estates Share of Debt
Village of Hoffman Estates	\$ 79,498,755	100.000%	\$ 79,498,755
Hoffman Estates Park District	6,615,000	93.421%	6,179,799
Palatine Park District	1,135,000	2.407%	27,319
Schools			
District No. 15	110,870,000	8.597%	9,531,494
District No. 54	47,830,000	16.032%	7,668,106
District No. 220	135,760,000	8.698%	11,808,405
District No. 300	176,815,000	3.473%	6,140,785
District No. 46	233,920,000	2.671%	6,248,003
Junior College District No. 512	196,740,000	6.343%	12,479,218
Junior College District No. 509	113,045,000	2.488%	2,812,560
Metropolitan Water Reclamation District	2,607,379,954	0.969%	25,265,512
Cook County including Forest Preserve District	1,831,166,750	0.953%	17,451,019
Poplar Creek Library District	5,840,000	5.521%	322,426
	<u>5,467,116,704</u>		<u>105,934,646</u>
TOTAL	<u><u>\$ 5,546,615,459</u></u>		<u><u>\$ 185,433,401</u></u>

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2025

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

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Tax Increment Financing Bonds							Tax Increment Financing Notes				
	Incremental Property Taxes	Less Governmental Share	Less Program Expenses	Available for Debt Service	Available for Distribution	Required Distribution	Available for Audit Expense	Incremental Property Taxes	Debt Service		Coverage	
									Principal	Interest		
2016	\$ 14,432,790	\$ (14,409,116)	\$ (23,674)	\$ -	\$ -	\$ -	\$ -	\$ 12,079,693	\$ 12,079,693	\$ -	1.00	
2017	12,668,198	(12,646,577)	(21,621)	-	-	-	-	8,944,465	8,944,465	-	1.00	
2018	15,255,254	(15,139,394)	(115,860)	-	-	-	-	7,661,977	7,661,977	-	1.00	
2019	16,295,947	(9,925,676)	(350,000)	-	6,020,271	-	-	-	-	-	N/A	
2020	10,974,813	(5,000,000)	(350,000)	-	5,624,813 ^a	-	-	-	-	-	N/A	
2021	11,229,678	(5,000,000)	(350,000)	-	5,879,678 ^a	(17,484,762)	40,000	-	-	-	N/A	
2022	783,119	-	(17,185)	(17,185)	783,119	(783,119) ^b	22,815	-	-	-	N/A	
2023	-	-	(12,421)	-	-	- ^b	10,394	-	-	-	N/A	
2024	-	-	(2,500)	-	-	(7,894) ^b	-	-	-	-	N/A	
2025	-	-	-	-	-	-	-	-	-	-	N/A	

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

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

^b Distribution in FY2021 and FY2022 and FY2024 was a result of the dissolution of the Economic Development Area (EDA) as of December 31, 2021 pursuant to a settlement agreement and court order entered in the United States Bankruptcy Court for the Southern District of New York.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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	2,054,290,710	39,107	6.9
2021	52,530	2,102,040,480	40,016	2.9
2022	52,530	2,162,449,980	41,166	3.7
2023	52,530	2,379,714,060	45,302	3.4
2024	52,530	2,577,594,570	49,069	4.4
2025	52,530	2,524,066,500	48,050	3.7

Data Sources

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

(2) Illinois Bureau of Employment Security

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
St. Alexius Medical Center	2,500	1	4.8%	1,900	2	3.7%
Siemens Medical Systems	1,000	2	1.9%	500	5	1.0%
Claire's	500	3	1.0%	350	9	0.7%
Leopardo Companies Inc.	500	3	1.0%	300	10	0.6%
FANUC America	500	3	1.0%	370	7	0.7%
Village of Hoffman Estates	371	6	0.7%	362	8	0.7%
Omron Corporation	300	7	0.6%			
Vistex	300	7	0.6%			
Salvation Army	300	7	0.6%			
Omron	300	7	0.6%			
Sears Holdings				4,800	1	9.2%
Alexian Brothers Behavioral Health Hospital				650	4	1.3%
CDK Global				800	3	1.5%
Liberty Mutual				400	6	0.8%
TOTAL	6,571			10,432		

Data Source

Village records

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Management Services	26	29	29	29	30	27	20	22	22	22
Finance	16	16	16	16	16	16	16	12	12	11
Information Systems	-	-	-	-	-	-	7	7	6	6
PUBLIC SAFETY										
Police										
Officers	90	90	88	87	87	85	84	84	84	84
Civilians	20	20	20	21	21	20	23	26	26	26
Fire										
Firefighters and Officers	96	96	93	94	94	94	94	94	95	95
Civilians	4	3	4	4	5	4	3	3	3	3
HIGHWAYS AND STREETS										
Administration	2	2	2	2	2	2	2	2	2	2
Engineering	9	10	9	9	9	8	9	10	11	11
Street Maintenance	71	70	70	70	71	70	71	74	74	74
Sanitation	-	1	1	1	2	2	2	3	3	3
Health and Welfare	21	23	23	23	23	23	24	25	25	26
Culture and Recreation	1	1	1	1	1	1	1	1	1	1
Economic Development	7	6	6	6	6	7	7	7	7	7
TOTAL	363	367	362	363	367	359	363	370	371	371

Data Source

Village budget documents

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Physical Arrests	1,422	1,366	1,125	1,117	1,014	1,142	849	808	955	1,531
Parking Violations	1,911	2,090	3,305	2,547	1,387	1,444	1,162	1,783	2,414	3,218
Traffic Violations	10,387	11,049	8,734	6,395	3,786	3,684	3,822	7,735	10,242	10,803
Fire										
Emergency Responses	4,372	4,186	4,384	4,596	4,252	4,875	5,297	5,239	5,274	5,145
Fire/Miscellaneous Responses	1,676	1,618	1,406	1,386	1,246	1,371	1,388	1,416	1,433	1,648
Inspections	1,497	2,115	1,715	1,561	1,636	1,921	1,977	1,976	1,919	1,650
PUBLIC WORKS										
Vehicles Maintained by Dept	243	239	246	250	246	247	296	298	298	298
Street Reconstruction (Miles)	2.2	1.5	1.6	1.0	1.0	1.0	1.0	0.7	0.6	0.6
Street Resurfacing (Miles)	5.2	5.5	2.6	8.8	8.2	5.3	6.3	7.1	6.3	7.6
WATER										
New Connections	37	67	78	59	2	2	7	16	5	10
Water Main Breaks	77	73	63	74	85	38	35	43	40	42
Average Daily Consumption	4,345,000	4,311,000	4,239,000	4,390,000	4,160,000	4,186,000	4,010,000	4,078,000	4,077,000	4,244,052
Peak Daily Consumption	6,699,000	6,341,000	6,173,000	6,715,000	6,951,000	6,660,000	6,247,000	6,222,000	6,277,000	6,458,000

Data Source

Various Village Departments

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	10	10	10	10	10	10	10	10	10	10
Patrol Units	57	51	54	54	60	60	60	60	60	60
Fire										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Fire Engines	12	11	11	11	11	12	10	10	10	10
PUBLIC WORKS										
Miles of Streets	160	152	161	161	151	151	151	161	165	165
Streetlights	2,529	2,533	2,533	2,551	2,571	2,571	2,571	2,571	2,571	2,571
Traffic Signals	3	3	3	3	3	3	3	3	3	3
WATER										
Water Mains (Miles)	247	255	257	257	256	256	256	256	257	257
Fire Hydrants	3,093	3,129	3,180	3,186	3,163	3,163	3,170	3,175	3,237	3,246
Storage Capacity (Gallons)	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000	11,820,000
WASTEWATER										
Sanitary Sewers (Miles)	205	205	205	256	191	191	191	191	191	191
Storm Sewers (Miles)	226	226	227	227	227	227	238	238	239	239

Data Source

Various Village Departments

Village of Hoffman Estates, Illinois
Continuing Disclosure Undertaking for the Fiscal Year Ended
December 31, 2025

"Annual Report"

Prepared by:
Finance Department
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Village of Hoffman Estates
Comparative General Fund Balance Sheet
Fiscal Years Ended December 31

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets						
Cash and Investments	\$20,495,371	\$28,135,495	\$31,116,301	\$34,704,824	\$34,131,361	\$27,912,392
Receivables:						
Property Taxes	21,039,359	24,140,147	29,707,472	25,233,507	25,553,312	32,923,814
Accounts	439,200	358,156	418,419	395,542	456,880	407,307
Accrued Interest	6,391	61,949	71,849	86,009	626,066	584,826
Leases	-	-	3,073,442	7,469,612	7,654,142	7,153,953
Other	2,589,204	3,301,205	2,764,175	2,985,228	3,337,704	3,958,008
Prepaid Items	70,911	93,358	79,169	208,333	240,020	274,496
Assets Held by Agents	139,138	176,237	206,581	267,521	48,482	49,256
Inventory	112,536	121,665	122,439	143,066	147,772	157,687
Due from Other Governments	4,391,870	5,369,799	5,672,266	5,572,028	5,603,059	5,964,826
Due from Other Funds	709,940	24,766	1,072,120	111,720	10,036	405,712
Total Assets	<u>\$49,993,920</u>	<u>\$61,782,777</u>	<u>\$74,304,233</u>	<u>\$77,177,390</u>	<u>\$77,808,834</u>	<u>\$79,792,277</u>
Liabilities						
Accounts Payable	\$1,721,527	\$2,850,925	\$3,380,487	\$3,136,514	\$3,021,413	\$2,187,984
Accrued Payroll	426,546	601,762	634,688	714,814	1,059,497	1,172,357
Current Compensated Absences	-	-	-	-	-	-
Unearned Revenues	367,595	382,821	397,846	342,998	527,180	453,573
Due to FSA Participants	108,038	145,137	175,481	236,421	23,482	24,256
Due to Other Funds	-	-	-	-	-	-
Due to Fiduciary Funds	0	-	2,413,329	3,978	-	4,998,267
Deposits Payable	1,204,406	1,271,671	1,952,825	1,168,236	1,352,496	1,206,822
Deferred Inflows of Resources	22,478,542	25,901,631	29,020,335	33,605,662	34,081,876	34,697,112
Total Liabilities	<u>\$26,306,654</u>	<u>\$31,153,947</u>	<u>\$37,974,991</u>	<u>\$39,208,623</u>	<u>\$40,065,944</u>	<u>\$44,740,371</u>
Fund Balances						
Nonspendable for Prepaid Items	\$70,911	\$93,358	\$79,169	\$208,333	\$240,020	\$274,496
Nonspendable for Inventory	112,536	121,665	122,439	143,066	147,772	157,687
Nonspendable for Noncurrent Receivables	-	-	-	-	-	-
Restricted for Public Safety	-	-	-	272,743	304,645	316,454
Restricted for Employee Loan Program	40,679	41,167	30,088	31,336	33,500	32,044
Assigned for Employee Health	2,115,706	2,155,657	1,962,947	1,996,169	2,334,987	2,620,822
Assigned for Subsequent Budget	2,300,000	2,450,000	4,850,000	6,203,120	5,428,890	5,228,480
Unassigned	19,047,434	25,766,983	29,284,599	29,114,000	29,253,076	26,421,923
Total Equity and Credits	<u>\$23,687,266</u>	<u>\$30,628,830</u>	<u>\$36,329,242</u>	<u>\$37,968,767</u>	<u>\$37,742,890</u>	<u>\$35,051,906</u>
Total Liabilities, Equity and Other Credits	<u>\$49,993,920</u>	<u>\$61,782,777</u>	<u>\$74,304,233</u>	<u>\$77,177,390</u>	<u>\$77,808,834</u>	<u>\$79,792,277</u>

Sources Annual Comprehensive Financial Reports, FY 2020 - 2025

Village of Hoffman Estates
General Fund Revenues & Expenditures

Fiscal Years Ended December 31

	2020	2021	2022	2023	2024	2025	Budget 2026
Revenues:							
Taxes	\$30,503,005	\$35,232,190	\$33,741,401	\$35,179,087	\$34,225,136	\$35,262,014	\$37,915,160
Licenses and Permits	1,744,758	3,976,507	2,443,280	2,601,547	5,701,900	4,548,592	6,175,000
Intergovernmental	16,649,712	22,043,255	24,609,492	22,103,147	22,460,375	22,805,711	22,450,570
Charges for Services	9,245,252	11,454,751	14,061,102	13,608,202	15,087,746	14,958,512	10,695,300
Fines and Forfeits	1,110,521	1,206,299	1,356,320	1,362,860	850,418	680,755	770,000
Investment Income	183,463	-87,652	-14,960	1,758,824	1,925,763	1,443,253	1,200,000
Miscellaneous	553,852	689,288	573,934	470,706	960,722	939,868	501,000
Total Revenues	\$59,990,563	\$74,514,638	\$76,770,569	\$77,084,373	\$81,212,060	\$80,638,705	\$79,707,030
Expenditures:							
General Government	\$6,031,574	\$6,683,528	\$7,567,003	\$7,482,765	\$8,350,852	\$9,537,326	\$6,126,450
Public Safety	37,555,497	39,634,819	43,080,002	45,216,636	45,707,285	47,402,709	52,337,870
Highways and Streets	5,876,922	6,209,749	6,180,518	6,119,772	7,470,214	7,857,441	8,852,770
Sanitation	2,979,804	2,807,057	3,111,958	3,368,183	3,298,203	3,504,468	3,812,860
Health and Welfare	2,379,164	2,447,797	2,593,275	2,910,873	3,071,858	3,431,464	3,939,650
Culture and Recreation	152,351	205,532	139,061	170,392	260,004	273,498	275,500
Economic Development	2,124,118	2,376,024	2,831,973	2,261,698	2,609,057	2,487,909	2,490,540
Capital Outlay	-	-	-	-	173,427	1,479,894	-
Debt Service	-	-	-	-	58,500	288,285	-
Total Expenditures	\$57,099,430	\$60,364,506	\$65,503,790	\$67,530,319	\$70,999,400	\$76,262,994	\$77,835,640
Excess (Deficiency) of Revenues Over Exp	\$2,891,133	\$14,150,132	\$11,266,779	\$9,554,054	\$10,212,660	\$4,375,711	\$1,871,390
Other Financing Sources (Uses)	(\$5,001,998)	(\$7,208,568)	(\$5,566,367)	(\$7,914,529)	(\$10,438,537)	(\$7,066,695)	(\$6,929,870)
Net Change in Fund Balance	(2,110,865)	6,941,564	5,700,412	1,639,525	(225,877)	(2,690,984)	(5,058,480)
Fund Balance, January 1	\$25,798,131	\$23,687,266	\$30,628,830	\$36,329,242	\$37,968,767	\$37,742,890	\$35,051,906
Ending Fund Balance	<u>\$23,687,266</u>	<u>\$30,628,830</u>	<u>\$36,329,242</u>	<u>\$37,968,767</u>	<u>\$37,742,890</u>	<u>\$35,051,906</u>	<u>\$29,993,426</u>

Sources Annual Comprehensive Financial Reports, Fiscal Years 2020 - 2025; Budget, Fiscal Year 2026

Village of Hoffman Estates
Combined Statement - Fund Balances - All Funds

Fiscal Years Ended December 31

	2020	2021	2022	2023	2024	2025
Governmental Fund Types:						
General Fund	\$23,687,266	\$30,628,830	\$36,329,242	\$37,968,767	\$37,742,890	\$35,051,906
Special Revenue Funds:						
Motor Fuel Tax Fund	1,369,793	1,198,462	1,452,046	1,245,805	1,362,643	479,171
Com. Development Block Grant Fund	10,436	0	1	50,765	37,357	17,961
Asset Seizure Fund	872,345	582,850	712,609	570,162	485,602	538,790
Roselle Rd TIF	1,647,962	2,428,508	2,748,538	2,302,137	3,125,672	4,112,230
Barrington Higgins TIF	611,153	965,307	1,396,120	1,620,603	1,336,018	1,383,043
Lakewood TIF	-	451,475	457,426	581,132	589,857	538,668
Higgins/Old Sutton TIF	-	63,384	103,930	98,374	72,514	72,675
Higgins/Hassell Road TIF	12,194	226,522	123,398	352,280	667,893	827,819
Stonington/Pembroke TIF				(16,620)	(926)	111,225
Total Special Revenue	\$4,523,883	\$5,916,508	\$6,994,068	\$6,804,638	\$7,676,630	\$8,081,582
Debt Service Funds	-\$154,384	\$18,993	\$13,258	(49,005)	25,835	8,560
Capital Project Funds	5,868,593	10,034,657	13,197,398	15,905,878	22,828,433	12,617,083
Total Governmental	\$33,925,358	\$46,598,988	\$56,533,966	\$60,630,278	\$68,273,788	\$55,759,131
Proprietary Fund Types:						
Waterworks and Sewerage	\$17,133,829	\$20,940,905	\$28,203,664	\$28,656,348	\$32,973,231	\$37,610,070
NOW Arena	26,059,511	33,055,623	33,525,800	34,019,340	34,661,277	35,134,985
Insurance	1,167,984	995,487	1,786,618	2,599,872	2,222,733	2,040,836
Information Systems	768,122	674,737	938,449	1,192,546	2,373,822	2,887,719
Total Proprietary	\$45,129,446	\$55,666,752	\$64,454,531	\$66,468,106	\$72,231,063	\$77,673,610
Fiduciary Fund Types:						
Expendable Trust Funds						
Pension Trust:						
Police Pension	\$85,105,513	\$97,422,943	\$84,731,293	\$93,796,588	\$100,772,578	\$115,732,621
Firefighters' Pension	105,768,041	116,766,749	98,242,236	110,378,666	119,701,561	137,169,440
Total Fiduciary	\$190,873,554	\$214,189,692	\$182,973,529	\$204,175,254	\$220,474,139	\$252,902,061
<i>Total All Funds (Memo Only)</i>	\$269,928,358	\$316,455,432	\$303,962,026	\$331,273,638	\$360,978,990	\$386,334,802

Sources Annual Comprehensive Financial Reports, FY 2020 - 2025

Village of Hoffman Estates
Budget Summary - All Funds

Fiscal Years Ended December 31

	2020	2021	2022	2023	2024	2025
Governmental Fund Types:						
General Fund	\$65,787,580	\$65,121,250	\$73,029,890	\$78,424,280	\$82,421,360	\$86,179,750
Special Revenue Funds:						
Motor Fuel Tax Fund	2,710,000	3,480,000	3,010,000	2,625,000	2,325,000	3,317,500
Com. Development Block Grant Fund	297,500	585,550	643,000	404,900	367,600	157,600
Asset Seizure Fund	321,350	285,490	188,480	259,080	147,500	141,500
Roselle Rd TIF	915,000	1,668,040	2,428,180	1,358,180	138,180	1,118,250
Barrington Higgins TIF	4,500	13,040	1,467,740	308,500	291,500	294,130
Lakewood Center TIF	269,100	401,590	14,061,180	6,344,180	289,180	244,250
Higgins-Old Sutton TIF	-	43,040	2,528,180	2,528,180	2,528,180	2,528,250
Higgins/Hassell Road TIF	4,850	5,040	592,070	608,570	523,180	223,250
Stonington/Pembroke TIF	-	-	-	349,180	444,180	444,250
Total Special Revenue	\$4,522,300	\$6,481,790	\$24,918,830	\$14,785,770	\$7,054,500	\$8,468,980
Debt Service Funds	\$7,131,890	\$7,315,200	\$3,630,110	\$3,628,610	\$3,628,860	\$4,123,430
Capital Project Funds	15,492,820	11,726,920	12,717,610	13,100,170	39,453,770	48,421,520
Total Governmental	\$92,934,590	\$90,645,160	\$114,296,440	\$109,938,830	\$132,558,490	\$147,193,680
Proprietary Fund Types:						
Waterworks and Sewerage	\$23,630,700	\$22,709,750	\$25,495,540	\$26,383,880	\$29,212,040	\$28,669,600
NOW Arena	15,059,370	9,062,490	18,868,990	15,386,750	18,876,360	22,377,640
Insurance	1,781,510	1,773,720	1,972,250	2,018,740	2,079,240	2,178,730
Information Systems	2,207,480	1,747,450	2,384,740	2,903,960	3,416,630	3,695,600
Total Proprietary	\$42,679,060	\$35,293,410	\$48,721,520	\$46,693,330	\$53,584,270	\$56,921,570
Fiduciary Fund Types:						
Expendable Trust Funds						
Pension Trust:						
Police Pension	\$6,857,410	\$7,356,350	\$8,628,480	\$8,754,380	\$8,079,010	\$8,538,710
Firefighters' Pension	6,209,260	6,638,510	7,573,460	7,782,170	6,777,090	6,887,840
Total Fiduciary	\$13,066,670	\$13,994,860	\$16,201,940	\$16,536,550	\$14,856,100	\$15,426,550
<i>Total All Funds (Memo Only)</i>	\$148,680,320	\$139,933,430	\$179,219,900	\$173,168,710	\$200,998,860	\$219,541,800

Sources: Budgets, FY 2020 - 2025

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

As of December 31

	2020	2021	2022	2023	2024	2025
General Fund	\$20,495,371	\$28,135,495	\$31,116,301	\$34,704,824	\$33,820,626	\$27,912,392
Special Revenue Funds	\$4,381,556	\$5,787,663	\$6,373,651	\$7,156,942	\$7,605,427	\$7,349,521
Debt Service - GO Bonds	\$23,494	\$26,937	\$604,187	\$6,735	\$34,939	\$12,555
Capital Project Funds	\$10,698,178	\$15,022,498	\$18,708,806	\$19,711,364	\$27,538,450	\$19,883,715
Waterworks and Sewerage	\$12,978,306	\$14,171,598	\$18,203,009	\$16,293,951	\$19,569,312	\$16,275,804
NOW Arena	1,253,159	8,545,920	7,354,202	7,417,125	9,452,742	8,320,874
Total Enterprise Funds	\$14,231,465	\$22,717,518	\$25,557,211	\$23,711,076	\$29,022,054	\$24,596,678
Insurance	\$2,855,656	\$2,973,535	\$2,742,751	\$3,486,647	\$3,490,671	\$2,177,473
Information Systems	1,263,931	891,327	905,547	1,400,006	2,217,366	2,498,360
Total Internal Service Funds	\$4,119,587	\$3,864,862	\$3,648,298	\$4,886,653	\$5,708,037	\$4,675,833
Pension Funds*	\$19,933	\$21,816	\$9,114,708	\$6,253,095	\$3,322,626	\$3,425,931
All Other Funds	11,470,756	3,674,763	22,860	10,394	-	-
Total	\$65,440,340	\$79,251,552	\$95,146,022	\$96,441,083	\$107,052,159	\$87,856,625

Sources Annual Comprehensive Financial Reports, FY 2020 - 2025

*Pension Fund amounts do not include investments held in Illinois Police Officers' Pension Investment Fund (IPOPIF) or Illinois Firefighters' Pension Investment Fund (FPIF)

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

Revenues	2020	2021	2022	2023	2024	2025
Property Taxes	\$16,162,780	\$17,540,542	\$13,635,099	\$14,065,511	\$13,065,394	\$13,155,072
Sales Tax	7,335,166	8,981,002	9,413,125	9,912,739	9,698,468	11,224,027
Home Rule Sales tax	3,061,003	4,312,594	5,156,619	5,439,627	5,223,655	6,359,070
Local Use Tax	2,222,935	2,068,952	2,128,943	2,067,674	1,866,911	635,082
State Income Tax	5,714,698	7,025,189	8,625,693	8,446,080	9,042,773	9,513,359
Licenses and Permits	1,681,770	3,921,042	2,443,280	2,601,547	5,701,900	4,548,592
Charges for Services	8,910,577	10,961,498	11,047,783	10,496,246	15,087,746	14,958,512
Fines and Forfeits	1,110,520	1,206,299	1,356,320	1,362,860	850,418	680,755
Investment Income	183,464	-87,647	(19,217)	1,758,824	1,925,763	1,443,253
Hotel Tax	490,502	986,815	1,438,091	1,472,829	1,517,806	1,673,661
Real Estate Transfer Tax	1,042,874	1,109,114	1,091,137	1,762,659	1,186,197	1,195,368
Telecommunications Tax	1,135,971	960,318	978,281	835,058	857,770	816,198
All Other	10,938,303	15,528,920	19,475,415	16,862,719	15,187,259	14,435,756
Total Revenue.....	<u>\$59,990,563</u>	<u>\$74,514,638</u>	<u>\$76,770,569</u>	<u>\$77,084,373</u>	<u>\$81,212,060</u>	<u>\$80,638,705</u>

Source: Village Finance Department

Village of Hoffman Estates
Direct and Overlapping General Obligation Debt
As of December 31, 2025

	Outstanding <u>Bonds</u>	<u>Applicable to Village</u> <u>Percentage</u>	<u>Amount</u>
Direct Debt			
General Obligation Bonds Outstanding	\$79,498,755	100.0%	\$79,498,755
Overlapping Debt			
Cook County	\$1,760,191,750	0.953%	\$16,774,627
Cook County Forest Preserve	70,975,000	0.953%	\$676,392
Metropolitan Water Reclamation District	2,607,379,954	0.969%	\$25,265,512
Hoffman Estates Park District	6,615,000	93.421%	\$6,179,799
Palatine Park District	1,135,000	2.407%	\$27,319
Poplar Creek Library District	5,840,000	5.521%	\$322,426
School District #15	110,870,000	8.597%	\$9,531,494
Community Unit School District U-46	233,920,000	2.671%	\$6,248,003
School District #54	47,830,000	16.032%	\$7,668,106
Community Unit School District #220	135,760,000	8.698%	\$11,808,405
Community Unit School District #300	176,815,000	3.473%	\$6,140,785
Community College #509	113,045,000	2.488%	\$2,812,560
Community College #512	196,740,000	6.343%	\$12,479,218
			\$105,934,646
Total Direct and Overlapping General Obligation Bonded Debt			\$185,433,401

Source: Cook and Kane County Clerk's Offices

Village of Hoffman Estates
Total General Obligation Bond Debt Service
As of December 31, 2025

Year Ended (December 1)	Series 2015A Bonds			Series 2015B Bonds			Series 2015C Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2026	2,620,000	114,625	2,734,625	515,000	77,000	592,000	110,000	1,011,813	1,121,813
2027	-	-	-	530,000	56,400	586,400	2,855,000	1,007,138	3,862,138
2028	-	-	-	430,000	35,200	465,200	2,975,000	885,800	3,860,800
2029	-	-	-	450,000	18,000	468,000	3,105,000	755,644	3,860,644
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>\$2,620,000</u>	<u>\$114,625</u>	<u>\$2,734,625</u>	<u>\$1,925,000</u>	<u>\$186,600</u>	<u>\$2,111,600</u>	<u>\$21,765,000</u>	<u>5,185,445</u>	<u>26,950,445</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2025

Year Ended (December 1)	Series 2016 Bonds			Series 2017A Bonds			Series 2017B Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2026	-	283,600.00	283,600	380,000	126,663	506,663	40,000	118,600	158,600
2027	2,270,000.00	283,600.00	2,553,600	390,000	115,263	505,263	40,000	117,400	157,400
2028	2,355,000.00	192,800.00	2,547,800	410,000	99,663	509,663	45,000	115,800	160,800
2029	2,465,000.00	98,600.00	2,563,600	425,000	83,263	508,263	45,000	114,000	159,000
2030	-	-	-	200,000	66,263	266,263	45,000	112,200	157,200
2031	-	-	-	210,000	58,263	268,263	50,000	110,400	160,400
2032	-	-	-	215,000	51,963	266,963	50,000	108,400	158,400
2033	-	-	-	225,000	45,513	270,513	50,000	106,400	156,400
2034	-	-	-	230,000	38,763	268,763	480,000	104,400	584,400
2035	-	-	-	235,000	31,575	266,575	500,000	85,200	585,200
2036	-	-	-	245,000	24,231	269,231	520,000	65,200	585,200
2037	-	-	-	250,000	16,575	266,575	545,000	44,400	589,400
2038	-	-	-	260,000	8,450	268,450	565,000	22,600	587,600
	<u>\$7,090,000</u>	<u>\$858,600</u>	<u>7,948,600</u>	<u>3,675,000</u>	<u>766,448</u>	<u>4,441,448</u>	<u>\$2,975,000</u>	<u>\$1,225,000</u>	<u>4,200,000</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service

As of December 31, 2025

Year Ended (December 1)	Series 2018 Bonds			Series 2019 Bonds			Series 2024 Bonds		
	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service
2026	2,105,000	1,089,088	3,194,088	626,520	132,198	758,718	-	385,025	385,025
2027	-	983,838	983,838	639,995	118,728	758,723	-	385,025	385,025
2028	-	983,838	983,838	653,750	104,968	758,718	-	385,025	385,025
2029	-	983,838	983,838	667,810	90,913	758,723	-	385,025	385,025
2030	2,250,000	983,838	3,233,838	682,165	76,555	758,720	-	385,025	385,025
2031	2,365,000	871,338	3,236,338	696,830	61,888	758,718	-	385,025	385,025
2032	2,485,000	753,088	3,238,088	711,815	46,906	758,721	-	385,025	385,025
2033	2,605,000	628,838	3,233,838	727,120	31,602	758,722	430,000	385,026	815,026
2034	2,345,000	498,588	2,843,588	742,750	15,969	758,719	685,000	363,525	1,048,525
2035	2,435,000	404,788	2,839,788	-	-	-	720,000	329,275	1,049,275
2036	2,520,000	307,388	2,827,388	-	-	-	755,000	293,275	1,048,275
2037	2,610,000	206,588	2,816,588	-	-	-	795,000	255,525	1,050,525
2038	2,725,000	102,188	2,827,188	-	-	-	825,000	223,725	1,048,725
2039	-	-	-	-	-	-	860,000	190,725	1,050,725
2040	-	-	-	-	-	-	890,000	156,325	1,046,325
2041	-	-	-	-	-	-	925,000	120,725	1,045,725
2042	-	-	-	-	-	-	965,000	83,725	1,048,725
2043	-	-	-	-	-	-	1,005,000	42,713	1,047,713
	<u>\$24,445,000</u>	<u>\$8,797,238</u>	<u>33,242,238</u>	<u>\$6,148,755</u>	<u>\$679,727</u>	<u>6,828,482</u>	<u>\$8,855,000</u>	<u>\$5,139,739</u>	<u>13,994,739</u>

Village of Hoffman Estates
Total General Obligation Bond Debt Service
As of December 31, 2025

Year Ended (December 1)	Total GO Debt Outstanding		
	Principal	Interest	Annual Debt Service
2026	6,396,520	3,338,612	9,735,132
2027	6,724,995	3,067,392	9,792,387
2028	6,868,750	2,803,094	9,671,844
2029	7,157,810	2,529,282	9,687,092
2030	6,417,165	2,243,680	8,660,845
2031	6,711,830	1,960,914	8,672,744
2032	7,016,815	1,649,882	8,666,697
2033	6,572,120	1,324,129	7,896,249
2034	4,482,750	1,021,245	5,503,995
2035	3,890,000	850,838	4,740,838
2036	4,040,000	690,094	4,730,094
2037	4,200,000	523,088	4,723,088
2038	4,375,000	356,963	4,731,963
2039	860,000	190,725	1,050,725
2040	890,000	156,325	1,046,325
2041	925,000	120,725	1,045,725
2042	965,000	83,725	1,048,725
2043	1,005,000	42,713	1,047,713
	<u>\$79,498,755</u>	<u>\$22,953,421</u>	<u>102,452,176</u>

Village of Hoffman Estates

Local Share of State Sales Tax History by Month - Cash Basis

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023 v.</u> <u>2024</u>	<u>2024 v.</u> <u>2025</u>
January	October	\$ 656,640	\$ 664,123	\$ 734,819	\$ 771,190	\$ 808,921	\$ 898,813	5%	11%
February	November	669,165	607,027	833,416	736,357	887,794	863,110	21%	-3%
March	December	777,941	789,912	945,498	1,032,688	1,009,572	1,004,954	-2%	0%
April	January	561,888	626,254	682,782	824,218	703,245	842,181	-15%	20%
May	February	553,176	561,997	620,453	669,436	720,310	779,724	8%	8%
June	March	557,618	837,274	779,139	829,826	787,304	973,989	-5%	24%
July	April	441,481	748,673	804,930	756,911	751,474	911,229	-1%	21%
August	May	524,511	796,961	782,619	809,698	817,730	940,372	1%	15%
September	June	667,393	883,925	837,154	869,194	762,123	947,868	-12%	24%
October	July	682,139	768,957	758,168	847,472	795,144	986,395	-6%	24%
November	August	636,043	773,861	775,114	861,673	808,160	927,113	-6%	15%
December	September	672,250	779,397	788,236	827,865	816,255	950,798	-1%	16%
Year Totals		\$ 7,400,245	\$ 8,838,361	\$ 9,342,328	\$ 9,836,528	\$ 9,668,032	\$ 11,026,546	-2%	14%

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

<u>Cash</u> <u>Received</u>	<u>Liability</u> <u>Month</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023 v.</u> <u>2024</u>	<u>2024 v.</u> <u>2025</u>
January	October	\$ 304,537	\$ 277,151	\$ 353,582	\$ 423,652	\$ 438,150	\$ 507,966	3%	16%
February	November	291,273	256,511	432,182	410,413	499,924	443,795	22%	-11%
March	December	343,198	356,411	520,276	575,375	567,266	558,558	-1%	-2%
April	January	273,057	284,179	367,587	401,910	389,161	470,363	-3%	21%
May	February	238,252	258,679	318,176	371,535	371,606	435,681	0%	17%
June	March	263,959	394,547	450,393	438,277	416,580	518,884	-5%	25%
July	April	155,042	326,437	409,881	396,258	390,764	482,274	-1%	23%
August	May	176,310	387,862	417,970	426,451	438,353	538,564	3%	23%
September	June	258,952	460,886	484,837	474,610	418,403	556,545	-12%	33%
October	July	262,625	384,497	407,524	456,324	432,146	579,664	-5%	34%
November	August	271,299	395,341	455,976	500,204	434,694	510,038	-13%	17%
December	September	295,070	432,436	435,493	465,867	447,692	548,157	-4%	22%
Year Totals		\$ 3,133,574	\$ 4,214,937	\$ 5,053,877	\$ 5,340,876	\$ 5,244,739	\$ 6,150,489	-2%	17%

Source: Village Finance Department