



hoffman estates park district

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2017

Dean Bostrom C.P.R.E., Executive Director — Craig Talsma C.P.A., Deputy Director / Director of Administration & Finance



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Prepared by:

Craig Talsma
Deputy Director/Director of Administration and Finance

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
Principal Officials	i
Table of Organization	ii
Letter of Transmittal	iii - xii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6 - 7
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities.....	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	9 - 10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	11
Notes to Financial Statements.....	12 - 41
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	42
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund.....	43 - 44
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	45
Recreation – Special Revenue Fund	46
Bridges of Poplar Creek Country Club – Special Revenue Fund.....	47
Prairie Stone Sports and Wellness Center – Special Revenue Fund	48

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Schedule of Revenues – Budget and Actual	
Recreation – Special Revenue Fund	49
Schedule of Expenditures – Budget and Actual	
Recreation – Special Revenue Fund	50
Bridges of Poplar Creek Country Club – Special Revenue Fund	51
Prairie Stone Sports and Wellness Center – Special Revenue Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund.....	53
Capital Projects Fund.....	54
Combining Balance Sheet – Nonmajor Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Illinois Municipal Retirement – Special Revenue Fund	57
Social Security – Special Revenue Fund	58
Special Recreation – Special Revenue Fund	59
SUPPLEMENTAL SCHEDULES	
Long-Term Debt Requirements	
Taxable General Obligation Park (Alternate Revenue Source) Bonds of 2010A	60
General Obligation Park (Alternate Revenue Source) Bonds of 2010B.....	61
General Obligation Park (Alternate Revenue Source) Bonds of 2010C.....	62
General Obligation Park (Alternate Revenue Source) Bonds of 2013A	63
General Obligation Park (Alternate Revenue Source) Bonds of 2014A	64
General Obligation Limited Tax Park Bonds of 2017A	65
General Obligation Limited Tax Park Bonds of 2017B	66

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	67 - 68
Changes in Net Position – Last Ten Fiscal Years	69 - 70
Fund Balances of Governmental Funds – Last Ten Fiscal Years	71 - 72
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	73 - 74
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	75
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	76 - 77
Principal Property Tax Payers – Current Tax Levy Year and Nine Tax Levy Years Ago	78
Property Tax Levies and Collections – Last Ten Tax Levy Years	79
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	80
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	81
Schedule of Direct and Overlapping Governmental Activities Debt	82
Legal Debt Margin – Last Ten Fiscal Years	83 - 84
Pledge-Revenue Coverage – Last Ten Fiscal Years	85 - 86
Demographic and Economic Statistics – Last Ten Fiscal Years	87
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	88
Full-Time Equivalent Government Employees by Function – Last Ten Fiscal Years	89
Operating Indicators by Function/Program – Last Ten Fiscal Years	90 - 91
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	92 - 93

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Hoffman Estates Park District:

- Principal Officials
- Table of Organization
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Principal Officials
December 31, 2017

BOARD OF COMMISSIONERS

Robert Kaplan, President

Pat McGinn, Vice President

Lili Kilbridge, Treasurer

Craig Talsma, Assistant Treasurer

Dean Bostrom, Secretary

Keith Evans, Assistant Secretary

Mike Bickham, Commissioner

Ron Evans, Commissioner

Pat Kinnane, Commissioner

PARK DISTRICT STAFF

Dean Bostrom, Executive Director

Craig Talsma, Deputy Director/Director of Administration and Finance

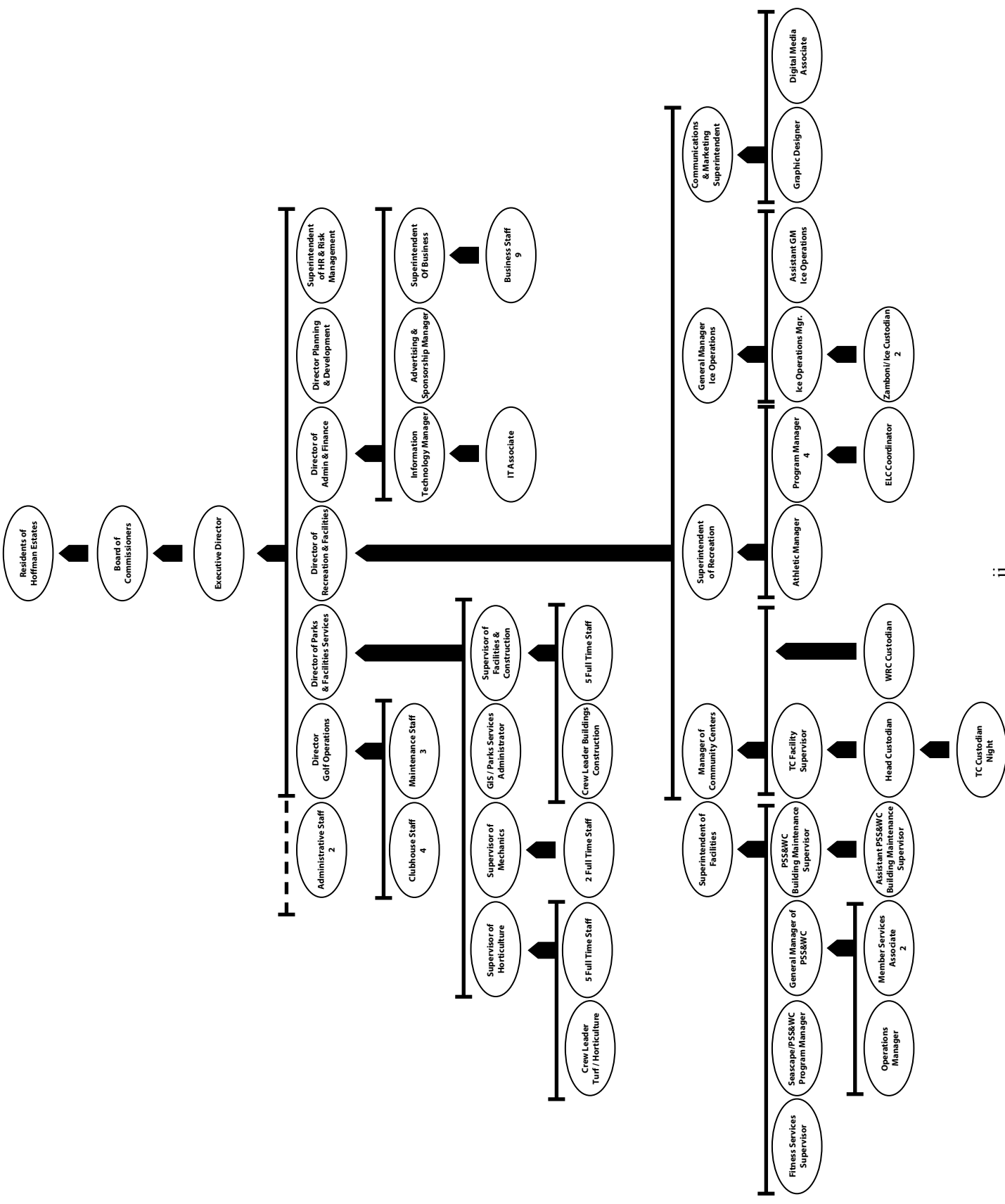
Dustin Hugen, Director of Parks

Gary Buczkowski, Director of Planning and Development

Mikes Kies, Director of Recreation and Facilities

Lynne Cotshott, Superintendent of Business

Eric Leninger, Human Resources/Risk Management





April 13, 2018

To the Board of Commissioners
The Residents of Hoffman Estates

Presented for your review is the Hoffman Estates Park District (hereinafter “District”) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. Illinois state statute requires that municipal governmental entities publish a complete set of financial statements within six months of the close of the fiscal year. The financial statements must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by independent certified public accountants (CPA). The following financial statements meet this requirement and have been audited by the CPA firm of Lauterbach & Amen, LLP.

Management assumes full responsibility for the completeness and accuracy of the attached reports which represent the overall financial operations and performance of the District. The complete financial framework for which these are presented is established with the utilization of internal controls to accurately prepare and report the financial operations for the District. Our internal control system is designed to ensure the proper safeguarding of the District’s assets within a cost benefit level to ensure that costs for our controls do not exceed the benefit they produce.

Lauterbach & Amen, LLP has given the audited financial statements an unmodified opinion, meaning that the financial statements represent fairly within all material aspects the financial position of the District for the fiscal year ended December 31, 2017. This opinion provides insurance to the user the fairness and accuracy of the financial statements. To also help the user better understand the financial statements and be able to compare them to prior years, the management discussion and analysis (MDA) is prepared by staff and presented immediately following the auditor’s report. The MDA provides an additional overview, insight, and analysis to make the financial statements easier to understand. The financial statements along with this transmittal letter should be read in conjunction with the MDA.

Profile of the District

The Hoffman Estates Park District was created by a voter approved referendum in 1964 and celebrated its 50th anniversary in 2013. The referendum established the District for the sole purpose of providing park and recreation services for the community residents. The District is governed by a seven member board of commissioners that is publicly elected by the District’s residents on staggered four year terms. The Board of Commissioners then elects the officers for President, Vice President, and Treasurer among themselves. The District operates to fulfill its mission of providing first class parks, programs, facilities, and services for our residents and guests in an environmentally and fiscally responsible manner.

Primarily contiguous with the Village of Hoffman Estates, a home rule municipality incorporated in 1959, the District incorporates three main areas due to the division by major highways. These areas are the north, south and west areas of Hoffman Estates located within Cook County. The District serves a population of 51,895 and currently has 80 parks totaling over 900 acres. The District had 22,544 participants in our recreational programs in 2017; major programming areas include early childhood, youth and adult athletics, dance, gymnastics, karate and many other programs based heavily upon our operational pillars of fitness, environmental stewardship, and social equity. In addition to the parks and programs, the District has the following major facilities:

Triphahn Center (TC) the home of the District's administrative offices and is the central recreation point for District activities. Located on the south side of Hoffman Estates, it houses a full size gymnasium, fitness center and locker rooms which had 854 members at the end of 2017. Preschool and early learning center activity rooms, a dance room, multi-purpose areas and the District's "50+ Club" which currently has 296 members. This is also the practice facility for the Chicago Wolves and as a result of this partnership the current facility was expanded and two professional size ice rinks were added. This facility recorded an annual attendance of 907,551 patrons.

Bridges of Poplar Creek Country Club (BPC) is a 150 acre 18 hole par 70 golf course. The clubhouse also serves as a full restaurant and meeting facility, including banquet accommodations for 250+ guests. A recent award winning renovation to the course not only remodeled and revamped the exciting layout of the golf course but also added a beautiful outside gazebo and event area which is a perfect wedding spot for our award winning wedding operation (winner of the "Best of the Knot" for the last six years). In 2017 there were 31,323 rounds of golf played here.

Seascape Family Aquatic Center is located adjacent to the Bridges of Poplar Creek and it includes a large outdoor zero-depth pool with body and raft water slides, a bathhouse with locker rooms, an event area, volleyball courts, and a concession stand. Seascape is open from late May to mid-August. Annual passes for individuals or families are sold here as well as a daily visit option. Seascape is also used extensively in many of our summer camps. Seascape sold 1,437 season passes in 2017 and had 27,740 total visits.

Prairie Stone Sports & Wellness Center (PSSWC), located on the west side of Hoffman Estates is a 100,000 square foot sports and health facility. It includes three gymnasiums, three tennis courts, an indoor zero depth pool and lap pool, public and member locker rooms, a running track, and aerobic and group fitness rooms. Spa services, massages and child care are also available. Monthly membership dues generate the majority of revenue for the facility which had 3,000 members at the end of 2017. This facility saw 773,143 visits in 2017. An alternative revenue source and partnership has been established here with Athletico a major provider of physical therapy for medical reasons. Athletico has a full service center located within PSSWC where they lease approximately 200 square feet of space.

Willow Recreation Center is a smaller recreational facility than Triphahn Center located on the north side of Hoffman Estates. It houses a gymnasium as well as a small fitness center and locker rooms which had 335 members at the end of 2017, racquetball courts, and preschool and programming rooms. It is also the location of our outdoor skate park and one of two dog parks, Bo's

Run, that the District has (the other dog park, Freedom Run, is located on the west side of Hoffman Estates). The District had 724 annual dog park members at the end of 2017. The Palatine Public Library leases approximately 1,200 sq. ft. within this facility to provide a branch library to our mutual residents. This facility recorded an annual attendance of 184,264 patrons.

Vogelei Park, House & Barn is a 10 acre park located at the southeastern entry point to Hoffman Estates. Located here is an historic house and barn both of which are used for rentals. The barn and large park area is also a great spot for many of our summer camps and special events. This historic site housed the District's first administrative offices after it was purchased in 1969. The park area was completely revamped and the historic house refurbished as part of a major renovation in 2010. While still used for a variety of summer camps and various rentals, in 2017 this site became the primary facility for gymnastics for the District.

The annual budget is the funding mechanism to meet our mission by providing and maintaining our parks, programs and facilities. The annual budget is an on-going process by which all management staff continually looks for new and innovative ways of providing services to accompany our core services and facility offerings already in place. The budget starts with each department developing objectives for the upcoming year. These objectives are specific planned actions based on the mission, vision and goals of the District as outlined in our five-year Comprehensive Master Plan (CMP). These objectives provide specific measurable actions to be implemented in the budget year. The budget will be the mechanism to fund all of our objectives in addition to all other services and offerings.

It is the responsibility of each department: *Parks* for Maintenance, *Planning & Development* for park development and accessibility, *Recreation* for programming and *Facilities* for facility usage and memberships (in addition to the specific PSSWC and BPC operations which are budgeted separately) to outline a balanced working budget for their respective areas. Each year's budget is zero based and all items are carefully reviewed. Working closely with the business department an overall budget is developed. The operational budgets also include inter-fund charges for shared costs like athletic field maintenance, office support, insurance, etc., as well as funding for the Illinois Municipal Retirement Fund (IMRF, our employee pension system), social security expenses, in addition to certain debt service payments.

The working budget is reviewed by the Deputy Director/Director of Finance whom works with all departments developing an overall District balanced budget utilizing all of the program areas as well as the District's annual tax levy, which is developed to coincide with the budget process. This budget then goes through a rigorous review by the Board of Commissioners and our District's community committees, which include an Administrative and Finance Committee, a Recreation Committee, and a Building and Grounds Committee.

Each separate committee is comprised of a different set of five residents along with two Board members. Each committee then reviews each respective area and each department. Only after all board committees of the District have reached a consensus, is the final document then displayed for public input for 30 days. During that time an additional public meeting is held. Then the working budget is formally approved by the District's Board of Commissioners. This final document is the District's Budget & Appropriation (B&A) Ordinance which puts legal spending limits on each operating fund of the District.

Our District approves the budget every December prior to the start of the fiscal year, even though legally we could wait until 90 days after the budgeted year has started. We prefer to have the B&A Ordinance approved along with our annual tax levy which is required to be approved in December. This allows the District to start each fiscal year with a formally approved budget document.

Budgetary control during the year is maintained through continual review of financial performances and a well-controlled purchasing system requiring approved purchase orders for any expenditures. Monthly financial statements and listings of all expenditures are approved every month by both the Administration & Finance Committee and then by the Board of Commissioners. The budget numbers are an integral part of the financial statements which are eventually audited and comprise part of our Comprehensive Annual Financial Report (CAFR).

Local Economy

The local economy, as well as the state and national economies all are still recovering from the 2008 recession. The most dramatic aspect of this downturn has been the continued decline of real property values, which has finally started to level off this past year. This can be seen by viewing the District's "Assessed and Actual Value of Taxable Property" chart in the statistical section which shows the past ten years of equalized assessed value (EAV) of the District. The district's EAV since 2009 dropped losing more than a third in value (2009-\$1,907,073,711 and 2015-\$1,221,136,659). The 2016 EAV increased to \$1,408,437,259. The EAV and tax levy years are always one year behind the fiscal year they fund. The 2016 EAV will be used for the 2017 tax levy which will fund the 2018 financial operations.

In 2016 a new subdivision called Bergmann Pointe was annexed by our District. This property is proposing 81 new single family homes. By 2016, over one half of the homes (phase one) were complete and occupancy has started. In 2016, single family home construction was set to begin at Airdrie Estates, located in the Western section of the Village with 18 available custom home lots; construction is now anticipated to begin in 2017. Even more exciting is the continuation of new business proposals that will coincide due to the new highway. In 2017, Bergmann Pointe has completed the homes and phase two could begin in 2018.

The interchange located at Barrington and Higgins Road which will be a major ingress/egress interchange for most of our District facilities was completed in 2017. In addition to the interchange, the location will serve as a PACE public transportation facility to Chicago, anticipated to be completed in 2018. In 2017, new businesses included; TRUMPF Technology, Burlington Department store, Country Inn & Suites, Ace Hardware, Dunkin Donuts/Baskin Robbins, Denny's, as well as many business remodels. In 2018, new business projects include; Holiday Inn Express, Kyoto, as well as many business remodels.

Despite the lower EAV, which is the factor with the most direct correlation to our operations, we have seen unemployment rates in Hoffman Estates go from 3.5% in 2007 to a high of 8.8% in 2009 and more recently 7.1% in 2013. The unemployment rate in 2017 for Hoffman Estates dropped slightly to 6.6% compared to 5% for Illinois overall. Hoffman Estates also continues to see a greater household income than our state or county with a median income increasing to just over \$83,000 (up from \$78,000 in 2014). This compares to just over \$53,900 for the rest of Cook County, Illinois.

Overall the local economy appears to be improving with strong home sales and new developments for both residential and businesses. We continue to hope for more new growth in all of these areas which will continue to nudge other Hoffman Estates economic factors positively.

Long Term Financial Planning

Long range financial planning is an integral component to the successful operations of our District. A major component of our planning is our Comprehensive Master Plan. This is a very detailed document that not only analyzes our District's operations but benchmarks us against other similar districts and researches best practices for the different areas of our District. The CMP which is updated every five years also includes a comprehensive community wide survey that allows our residents to anonymously rate all aspects of our District as well as our Capital Asset Management Plan (CAMP). The most recent CMP was finalized in 2014. The CMP and the associated CAMP are reviewed every year and are an integral part of the budget.

Our District continues to measure at the highest levels in user responses with our parks and the majority of all of our facilities rated at least 90% or higher as excellent or good. Our staff and programs both came in with 94% of our residents stating that they were somewhat or very satisfied with both. The overall CMP not only measures all of these factors but also includes information related to our long range planning. This includes our CAMP. The CAMP tracks and predicts all capital expenditures over \$10,000 that is not only anticipated over the next five years but also maintains lists of any and all projects that we anticipate or are considering for the future.

To continue our dedication to maintaining first class parks and facilities, in 2016 the District invested in Graphical Information System (GIS) software. This new software tracks all of the District assets and their useful lives. In the future this will allow all of our residents to quickly view all park and facility amenities, such as where is a playground, tennis courts, splash pad, or even a park shelter, by simply going to our website. Additionally this tracks all repairs and replacements for all of our assets and will simplify our CAMP process each year in evaluating our required replacements for any large asset of the District.

The day to day park district operations are supported by user fees, tax dollars and alternative revenues. The tax dollars are capped each year based on the taxes collected from our annual current levy plus an increase for CPI. This increase was 0.7% for 2016 and 2.7% for 2017. The very limited increase ensures that we most always operate as efficiently as possible and be conservative in our financial operations. With these tax funds, the District maintains and supports all of our park operations as well as ADA and other specific program areas for seniors and at-risk youth. The majority of our other operations are supported and paid for by user fees. This includes our operations at BPC, PSSWC and the majority of programming, whether early childhood, athletics or ice.

The District is also closely monitoring Illinois state legislation that is calling for a property tax freeze. If this were to become law the District would not even receive these minor increases we have for the duration of any freeze. Additionally legislation continues to be proposed for minimum wage increase. In 2016 Cook County passed such legislation (however in 2017 the Village of Hoffman Estates formally opted out of this requirement).

Alternative revenues are a major component of our financial planning and these include revenues from various partnerships like the Chicago Wolves that provide over \$200,000 in rent every year as part of our agreement. We also have partnerships with cellular carriers for cell sites on our properties that generate over \$75,000 per year. Other partnerships are not necessarily dollar based but they do provide for additional programming space like our agreements with the local school districts for additional gym and classroom space which are especially in demand during the summer camp season. We have a very large before and after school program that generates a large portion of our Early Childhood revenues. These programs are held at local school through an intergovernmental agreement with those school districts.

We also have an agreement with the Northern Illinois Raptors that house their birds of prey at our Vogelei Park and in turn provide environmental education for our residents with classes and special events. Other rental and partnership agreements include rental of space with organizations such as Athletico, Sky High Volleyball and even the Chicago Bulls.

In 2014, the District erected four large digital marquee signs. These signs promote our programs and in a partnership with the Village of Hoffman Estates they provide community awareness messages such as AMBER alerts. Two of the signs are also allowed to generate additional revenue through the sale of advertising.

One of the largest sources of alternative revenue for us is grants. Over the last 30 years the District has received almost \$6 million in grants. Many of the larger grants were Illinois Department of Revenue open space and land acquisition (OSLAD) grants. These grants enabled us to develop our parks and facilities to the level and total acreage we have today. Many other recent smaller grants have come from the Illinois State Parks Energy Efficient Program and State Comptroller's Office that has allowed our District to become more environmentally responsible within our parks and facilities. In 2017, we realized just over \$24,000 in grants, in large part due to a hockey grant by Jewel/Osco. The bond rebates from the Federal government for our Build America Bond issue generated just over \$152,000 in revenue.

The annual budget governs our financial operations each year. Our long range plans allow for the appropriate planning to ensure funding for current and future years of operations. Our District has an established fund balance reserve policy (implemented in 2012) that provides for the careful allocation of District reserves. These reserves help enable the District to overcome any potential cash flow shortfalls should they arise. The reserves are also a mechanism that can be used to help fund future CIRP items.

The District recently finished the third stage of an agency debt reallocation plan that has effectively spread our debt over applicable future years that allow our residents to enjoy the parks and facilities that created the original debt. The final component of this plan was to refund the District's 2004 debt certificates, which were reissued in the form of a 2014 bond in December. The final component of our debt restructuring plan will be refunding our 2006 General obligation bonds in 2017. Once this is completed our future availability of annual bonds will match the requirements of our CAMP for the foreseeable future.

Throughout all of our careful utilization of our bonding authority to maintain the debt repayment plan, the District has continued to maintain a Standard & Poor's bond rating of AA+. (This bond rating was reconfirmed early in 2017). This high rating reflects the careful planning and financial integrity that the District practices every year and was reaffirmed with our most recent bond issue.

Major Initiatives

The District's CMP is a very detailed process to complete this statistical document. Starting in 2013 the District engaged the services of the Public Research Group, LLC to help us in preparation of this new five year document. A major component of this document is the community wide attitude and interest survey. This was completed in 2013 and measured a variety of data from our residents. The survey focused on measuring the satisfaction that residents have with the District's parks, facilities, programs and services. It asked for information on the importance of different types of programming and prompted residents to provide ideas for new services we could provide. The entire CMP included studying demographics, benchmarking, best practices, strengths, weaknesses, opportunities and threats (SWOT) assessments, and a complete revision of the District's CAMP. The District also completely reevaluated its mission, vision, and goals. This plan is reviewed every year as part of the budget process.

As part of our CAMP, playgrounds are continually planned for renovation and replacement. This is a major focus on the District's mission and we take great pride in each and every playground through careful planning and construction. In 2017, two playgrounds were renovated. Every time a playground is renovated community meetings are held to gather public input on the functionality, usage, and design. Additionally, any time a capital project has impact on the usage of our land or facilities we hold public input meetings. Below are some of the major initiative projects for 2017 which included renovation of the Triphahn Facility 50+ Center, PSSWC Locker room, Seascape Family Aquatic Sand Play Area:

Triphahn Facility 50+ Center



Lounge



Game Room

Prairie Stone Sports & Wellness Center Locker Room



Shower Area

Seascape Family Aquatic Sand Play Area



Before



After

Park Improvements

Colony Park



Before



After

Victoria Park



Before



After

Awards and Acknowledgements

The District received its fourth Government Finance Officers Association of the United States and Canada (GFOA) award of Certificate of Achievement for Excellence in Financial Reporting in 2017 for our 2016 Comprehensive Annual Financial Report (CAFR). This prestigious award is to recognize a government for publishing an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. We believe that our CAFR for 2017 also meets these requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The District was a National Recreation and Park Association (NRPA) Gold Medal finalist in 1989, 1990, 1991, 2007, 2008, and 2009 when it was named the Gold Medal winner for Class IV (population 50,001-100,000). This award recognizes the best overall park and recreation agency in the nation based on the criteria established by the NRPA.

The District received the Illinois Association of Park Districts (IAPD)/Illinois Park & Recreation Association (IPRA) Joint Distinguished Agency Accreditation. This prestigious accreditation was awarded to the District in 1999, 2005, 2011, and 2017. In 2013, the District also received the IAPD License plate award for promoting youth activities and the license plate program sponsored by IAPD.

Also received from IPRA in 2014 and 2015 was the Exceptional Workplace Award presented by the Health & Wellness Committee of IPRA. This award signifies a healthy and satisfying work environment based on peer and staff review.

In 2013 the District joined the ranks of the elite park and recreation agencies and departments across the nation by earning accreditation through the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and the NRPA. The District achieved a perfect 144 out of 144 score and at the time of completion became the first Illinois Park District to have won the NRPA Gold Medal, CAPRA/NRPA accreditation and also IAPD/IPRA accreditation. The reaccreditation for this is every five years and we will resubmit in 2018.

In 2013 the District received the Illinois Sunshine Award from the Illinois Policy Institute, a nonpartisan and nonprofit research organization that recognizes governments for their transparency. Numerous criteria are measured to ensure complete transparency of the governments operations to the public. Our District scored a 94% which is the highest score ever received by an Illinois Park District. To see some of the information rated by this award, feel free to visit our website heparks.org and click on the transparency/FOIA (Freedom of Information Act) tab. There you will find a complete five year financial history and all related District documents. It also has a quick link to request District FOIA information. The District applies for this award every three years.

The District is also accredited by the Park District Risk Management Association, which the District is a member for purposes of pooling of insurance for liability, property, and casualty as well as for our employee health insurance. The District was accredited in 2005, 2009, 2013, and 2017. Reapplication is accepted every four years, and each time the District has received an exceptional rating and scored in the top one percent (1%) of all park district members in the pool. However, in 2017, the District received an all-time high score of 99.05 on the accreditation process.

In 2014 and again in 2015 the District was named the Hoffman Estates Chamber of Commerce Public Sector of the Year as determined by the Hoffman Estates Chamber of Commerce in which the District is an active member. The District was also awarded our annual accreditation from the National Association for the Education of Young Children (NAEYC) for both of our preschool locations (Triphahn Center and Willow Recreation Center). We also received the Four Star Aquatic Safety Award from Starfish Aquatics Institute in recognition of exceptional operational safety standards for lifeguard professionalism and excellence in risk management practices.

The District is fortunate to have a professional and dedicated Board of Commissioners to guide our District, and a terrific administrative and business staff that take pride in performing at the highest levels while maintaining uncompromising integrity and sound financial policies. We sincerely appreciate all of the contributions of the entire business department staff in making this document first class. Finally we wish to thank the staff of Lauterbach & Amen, LLP for the guidance and oversight of our audit process and the final presentation of our CAFR.

Respectfully submitted,


Craig Talsma, CPA, CPRE
Executive Director


Lynne Cotshott, CPRP
Superintendent of Business



Government Finance Officers Association

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

Presented to

**Hoffman Estates Park District
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

April 13, 2018

Members of the Board of Commissioners
Hoffman Estates Park District
Hoffman Estates, Illinois

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hoffman Estates Park District, Illinois, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hoffman Estates Park District, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

Our discussion and analysis of the Hoffman Estates Park District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the transmittal letter, which begins on page iii and the District's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Hoffman Estates Park District's net position decreased \$153,415, which is approximately 4.0 percent from the prior year restated net position. This was primarily due to operational capital projects now paid for from operating funds.
- During the year, government-wide revenues for the primary government totaled \$19,796,140 while expenses totaled \$19,949,555, resulting in a decrease to net position of \$153,415.
- The Hoffman Estates Park District's net position totaled \$3,716,508 on December 31, 2017, which includes (\$11,010,334) net investment in capital assets, \$8,358,103 subject to external restrictions, and \$6,368,739 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported excess revenue for the year of \$288,873, prior to disposal of capital assets and transfers in of \$20,499. The net change in fund balance of \$309,372 brings the fund balance in the General Fund to \$4,115,795, resulting in an increase of 8.1 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 5 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two 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 District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government'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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District 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 government and recreation services. There are no business-type activities reported by the District.

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 District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are reported as governmental 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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

USING THIS ANNUAL REPORT – Continued

Governmental Funds – Continued

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balances sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Recreation Fund, Bridges of Poplar Creek Country Club Fund, Prairie Stone Sports and Wellness Center Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds, and the Illinois Municipal Retirement Fund, Social Security Fund and Special Recreation Fund, the District's nonmajor funds.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6 - 11 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 12 - 41 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations, as well as budgetary comparison schedules for the General Fund and Recreation Fund. These items can be found on pages 42 - 48.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$3,716,508.

	Net Position	
	2017	2016
Current and Other Assets	\$ 27,934,647	26,130,690
Capital Assets	57,142,196	56,486,004
Total Assets	85,076,843	82,616,694
Deferred Outflows	1,030,720	1,986,969
Total Assets/ Deferred Outflows	86,107,563	84,603,663
Long-Term Debt	65,735,152	70,180,576
Other Liabilities	5,566,573	2,235,249
Total Liabilities	71,301,725	72,415,825
Deferred Inflows	11,089,330	8,630,000
Total Liabilities/ Deferred Inflows	82,391,055	81,045,825
Net Investment in Capital Assets	(11,010,334)	(12,571,252)
Restricted	8,358,103	7,603,149
Unrestricted	6,368,739	8,525,941
Total Net Position	3,716,508	3,557,838

A large portion of the District's net position, (\$11,010,334), reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$8,358,103, of the District's net position represents resources that are subject to external restrictions on how they may be used. Essentially, these restrictions represent property taxes levied for a specific purpose. The remaining \$6,368,739, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position	
	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ 10,290,410	10,771,859
Grants/Contributions	176,873	167,681
General Revenues		
Property Taxes	8,895,648	9,079,007
Replacement Taxes	58,849	55,727
Other General Revenues	374,360	224,969
Total Revenues	19,796,140	20,299,243
Expenses		
Recreation	16,933,719	17,556,853
Interest on Long-Term Debt	3,015,836	3,219,455
Total Expenses	19,949,555	20,776,308
Change in Net Position	(153,415)	(477,065)
Net Position-Beginning as Restated	3,869,923	4,034,903
Net Position-Ending	3,716,508	3,557,838

Net position of the District's governmental activities decreased by 4.0 percent (\$3,716,508 at December 31, 2017 compared to restated net position of \$3,869,923 at December 31, 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$6,368,739 at December 31, 2017.

Beginning net position was restated due to the write off of bond premium which should have been removed in last year's net position.

Governmental Activities

Revenues for governmental activities totaled \$19,796,140, while the cost of all governmental functions totaled \$19,949,555. This results in a deficit of \$153,415. For the year ended December 31, 2016, revenue of \$20,299,243 were lower than expenses of \$20,776,308, resulting in a deficit of \$477,065. During 2017, revenues are essentially flat with a small increase in Capital Grants. Operational decisions resulted in a slight decrease in expenses.

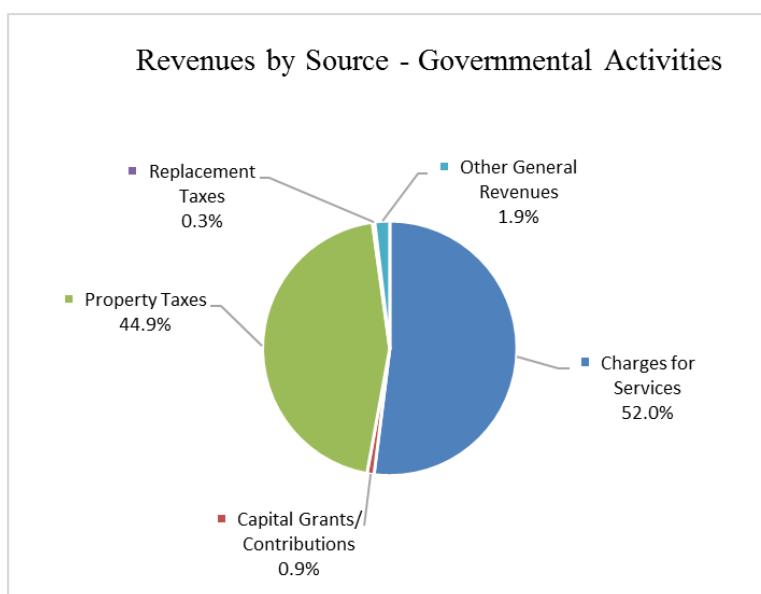
HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

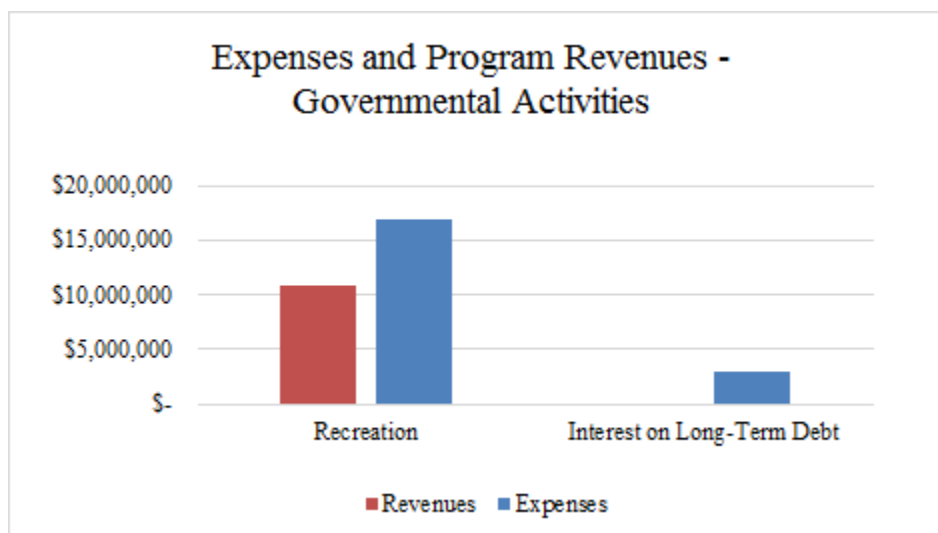
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The following chart graphically depicts the major revenue sources of the District. This graph illustrates that, more than half of the District's revenues come from charges for services.



The Expenses and Program Revenues Chart identifies those governmental functions where program expenses greatly exceed revenues. Although in the government-wide statements expenses normally exceed revenues, general revenues such as property and replacement taxes support the general government expenses, a portion of recreation expenses, and interest expenses. During 2017, staff controlled spending resulting in a favorable savings compared to budget.



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, 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.

The ending fund balance when the District's Governmental Funds combined is \$15,169,450 which is \$366,471, or 2.4 percent, lower than last year's total of \$15,535,921. Of that amount, \$15,028,475, of the total is restricted, assigned, or unassigned. The District's intent is to remain true to its fund balance policy that is discussed in the Notes to the Financial Statements, by transferring a portion of the excess balances to the Capital Projects Fund to assure that the District's existing assets are well maintained moving forward. The District transferred \$800,000 from the Recreation Fund to the Debt Service Fund for principal and interest payments and \$575,000 from the PSSWC Fund to Debt Service Fund.

The General Fund is the chief operating fund of the District. At December 31, 2017, unassigned fund balance in the General Fund was \$2,173,894, which represents 52.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 70.8 percent of total General Fund expenditures. The General Fund increased \$309,372 which is in-line with the budgeted surplus for the year and additional savings from capital projects coming in significantly under budget.

The Recreation Fund reported a deficit for the year ended of \$815,332, to an ending fiscal year end balance of \$2,114,355. This is a decrease of 27.8 percent and is due to the renovation project of the Triphahn Facility 50+ Center.

The Bridges of Poplar Creek Country Club Fund reported a surplus for the year of \$88,170, to an ending fiscal year end balance of \$257,026. This is an increase of 52.2 percent and is due to lower than budgeted expenditures in the fiscal year.

The Prairie Stone Sports and Wellness Center Fund reported deficit for the year of \$966,945, to an ending fiscal year end balance of \$60,861. This is a decrease of 94.1 percent and is mainly due for a payment on debt issued for the completion of the locker room project.

The Debt Service Fund reported an increase of \$275,006, to an ending fiscal year end balance of \$4,629,949 and was due to debt issuance and transfers in with an offset of principal and interest expense. The fund balance in the Debt Service Fund is restricted for future debt service payments.

The Capital Projects Fund reported an increase in fund balance of \$513,976 to an ending fiscal year end balance of \$2,561,919. This increase is due primarily to debt issuance with offsetting capital outlay expenditures.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2017, the District did not revise the annual operating budget of the General Fund. The fund is reported as a major fund, and accounts for the routine park operations of the District. The overall performance of the fund was greater than budgeted. The actual revenues for the year total \$3,358,230, compared to budgeted revenue of \$3,069,357. The \$288,873 difference in projected and actual revenues was mainly due to revenue received from Personal Property Tax and interest income. Expenditures had a favorable budget variance by \$125,923 and this was due to a majority of the expenditures being under budget for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2017 was \$57,142,196 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	2017	2016
Land	\$ 11,204,663	11,204,663
Land Improvements	6,303,852	6,669,707
Construction	36,464,253	35,779,045
Machinery and Equipment	2,902,894	2,587,280
Vehicles	266,534	245,309
Total	57,142,196	56,486,004

This year's major additions included:

Land Improvements	\$ 313,892
Construction	2,078,996
Machinery and Equipment	977,077
Vehicles	98,039
Total	3,468,004

Additional information on the District's capital assets can be found in note 3 on page 22 of this report.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis December 31, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the District had total outstanding debt of \$68,398,000 as compared to \$68,135,000 the previous year, an increase of 0.4 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2017	2016
General Obligation Bonds	\$ 68,398,000	68,135,000

The increase is the result of issuing \$8,273,000 in General Obligation Bonds, Series 2017A and 2017B with an offset of payments to principal.

The District applied for and received an AA+ rating from Moody's which is reflective of its strong financial base. The current legal debt margin for the District is \$32,219,571.

Additional information on the District's long-term debt can be found in Note 3 on pages 23 - 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Through conservative efforts to maintain its reserves and careful financial planning, the District's financial position continues to remain strong. Many trends and economic factors which can affect the future operations of the District are considered during budgeting and long-range planning. The District is committed to maintaining reserves and continually reviews ways to improve its capital assets and strong financial position to provide residents with excellent programs and facilitates. Through capital improvements at the Park and Golf Maintenance Facility, the community will receive efficient Park operations at a decrease in cost.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Director of Finance and Administration, Hoffman Estates Park District, 1685 West Higgins Rd, Hoffman Estates, Illinois 60169.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Statement of Net Position December 31, 2017

ASSETS	
Current Assets	
Cash and Investments	\$ 16,141,244
Receivables - Net of Allowances	
Taxes	9,401,213
Accounts	305,667
Accrued Interest	37,641
Prepays/Inventory	<u>140,975</u>
Total Current Assets	<u>26,026,740</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	11,204,663
Depreciable	87,528,353
Accumulated Depreciation	<u>(41,590,820)</u>
Total Capital Assets	<u>57,142,196</u>
Other Assets	
Net Pension Asset	<u>1,907,907</u>
Total Noncurrent Assets	<u>59,050,103</u>
Total Assets	85,076,843
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>1,030,720</u>
Total Assets and Deferred Outflows of Resources	<u>86,107,563</u>

The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 746,889
Accrued Payroll	141,946
Deposits Payable	44,157
Accrued Interest Payable	263,310
Other Payables	1,068,298
Current Portion Long-Term Debt	3,301,973
Total Current Liabilities	<u>5,566,573</u>
Noncurrent Liabilities	
Compensated Absences Payable	201,006
General Obligation Park Bonds Payable - Net	65,534,146
Total Noncurrent Liabilities	<u>65,735,152</u>
Total Liabilities	<u>71,301,725</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	8,856,000
Deferred Items - IMRF	2,233,330
Total Deferred Inflows of Resources	<u>11,089,330</u>
Total Liabilities and Deferred Inflows of Resources	<u>82,391,055</u>

NET POSITION

Net Investment in Capital Assets	(11,010,334)
Restricted	
Capital Projects	2,561,919
Debt Service	4,366,639
Employee Retirement	1,098,030
Special Recreation	331,515
Unrestricted	<u>6,368,739</u>
Total Net Position	<u>3,716,508</u>

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2017

		Program Revenues			Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
	Expenses				
Governmental Activities					
Culture and Recreation	\$ 16,933,719	10,290,410	24,800	152,073	(6,466,436)
Interest on Long-Term Debt	3,015,836	-	-	-	(3,015,836)
Total Governmental Activities	19,949,555	10,290,410	24,800	152,073	(9,482,272)
		General Revenues			
		Taxes			
		Property Taxes			8,334,018
		TIF Distributions			561,630
		Intergovernmental - Unrestricted			
		Replacement Taxes			58,849
		Interest Income			146,439
		Miscellaneous			227,921
					<u>9,328,857</u>
		Change in Net Position			(153,415)
		Net Position - Beginning as Restated			<u>3,869,923</u>
		Net Position - Ending			<u><u>3,716,508</u></u>

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2017

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds
December 31, 2017**

			Special Revenue
	General	Recreation	Bridges of Poplar Creek Country Club
ASSETS			
Cash and Investments	\$ 4,522,482	2,668,721	268,046
Receivables - Net of Allowances			
Taxes	3,129,836	1,098,105	-
Accounts	31,093	227,439	28,402
Accrued Interest	37,641	-	-
Prepays	18,264	26,664	1,831
Inventory	-	-	81,713
Total Assets	7,739,316	4,020,929	379,992
LIABILITIES			
Liabilities			
Accounts Payable	371,027	175,915	29,633
Accrued Payroll	52,349	40,392	27,411
Deposits Payable	10,000	4,250	24,266
Other Payables	240,145	651,017	41,656
Total Liabilities	673,521	871,574	122,966
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,950,000	1,035,000	-
Total Liabilities and Deferred Inflows of Resources	3,623,521	1,906,574	122,966
FUND BALANCES			
Fund Balances			
Nonspendable	18,264	26,664	83,544
Restricted	-	-	-
Assigned	1,923,637	2,087,691	173,482
Unassigned	2,173,894	-	-
Total Fund Balances	4,115,795	2,114,355	257,026
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	7,739,316	4,020,929	379,992

The notes to the financial statements are an integral part of this statement.

Prairie Stone Sports and Wellness Center	Debt Service	Capital Projects	Nonmajor	Totals
278,449	4,477,925	2,572,071	1,353,550	16,141,244
-	3,347,529	-	1,825,743	9,401,213
18,733	-	-	-	305,667
-	-	-	-	37,641
12,503	-	-	-	59,262
-	-	-	-	81,713
309,685	7,825,454	2,572,071	3,179,293	26,026,740
85,909	49,505	10,152	24,748	746,889
21,794	-	-	-	141,946
5,641	-	-	-	44,157
135,480	-	-	-	1,068,298
248,824	49,505	10,152	24,748	2,001,290
-	3,146,000	-	1,725,000	8,856,000
248,824	3,195,505	10,152	1,749,748	10,857,290
12,503	-	-	-	140,975
-	4,629,949	2,561,919	1,429,545	8,621,413
48,358	-	-	-	4,233,168
-	-	-	-	2,173,894
60,861	4,629,949	2,561,919	1,429,545	15,169,450
309,685	7,825,454	2,572,071	3,179,293	26,026,740

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2017

Total Governmental Fund Balances	\$ 15,169,450
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	57,142,196
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	1,907,907
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,202,610)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated Absences Payable	(251,258)
General Obligation Park Bonds Payable - Net	(68,785,867)
Accrued Interest Payable	<u>(263,310)</u>
Net Position of Governmental Activities	<u>3,716,508</u>

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

			Special Revenue
			Bridges of Poplar Creek Country Club
	General	Recreation	
Revenues			
Taxes	\$ 2,934,188	1,029,615	-
Intergovernmental	58,849	24,200	-
Charges for Services	87,252	5,259,117	2,294,528
Interest	96,675	9,330	1,358
Miscellaneous	181,266	22,576	23,104
Total Revenues	3,358,230	6,344,838	2,318,990
Expenditures			
Current			
Recreation	3,003,757	5,345,645	2,046,631
Capital Outlay	65,600	1,060,425	68,369
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	3,069,357	6,406,070	2,115,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	288,873	(61,232)	203,990
Other Financing Sources (Uses)			
Debt Issuance	-	-	-
Premium on Debt Issuance	-	-	-
Disposal of Capital Assets	16,719	-	-
Transfers In	3,780	45,900	9,180
Transfers Out	-	(800,000)	(125,000)
	20,499	(754,100)	(115,820)
Net Change in Fund Balance	309,372	(815,332)	88,170
Fund Balances - Beginning	3,806,423	2,929,687	168,856
Fund Balances - Ending	4,115,795	2,114,355	257,026

The notes to the financial statements are an integral part of this statement.

Prairie Stone Sports and Wellness Center	Debt Service	Capital Projects	Nonmajor	Totals
-	3,288,127	-	1,643,718	8,895,648
600	152,073	-	-	235,722
2,649,513	-	-	-	10,290,410
5,091	13,891	7,508	12,586	146,439
975	-	-	-	227,921
2,656,179	3,454,091	7,508	1,656,304	19,796,140
2,025,442	-	126,869	1,243,694	13,792,038
1,049,682	-	1,063,438	97,468	3,404,982
-	8,010,000	-	-	8,010,000
-	3,345,079	-	-	3,345,079
3,075,124	11,355,079	1,190,307	1,341,162	28,552,099
(418,945)	(7,900,988)	(1,182,799)	315,142	(8,755,959)
-	6,576,225	1,696,775	-	8,273,000
-	99,769	-	-	99,769
-	-	-	-	16,719
27,000	1,500,000	-	-	1,585,860
(575,000)	-	-	(85,860)	(1,585,860)
(548,000)	8,175,994	1,696,775	(85,860)	8,389,488
(966,945)	275,006	513,976	229,282	(366,471)
1,027,806	4,354,943	2,047,943	1,200,263	15,535,921
60,861	4,629,949	2,561,919	1,429,545	15,169,450

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended December 31, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (366,471)
---	---------------------

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	3,468,004
Depreciation Expense	(2,784,375)
Disposals - Cost	(1,080,355)
Disposals - Accumulated Depreciation	1,052,918

A change to a net pension asset is not considered to be a change in a
financial asset in the governmental funds.

Increase to Net Pension Asset	2,793,217
-------------------------------	-----------

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(3,189,579)
---------------------------------	-------------

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Additions to Compensated Absences Payable	(13,248)
Retirement of Long-Term Debt	8,010,000
Amortization of Bond Premium	222,304
Issuance of General Obligation Bonds	(8,273,000)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

7,170

Changes in Net Position of Governmental Activities

<u><u>(153,415)</u></u>

The notes to the financial statements are an integral part of this statement.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hoffman Estates Park District (the District), Illinois, is duly organized and existing under the provisions of the laws of the State of Illinois. The District is operating under the provisions of the Park District Code of the State of Illinois approved July 8, 1947 and under all laws amendatory thereto. The District operates under the commissioner-director form of government. The District's major governmental activities include providing preservation of open space, recreational program activities, development and maintenance of parks and facilities and general administration.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

The District's financial reporting entity comprises the following:

Primary Government:	Hoffman Estates Park District
---------------------	-------------------------------

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The District's recreation services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (general government, recreation, etc.). The functions are supported by general government revenues (property taxes, certain intergovernmental revenues, fines, charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property tax, intergovernmental revenues, interest income, etc.). The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains six special revenue funds. The Recreation Fund, a major fund, is used to account for the proceeds derived from, and the related costs incurred, in connection with the recreation programs offered by the District. Financing is provided from an annual property tax levy restricted by the State for recreation purposed and fees and charges for programs and activities assigned for recreation purposes. The Bridges of Poplar Creek Country Club Fund, also a major fund, is used to account for the golf course and food and beverage operations at the Bridges of Poplar Creed Country Club. The Prairie Stone Sports and Wellness Center Fund, also a major fund, is used to account for the proceeds derived from, and the related costs incurred, in connection with the recreational activities offered at the Prairie Stone Sports and Wellness Center. The revenues in this fund are for the use with Prairie Stone activities and are assigned for this purpose.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund, a major fund, is used to account for the accumulation of funds that are restricted or assigned for repayment of principal and interest on the District's general obligation debt where repayment is financed by an annual property tax levy or through transfers from other funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund, a major fund, is used to account for all resources used for restricted financial resources to be used for the acquisition or construction of major capital facilities.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Construction	7 - 50 Years
Machinery & Equipment	5 - 20 Years
Vehicles	5 - 20 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position – Continued

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The District’s budgetary operations are governed by the appropriation law detailed in the Illinois Park District Code and administered by the Deputy Director/Director of Administration and Finance. Annually, before the end of the first quarter of each year, the District appropriates amounts necessary to defray all necessary expenditures identified in the budget, plus additional specifically identified contingent items. The appropriation law allows for transfers among categories in any fund, not to exceed an aggregate of 10% of the total amount appropriated in such fund, without additional District Board action. After the first six months of any fiscal year, the District Board may, by a two-thirds vote, amend the initially approved appropriation ordinance. Unused appropriations, lapse at the end of the year.

Budgetary information for individual funds is prepared on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Park District Code and is derived from the combined annual budget and appropriation ordinance of the District. Working budgets are prepared for all governmental fund types. All budgets are prepared based on the annual fiscal year of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements which govern the District.

Expenditures may not legally exceed budgeted appropriations at the fund level.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Prairie Stone Sports and Wellness Center	\$ 17,068

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds, and the Illinois Park District Liquid Asset Fund.

The Illinois Park District Liquid Asset Fund allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. The Illinois Park District Liquid Asset Fund is composed of finance officials and treasurers all of whom are employees of the Illinois public agencies, which are investors in the Illinois Park District Liquid Asset Fund. Although not registered with the SEC, the Illinois Park District Liquid Asset Fund does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Deposits. At year-end, the carrying amount of the District's deposits totaled \$13,306,974 and the bank balances totaled \$13,584,513.

Investments. The District has the following recurring fair value measurements as of December 31, 2017:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Total			
Equity Securities				
Mutual Funds	\$ 460,233	460,233	-	-
Investments Measured at the Net Asset Value (NAV)				
IPDLAF	2,374,037			
Total Investments Measured at Fair Value	2,834,270			

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District limits its exposure to interest rate risk by structuring its investments so that they mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term certificates. The District's investment in the Illinois Park District Liquid Asset Fund has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the District's investments to the instruments listed above as permitted deposits and investments. As of December 31, 2017, the District's investment in the Illinois Park District Liquid Asset Fund was rated AAAm by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not include any limitations on individual investment types. In addition to the securities and fair values listed above, the District also has \$460,233 invested in mutual funds. At year-end, the District does not have any investments over 5 percent (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment requires pledging of collateral to be held in the name of the District by the District's agent with a market value of at least 110% for all bank balances in excess of federal depository insurance. At December 31, 2017, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the District'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 in a custodial account with the trust department of an approved financial institution. At December 31, 2017, the District's investment in the Illinois Park District Liquid Asset Fund is not subject to custodial credit risk.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Land	\$ 11,204,663	-	-	11,204,663
Nondepreciable Capital Assets				
Land Improvements	20,286,829	313,892	30,640	20,570,081
Construction	54,533,655	2,078,996	-	56,612,651
Machinery and Equipment	9,233,548	977,077	1,015,323	9,195,302
Vehicles	1,086,672	98,039	34,392	1,150,319
	85,140,704	3,468,004	1,080,355	87,528,353
Less Accumulated Depreciation				
Land Improvements	13,617,122	669,007	19,900	14,266,229
Construction	18,754,610	1,393,788	-	20,148,398
Machinery and Equipment	6,646,268	644,766	998,626	6,292,408
Vehicles	841,363	76,814	34,392	883,785
	39,859,363	2,784,375	1,052,918	41,590,820
Total Net Depreciable Capital Assets	45,281,341	683,629	27,437	45,937,533
Total Net Capital Assets	56,486,004	683,629	27,437	57,142,196

Depreciation expense was charged to governmental activities as follows:

Recreation	<u>\$ 2,784,375</u>
------------	---------------------

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 3,780 (1)
Recreation	Nonmajor Governmental	45,900 (1)
Bridges of Poplar Creek Country Club	Nonmajor Governmental	9,180 (1)
Prairie Stone Sports and Wellness Center	Nonmajor Governmental	27,000 (1)
Debt Service	Recreation	800,000 (2)
Debt Service	Bridges of Poplar Creek Country Club	125,000 (2)
Debt Service	Prairie Stone Sports and Wellness Center	575,000 (2)
		<u>1,585,860</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

LONG-TERM DEBT

General Obligation Park Bonds

The District issues general obligation park (alternate revenue source) bonds to provide funds for the acquisition and construction of major capital facilities. General obligation park bonds are direct obligations and pledge the full faith and credit of the District. General obligation park bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Park Bonds of 2006 (\$6,300,000), due in annual installments of \$250,000 to \$1,225,000, plus interest at 4.00% to 5.00% through December 1, 2026.	Debt Service	\$ 4,800,000	-	4,800,000 *	-

* Refunded

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Park Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Taxable General Obligation Park (Alternate Revenue Source) Bonds of 2010A (\$6,680,000), due in annual installments of \$260,000 to \$515,000, plus interest at 5.80% to 7.40% through December 1, 2040.	Debt Service	\$ 6,680,000	-	-	6,680,000
General Obligation Park (Alternate Revenue Source) Bonds of 2010B (\$1,520,000), due in annual installments of \$195,000 to \$245,000, plus interest at 3.80% to 5.60% through December 1, 2022.	Debt Service	1,325,000	-	200,000	1,125,000
General Obligation Park (Alternate Revenue Source) Bonds of 2010C (\$20,500,000), due in annual installments of \$635,000 to \$1,590,000, plus interest at 4.00% to 5.375% through December 1, 2040.	Debt Service	20,500,000	-	-	20,500,000
General Obligation Park (Alternate Revenue Source) Bonds of 2013A (\$16,730,000), due in annual installments of \$870,000 to \$4,000,000, plus interest at 4.625% to 5.250% through December 1, 2043.	Debt Service	16,370,000	-	-	16,370,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Park Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Park (Alternate Revenue Source) Bonds of 2014A (\$15,750,000), due in annual installments of \$100,000 to \$3,350,000, plus interest at 2.00% to 5.00% through December 1, 2044.	Debt Service	\$ 15,550,000	-	100,000	15,450,000
General Obligation Limited Tax Park Bonds of 2016A (\$2,910,000), due in one installment of \$2,910,000, plus interest at 1.50% on December 1, 2017.	Debt Service	2,910,000	-	2,910,000	-
General Obligation Limited Tax Park Bonds of 2017A (\$5,590,000), due in annual installments of \$70,000 to \$740,000, plus interest at 2.00% to 3.00% through December 1, 2032.	Debt Service	-	5,590,000	-	5,590,000
General Obligation Limited Tax Park Bonds of 2017B (\$2,683,000), due in one installment of \$2,683,000, plus interest at 1.95% on December 1, 2018.	Debt Service	-	2,683,000	-	2,683,000
		68,135,000	8,273,000	8,010,000	68,398,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 238,010	26,496	13,248	251,258	50,252
Net Pension Liability/(Asset) - IMRF	885,310	-	2,793,217	(1,907,907)	-
General Obligation Park Bonds	68,135,000	8,273,000	8,010,000	68,398,000	3,238,000
Plus Unamortized Premiums	610,171	(208,583)	13,721	387,867	13,721
	69,868,491	8,090,913	10,830,186	67,129,218	3,301,973

For the governmental activities, the compensated absences, and the net pension liability/(asset) are liquidated by the General Fund and Recreation Fund. The general obligation park bonds are being liquidated by the Debt Service Fund.

Defeased Debt

On November 1, 2017, the District issued \$5,590,000 par value General Obligation Limited Tax Park Bond, Series of 2017A to refund \$4,800,000 of the General Obligation Limited Tax Park Bond Series of 2006. The District defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the District reduced its total debt service by \$126,794 and obtained an economic gain of \$702,975.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities	
	General Obligation	
	Park Bonds	
	Principal	Interest
2018	\$ 3,238,000	3,199,721
2019	665,000	3,117,092
2020	750,000	3,096,808
2021	1,395,000	3,073,609
2022	975,000	3,025,018
2023	1,100,000	2,095,109
2024	1,215,000	2,934,758
2025	1,360,000	2,880,669
2026	1,655,000	2,818,069
2027	1,655,000	2,741,934
2028	1,855,000	2,663,921
2029	2,010,000	2,576,812
2030	2,150,000	2,486,726
2031	2,340,000	2,390,701
2032	1,770,000	2,284,000
2033	2,240,000	2,189,419
2034	2,360,000	2,073,878
2035	2,540,000	1,950,930
2036	3,195,000	1,819,413
2037	3,415,000	1,653,648
2038	3,655,000	1,476,628
2039	3,905,000	1,288,364
2040	4,355,000	1,088,322
2041	4,750,000	867,750
2042	5,250,000	634,000
2043	5,250,000	394,000
2044	3,350,000	134,000
Totals	68,398,000	56,955,299

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides “...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more that .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question.”

Assessed Valuation - 2016	<u>\$ 1,408,437,259</u>
Legal Debt Limit - 2.875% of Equalized Assessed Value	40,492,571
Amount of Debt Applicable to Limit	<u>8,273,000</u>
Legal Debt Margin	<u>32,219,571</u>
Non-Referendum Legal Debt Limit	
.575% of Equalized Assesed Valuation	8,098,514
Amount of Debt Applicable to Limit	<u>5,590,000</u>
Non-Referendum Legal Debt Margin	<u>2,508,514</u>

NET POSITION/FUND BALANCE

Net Position Restatement

Net position was restated due to the write off of bond premium which was refunded in prior year. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ 3,557,838	3,869,923	312,085

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 57,142,196
Plus: Unspent Bond Proceeds	633,337
Less Capital Related Debt:	
Taxable General Obligation Park (Alternate Revenue Source) Bonds of 2010A	(6,680,000)
General Obligation Park (Alternate Revenue Source) Bonds of 2010B	(1,125,000)
General Obligation Park (Alternate Revenue Source) Bonds of 2010C	(20,500,000)
General Obligation Park (Alternate Revenue Source) Bonds of 2013A	(16,370,000)
General Obligation Park (Alternate Revenue Source) Bonds of 2014A	(15,450,000)
General Obligation Limited Tax Park Bonds of 2017A	(5,590,000)
General Obligation Limited Tax Park Bonds of 2017B	(2,683,000)
Unamortized Premiums	<u>(387,867)</u>
Net Investment in Capital Assets	<u><u>(11,010,334)</u></u>

Fund Balance Classifications

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Commissioners itself or b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Commissioners, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District's fund balance policy states the General Fund should maintain a minimum assigned fund balance reserve equal to 40% of the actual operating expenditures and 25% for all other funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue				Debt Service	Capital Projects	Nonmajor	Totals
	General	Recreation	Bridges of Poplar Creek Country Club	Prairie Stone Sports and Wellness Center				
Fund Balances								
Nonspendable								
Prepays	\$ 18,264	26,664	1,831	12,503	-	-	-	59,262
Inventory	-	-	81,713	-	-	-	-	81,713
	18,264	26,664	83,544	12,503	-	-	-	140,975
Restricted								
Capital Projects	-	-	-	-	-	2,561,919	-	2,561,919
Debt Service	-	-	-	-	4,629,949	-	-	4,629,949
Employee Retirement	-	-	-	-	-	-	1,098,030	1,098,030
Special Recreation	-	-	-	-	-	-	331,515	331,515
	-	-	-	-	4,629,949	2,561,919	1,429,545	8,621,413
Assigned								
Cash Reserves	1,923,637	1,909,115	173,482	48,358	-	-	-	4,054,592
Recreation	-	178,576	-	-	-	-	-	178,576
	1,923,637	2,087,691	173,482	48,358	-	-	-	4,233,168
Unassigned	2,173,894	-	-	-	-	-	-	2,173,894
Total Fund Balances	4,115,795	2,114,355	257,026	60,861	4,629,949	2,561,919	1,429,545	15,169,450

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since 1984, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2017 through January 1, 2018:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
PROPERTY			
Property/Bldg/Contents			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
Flood/except Zones A & V	\$1,000	\$1,000,000	\$250,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/Occurrence/Annual Aggregate
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/Occurrence/Annual Aggregate
Auto Physical Damage			
Comprehensive and Collision	\$1,000	\$1,000,000	Included
Course of Construction/Builders Risk	\$1,000	Included	\$25,000,000
Business Interruption, Rental			
Income, Tax Income Combined	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equipment Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - Included
Business Income	48 Hours	N/A	Included
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/Occurrence
Seasonal Employees	\$1,000	\$9,000	\$1,000,000/Occurrence
Blanket Bond	\$1,000	\$24,000	\$2,000,000/Occurrence
WORKERS COMPENSATION	N/A	\$500,000	Statutory
Employers Liability		\$500,000	\$3,500,000 Employers Liability
LIABILITY			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence
Public Officials' Liability	None	\$500,000	\$21,500,000/Occurrence

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
LIABILITY - Continued			
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence
POLLUTION LIABILITY			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
OUTBREAK EXPENSE			
Outbreak Expense	24 Hours	N/A	\$15,000 per Day
			\$1,000,000 Aggregate Policy Limit
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Information Security & Privacy			
Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Privacy Notification, Costs	None	\$100,000	\$500,000/Occurrence/Annual Aggregate
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Website Media Content Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Cyber Extortion	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Data Protection & Business			
Interruption	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
First Party Business Interruption	8 Hours	\$100,000	\$50,000 Hourly Sublimit/\$50,000 Forensic
			Exp./\$150,000 Dependent Bus. Interruption
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense and AD&D
			Excess of any other Collectible Insurance
UNDERGROUND STORAGE TANK LIABILITY			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
UNEMPLOYMENT COMPENSATION			
Unemployment Compensation	N/A	N/A	Statutory

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District.

As a member of PDRMA, the District is represented on the Board of Directors and is entitled to one vote. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2016 and the statement of revenues and expenses for the period ending December 31, 2016. The District's portion of the overall equity of the pool is 1.852% or \$735,416.

Assets	\$62,209,572
Deferred Outflows of Resources – Pension	1,117,312
Liabilities	23,580,657
Deferred Inflows of Resources – Pension	34,088
Total Net Position	39,712,139
Revenues	20,508,977
Expenditures	21,505,049

Since 92.44% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) Health Program

Since 1990, the District has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001, the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees and pay accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's balance sheet at December 31, 2016 and the statement of revenues and expenses for the period ending December 31, 2016:

Assets	\$19,963,703
Deferred Outflows of Resources – Pension	472,756
Liabilities	5,609,725
Deferred Inflows of Resources – Pension	14,609
Total Pension	14,812,125
Revenues	37,086,143
Expenditures	34,157,556

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is no presently determinable, in the opinion of the District's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 District expects such amounts, if any, to be immaterial.

LEASE COMMITMENTS

The District has entered into three operating leases with unrelated parties for equipment used at the Bridges of Poplar Creek Country Club. Two leases had terms of 48 months which expired in 2016. The third lease had a term of 60 months which expires in 2021. The total of equipment rent expenditures for the District was \$28,206 for the fiscal year ended December 31, 2017.

The future minimum lease payments are as follows:

Fiscal Year	Lease Payment
2018	\$ 28,206
2019	28,206
2020	28,206
2021	<u>23,504</u>
	<u>108,122</u>

JOINT VENTURES – NORTHWEST SPECIAL RECREATION ASSOCIATION

The District is a member of the Northwest Special Recreation Association (NWSRA), an association of seventeen area park districts that provides recreation programs and other activities for handicapped and impaired individuals. Each member agency shares ratably in NWSRA, and generally provides funding based on its equalized assessed valuation. For the fiscal year ended December 31, 2017, the District contributed \$298,191 to NWSRA.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – NORTHWEST SPECIAL RECREATION ASSOCIATION – Continued

The District does not have a direct financial interest in NWSRA, and therefore its investment therein is not reported within the financial statements. Upon dissolution of NWSRA, the assets, if any, shall be divided between the members, in accordance with an equitable formula, as determined by a unanimous vote of the NWSRA's Board of Directors.

Complete separate financial statements for NWSRA can be obtained from NWSRA's administrative offices at 3000 Central Road, Rolling Meadows, Illinois.

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the District provides certain health care insurance benefits for retired employees. In accordance with the personnel policy substantially all of the District's employees may become eligible for those benefits if they reach normal retirement age while working for the District. The District's health insurance provider, PDRMA utilizes community based rates, which adjust for the demographics of the District's pool of participants, including age, etc. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of December 31, 2017.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	143
Active Plan Members	<u>109</u>
Total	<u><u>305</u></u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2017, the District's contribution was 8.07% of covered payroll.

Net Pension Liability/(Asset). The District's net pension liability/(asset) was measured as of December 31, 2017. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability/(asset) was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Actuarial Assumptions – Continued. 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	Target	Long-Term Expected Real Rate of Return
Fixed Income	27.00%	3.00%
Domestic Equities	38.00%	6.85%
International Equities	17.00%	6.75%
Real Estate	8.00%	5.75%
Blended	9.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability/(asset) was 7.50%, the same as the prior valuation. 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 District contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability/(asset).

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – 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 District calculated using the discount rate as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 971,169	(1,907,907)	(4,248,863)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2015	\$ 19,988,654	19,103,344	885,310
Changes for the Year:			
Service Cost	960,126	-	960,126
Interest on the Total Pension Liability	3,047,844	-	3,047,844
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(250,612)	-	(250,612)
Changes of Assumptions	(625,519)	-	(625,519)
Contributions - Employer	-	840,551	(840,551)
Contributions - Employees	-	437,909	(437,909)
Net Investment Income	-	4,704,282	(4,704,282)
Benefit Payments, Including Refunds of Employee Contributions	(1,111,935)	(1,111,935)	-
Other (Net Transfer)	-	(57,686)	57,686
Net Changes	2,019,904	4,813,121	(2,793,217)
Balances at December 31, 2017	22,008,558	23,916,465	(1,907,907)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the District recognized pension expense of \$809,659. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 377,657	(298,046)	79,611
Changes of Assumptions	-	(447,456)	(447,456)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	653,063	(1,487,828)	(834,765)
Total Deferred Amounts Related to Pensions	1,030,720	(2,233,330)	(1,202,610)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2018	\$ (278,023)
2019	(190,249)
2020	(362,381)
2021	(371,957)
2022	-
Thereafter	-
Total	(1,202,610)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Recreation – Special Revenue Fund
Bridges of Poplar Creek Country Club – Special Revenue Fund
Prairie Stone Sports and Wellness Center – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 385,321	\$ 498,916	\$ 113,595	\$ 4,234,301	11.78%
2015	451,146	1,542,502	1,091,356	4,804,541	32.11%
2016	426,171	426,171	-	4,592,363	9.28%
2017	414,380	414,380	-	5,134,810	8.07%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2017

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2017

	12/31/2014
Total Pension Liability	
Service Cost	\$ 487,223
Interest	1,235,623
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	92,818
Change of Assumptions	510,640
Benefit Payments, Including Refunds of Member Contributions	(353,158)
Net Change in Total Pension Liability	1,973,146
Total Pension Liability - Beginning	16,407,937
Total Pension Liability - Ending	18,381,083
Plan Fiduciary Net Position	
Contributions - Employer	\$ 498,916
Contributions - Members	208,132
Net Investment Income	1,039,734
Benefit Payments, Including Refunds of Member Contributions	(353,158)
Other (Net Transfer)	39,043
Net Change in Plan Fiduciary Net Position	1,432,667
Plan Net Position - Beginning	16,867,868
Plan Net Position - Ending	18,300,535
Employer's Net Pension Liability/(Asset)	\$ 80,548
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.56%
Covered Payroll	\$ 4,234,301
Employer's Net Pension Liability as a Percentage of Covered Payroll	1.90%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2015	12/31/2016	12/31/2017
466,157	488,542	471,584
1,381,820	1,498,741	1,549,103
-	-	-
139,385	(751,348)	500,736
-	-	(625,519)
(379,791)	(499,425)	(612,510)
1,607,571	736,510	1,283,394
18,381,083	19,988,654	20,725,164
19,988,654	20,725,164	22,008,558
1,542,502	426,171	414,380
216,204	206,657	231,252
94,950	1,301,895	3,402,387
(379,791)	(499,425)	(612,510)
(671,056)	83,346	(141,032)
802,809	1,518,644	3,294,477
18,300,535	19,103,344	20,621,988
19,103,344	20,621,988	23,916,465
885,310	103,176	(1,907,907)
95.57%	99.50%	108.67%
4,804,541	4,592,363	5,134,810
18.43%	2.25%	(37.16%)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,760,000	2,760,000	2,748,937
TIF Distribution	195,000	195,000	185,251
Intergovernmental			
Replacement Taxes	53,000	53,000	58,849
Charges for Services	88,000	88,000	87,252
Interest	50,000	50,000	96,675
Miscellaneous	245,500	245,500	181,266
Total Revenues	3,146,000	3,146,000	3,358,230
Expenditures			
Recreation			
Administration	2,735,692	2,735,692	2,666,637
Cost Reimbursements			
Administration	(870,114)	(870,114)	(870,114)
Maintenance	(491,376)	(491,376)	(491,376)
FICA	(196,940)	(196,940)	(184,673)
IMRF	(197,650)	(197,650)	(193,572)
Maintenance	2,079,668	2,079,668	2,076,855
Capital Outlay	136,000	136,000	65,600
Total Expenditures	3,195,280	3,195,280	3,069,357
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,280)	(49,280)	288,873
Other Financing Sources			
Disposal of Capital Assets	15,000	15,000	16,719
Transfers In	3,780	3,780	3,780
	18,780	18,780	20,499
Net Change in Fund Balance	(30,500)	(30,500)	309,372
Fund Balance - Beginning			3,806,423
Fund Balance - Ending			4,115,795

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,040,000	1,040,000	1,029,615
Intergovernmental	3,220	3,220	24,200
Charges for Services	5,655,014	5,655,014	5,259,117
Interest	-	-	9,330
Miscellaneous	-	-	22,576
Total Revenues	6,698,234	6,698,234	6,344,838
Expenditures			
Recreation	5,623,384	5,623,384	5,345,645
Capital Outlay	1,110,750	1,110,750	1,060,425
Total Expenditures	6,734,134	6,734,134	6,406,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,900)	(35,900)	(61,232)
Other Financing Sources (Uses)			
Transfers In	45,900	45,900	45,900
Transfers Out	(800,000)	(800,000)	(800,000)
	(754,100)	(754,100)	(754,100)
Net Change in Fund Balance	(790,000)	(790,000)	(815,332)
Fund Balance - Beginning			2,929,687
Fund Balance - Ending			2,114,355

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Bridges of Poplar Creek Country Club - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Golf Operations	\$ 1,337,288	1,337,288	1,378,938
Food and Beverage Operations	900,750	900,750	877,570
Rentals	26,000	26,000	38,020
Interest	1,500	1,500	1,358
Miscellaneous			
Advertising	3,450	3,450	3,720
Water Maintenance Fees	11,000	11,000	11,000
Miscellaneous	7,500	7,500	8,384
Total Revenues	2,287,488	2,287,488	2,318,990
Expenditures			
Recreation	2,101,668	2,101,668	2,046,631
Capital Outlay	70,000	70,000	68,369
Total Expenditures	2,171,668	2,171,668	2,115,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,820	115,820	203,990
Other Financing Sources (Uses)			
Transfers In	9,180	9,180	9,180
Transfers Out	(125,000)	(125,000)	(125,000)
	(115,820)	(115,820)	(115,820)
Net Change in Fund Balance	-	-	88,170
Fund Balance - Beginning			168,856
Fund Balance - Ending			257,026

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Prairie Stone Sports and Wellness Center - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	-	600
Charges for Services			
Rentals	210,380	210,380	211,817
Merchandise Sales	-	-	1,056
Fitness	2,315,325	2,315,325	2,245,179
Recreation	42,238	42,238	36,833
Aquatics	197,113	197,113	154,628
Interest	-	-	5,091
Miscellaneous	-	-	975
Total Revenues	2,765,056	2,765,056	2,656,179
Expenditures			
Recreation	2,105,456	2,105,456	2,025,442
Capital Outlay	952,600	952,600	1,049,682
Total Expenditures	3,058,056	3,058,056	3,075,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	(293,000)	(293,000)	(418,945)
Other Financing Sources (Uses)			
Transfers In	27,000	27,000	27,000
Transfers Out	(575,000)	(575,000)	(575,000)
	(548,000)	(548,000)	(548,000)
Net Change in Fund Balance	(841,000)	(841,000)	(966,945)
Fund Balance - Beginning			1,027,806
Fund Balance - Ending			60,861

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditures for specified purposes.

Recreation Fund

The Recreation Fund is used to account for the proceeds derived from, and the related costs incurred, in connection with the recreation programs offered by the District. Financing is provided from an annual property tax levy restricted by the State for recreation purposed and fees and charges for programs and activities assigned for recreation purposes.

Bridges of Poplar Creek Country Club Fund

The Bridges of Poplar Creek Country Club Fund is used to account for the golf course and food and beverage operations at the Bridges of Poplar Creed Country Club.

Prairie Stone Sports and Wellness Center Fund

The Prairie Stone Sports and Wellness Center Fund is used to account for the proceeds derived from, and the related costs incurred, in connection with the recreational activities offered at the Prairie Stone Sports and Wellness Center. The revenues in this fund are for the use with Prairie Stone activities and are assigned for this purpose.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund (IMRF) is used to account for the activities resulting from the District's participation in IMRF. Financing is provided by a restricted annual property tax levy, which produces a sufficient amount to pay the District's contributions to IMRF on behalf of the District's employees and can only be used for this purpose.

Social Security Fund

The Social Security Fund is used to account for the District's obligation for Social Security and Medicare taxes. Financing is provided by a restricted annual property tax levy, which produces the majority of the District's contribution and can only be used for this purpose.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Special Recreation Fund

The Special Recreation Fund is used to account for the expenditures in connection with the District's participation in Northwest Special Recreation Association, which provides recreation programs to the handicapped and impaired. Financing is provided from the restricted annual property tax levy, the proceeds of which can only be used for this purpose.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of funds that are restricted or assigned for repayment of principal and interest on the District's general obligation debt where repayment is financed by an annual property tax levy or through transfers from other funds.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for all resources used for restricted financial resources to be used for the acquisition or construction of major capital facilities.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 970,000	970,000	964,610
TIF Distribution	70,000	70,000	65,005
Total Taxes	1,040,000	1,040,000	1,029,615
Intergovernmental	3,220	3,220	24,200
Charges for Services			
Rentals	60,089	60,089	102,873
Triphahn Center	291,169	291,169	281,859
Willow Racquet Club	250,526	250,526	263,448
General Leisure Services	555,026	555,026	525,794
Senior Programs	139,394	139,394	87,653
Early Childhood	1,946,797	1,946,797	1,916,461
Adult Athletics	59,485	59,485	26,786
Youth Athletics	297,143	297,143	235,111
Seascape Aquatic Center	280,205	280,205	248,142
Ice Center	1,775,180	1,775,180	1,570,990
Total Charges for Services	5,655,014	5,655,014	5,259,117
Interest	-	-	9,330
Miscellaneous	-	-	22,576
Total Revenues	6,698,234	6,698,234	6,344,838

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 2,427,832	2,427,832	2,345,912
Cost Reimbursements			
Communication and Marketing	(108,000)	(108,000)	(108,000)
FICA	(216,148)	(216,148)	(201,665)
IMRF	(123,156)	(123,156)	(120,729)
	1,980,528	1,980,528	1,915,518
Communication and Marketing	362,890	362,890	342,537
Maintenance	221,924	221,924	216,100
Programs			
Triphahn Center	144,790	144,790	133,340
Willow Racquet Club	139,301	139,301	128,464
General Leisure Services	377,776	377,776	350,236
Senior Programs	89,474	89,474	62,974
Early Childhood	953,381	953,381	952,025
Adult Athletics	38,660	38,660	13,943
Youth Athletics	189,128	189,128	133,182
Seascape Aquatic Center	369,834	369,834	336,150
Ice Center	755,698	755,698	761,176
	3,058,042	3,058,042	2,871,490
Total Recreation	5,623,384	5,623,384	5,345,645
Capital Outlay	1,110,750	1,110,750	1,060,425
Total Expenditures	6,734,134	6,734,134	6,406,070

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Bridges of Poplar Creek Country Club - Special Revenue Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 643,348	643,348	636,051
Cost Reimbursements			
FICA	(79,909)	(79,909)	(75,063)
IMRF	(53,783)	(53,783)	(53,004)
	509,656	509,656	507,984
Maintenance	545,296	545,296	494,939
Golf Operations	316,232	316,232	343,026
Food and Beverage Operations	730,484	730,484	700,682
Total Recreation	2,101,668	2,101,668	2,046,631
Capital Outlay	70,000	70,000	68,369
Total Expenditures	2,171,668	2,171,668	2,115,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Prairie Stone Sports and Wellness Center - Special Revenue Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 1,201,131	1,201,131	1,168,343
Cost Reimbursements			
FICA	(77,875)	(77,875)	(70,804)
IMRF	(45,751)	(45,751)	(45,993)
	<u>1,077,505</u>	<u>1,077,505</u>	<u>1,051,546</u>
Communications and Marketing	<u>50,530</u>	<u>50,530</u>	<u>34,856</u>
Maintenance	<u>289,760</u>	<u>289,760</u>	<u>305,759</u>
Programs			
Fitness	554,504	554,504	505,612
Recreation	29,375	29,375	24,633
Aquatics	103,782	103,782	103,036
	<u>687,661</u>	<u>687,661</u>	<u>633,281</u>
Total Recreation	2,105,456	2,105,456	2,025,442
Capital Outlay	<u>952,600</u>	<u>952,600</u>	<u>1,049,682</u>
Total Expenditures	<u><u>3,058,056</u></u>	<u><u>3,058,056</u></u>	<u><u>3,075,124</u></u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,150,000	3,150,000	3,080,530
TIF Distributions	210,000	210,000	207,597
Intergovernmental	151,000	151,000	152,073
Interest	-	-	13,891
Total Revenues	3,511,000	3,511,000	3,454,091
Expenditures			
Debt Service			
Principal Retirement	8,010,000	8,010,000	8,010,000
Interest and Fiscal Charges	3,385,999	3,385,999	3,345,079
Total Expenditures	11,395,999	11,395,999	11,355,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,884,999)	(7,884,999)	(7,900,988)
Other Financing Sources			
Debt Issuance	6,720,000	6,720,000	6,576,225
Premium on Debt Issuance	-	-	99,769
Transfers In	1,500,000	1,500,000	1,500,000
	8,220,000	8,220,000	8,175,994
Net Change in Fund Balance	335,001	335,001	275,006
Fund Balance - Beginning			4,354,943
Fund Balance - Ending			4,629,949

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 15,600	15,600	7,508
Miscellaneous	3,314	3,314	-
Total Revenues	18,914	18,914	7,508
Expenditures			
Recreation			
Administration	117,662	117,662	117,348
Planning Services	17,752	17,752	9,521
Capital Outlay	1,206,500	1,206,500	1,063,438
Total Expenditures	1,341,914	1,341,914	1,190,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,323,000)	(1,323,000)	(1,182,799)
Other Financing Sources			
Debt Issuance	1,500,000	1,500,000	1,696,775
Net Change in Fund Balance	177,000	177,000	513,976
Fund Balance - Beginning			2,047,943
Fund Balance - Ending			2,561,919

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet
December 31, 2017**

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
ASSETS				
Cash and Investments	\$ 576,577	469,017	307,956	1,353,550
Receivables - Net of Allowance				
Property Taxes	561,596	657,916	606,231	1,825,743
Total Assets	1,138,173	1,126,933	914,187	3,179,293
LIABILITIES				
Accounts Payable	7,762	9,314	7,672	24,748
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	530,000	620,000	575,000	1,725,000
Total Liabilities and Deferred Inflows of Resources	537,762	629,314	582,672	1,749,748
FUND BALANCES				
Restricted	600,411	497,619	331,515	1,429,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	1,138,173	1,126,933	914,187	3,179,293

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2017**

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
Revenues				
Taxes	\$ 515,523	618,628	509,567	1,643,718
Interest	5,233	4,329	3,024	12,586
Total Revenues	520,756	622,957	512,591	1,656,304
Expenditures				
Current				
Recreation	413,298	532,205	298,191	1,243,694
Capital Outlay	-	-	97,468	97,468
Total Expenditures	413,298	532,205	395,659	1,341,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,458	90,752	116,932	315,142
Other Financing (Uses)				
Transfers Out	-	-	(85,860)	(85,860)
Net Change in Fund Balances	107,458	90,752	31,072	229,282
Fund Balances - Beginning	492,953	406,867	300,443	1,200,263
Fund Balances - Ending	600,411	497,619	331,515	1,429,545

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 485,000	485,000	482,975
TIF Distributions	33,000	33,000	32,548
Interest	2,501	2,501	5,233
Total Revenues	520,501	520,501	520,756
Expenditures			
Recreation			
Contractual	420,501	420,501	413,298
Net Change in Fund Balance	100,000	100,000	107,458
Fund Balance - Beginning			492,953
Fund Balance - Ending			600,411

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 580,000	580,000	579,571
TIF Distributions	40,000	40,000	39,057
Interest	1,025	1,025	4,329
Total Revenues	621,025	621,025	622,957
Expenditures			
Recreation			
Contractual	571,025	571,025	532,205
Net Change in Fund Balance	50,000	50,000	90,752
Fund Balance - Beginning			406,867
Fund Balance - Ending			497,619

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Special Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 550,000	550,000	477,395
TIF Distributions	40,000	40,000	32,172
Interest	500	500	3,024
Total Revenues	590,500	590,500	512,591
Expenditures			
Recreation			
NWSRA Special Assessments	298,200	298,200	298,191
Capital Outlay	111,440	111,440	97,468
Total Expenditures	409,640	409,640	395,659
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,860	180,860	116,932
Other Financing (Uses)			
Transfers Out	(85,860)	(85,860)	(85,860)
Net Change in Fund Balance	95,000	95,000	31,072
Fund Balance - Beginning			300,443
Fund Balance - Ending			331,515

SUPPLEMENTAL SCHEDULES

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Park (Alternate Revenue Source) Bonds of 2010A December 31, 2017

Date of Issue	December 1, 2010
Date of Maturity	December 1, 2040
Authorized Issue	\$6,680,000
Denomination of Bonds	\$5,000
Interest Rates	5.80% to 7.40%
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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ -	466,268	466,268	2018	233,134	2018	233,134
2019	-	466,268	466,268	2019	233,134	2019	233,134
2020	-	466,268	466,268	2020	233,134	2020	233,134
2021	-	466,268	466,268	2021	233,134	2021	233,134
2022	-	466,268	466,268	2022	233,134	2022	233,134
2023	260,000	466,268	726,268	2023	233,134	2023	233,134
2024	270,000	451,188	721,188	2024	225,594	2024	225,594
2025	280,000	433,638	713,638	2025	216,819	2025	216,819
2026	290,000	415,438	705,438	2026	207,719	2026	207,719
2027	300,000	396,588	696,588	2027	198,294	2027	198,294
2028	315,000	377,086	692,086	2028	188,543	2028	188,543
2029	325,000	356,612	681,612	2029	178,306	2029	178,306
2030	340,000	335,488	675,488	2030	167,744	2030	167,744
2031	355,000	313,388	668,388	2031	156,694	2031	156,694
2032	370,000	288,006	658,006	2032	144,003	2032	144,003
2033	385,000	261,550	646,550	2033	130,775	2033	130,775
2034	400,000	234,022	634,022	2034	117,011	2034	117,011
2035	415,000	205,422	620,422	2035	102,711	2035	102,711
2036	435,000	175,750	610,750	2036	87,875	2036	87,875
2037	455,000	143,560	598,560	2037	71,780	2037	71,780
2038	475,000	109,890	584,890	2038	54,945	2038	54,945
2039	495,000	74,740	569,740	2039	37,370	2039	37,370
2040	515,000	38,110	553,110	2040	19,055	2040	19,055
	<u>6,680,000</u>	<u>7,408,084</u>	<u>14,088,084</u>		<u>3,704,042</u>		<u>3,704,042</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Park (Alternate Revenue Source) Bonds of 2010B December 31, 2017

Date of Issue	December 1, 2010
Date of Maturity	December 1, 2022
Authorized Issue	\$1,520,000
Denomination of Bonds	\$5,000
Interest Rates	3.80% to 5.60%
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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 205,000	58,392	263,392	2018	29,196	2018	29,196
2019	215,000	48,393	263,393	2019	24,197	2019	24,196
2020	225,000	38,110	263,110	2020	19,055	2020	19,055
2021	235,000	26,410	261,410	2021	13,205	2021	13,205
2022	245,000	13,720	258,720	2022	6,860	2022	6,860
	<u>1,125,000</u>	<u>185,025</u>	<u>1,310,025</u>		<u>92,513</u>		<u>92,512</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Park (Alternate Revenue Source) Bonds of 2010C December 31, 2017

Date of Issue	December 1, 2010
Date of Maturity	December 1, 2040
Authorized Issue	\$20,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 5.375%
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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ -	1,038,880	1,038,880	2018	519,440	2018	519,440
2019	-	1,038,880	1,038,880	2019	519,440	2019	519,440
2020	-	1,038,880	1,038,880	2020	519,440	2020	519,440
2021	635,000	1,038,880	1,673,880	2021	519,440	2021	519,440
2022	660,000	1,013,480	1,673,480	2022	506,740	2022	506,740
2023	690,000	98,690	788,690	2023	49,345	2023	49,345
2024	720,000	956,420	1,676,420	2024	478,210	2024	478,210
2025	750,000	924,380	1,674,380	2025	462,190	2025	462,190
2026	785,000	889,880	1,674,880	2026	444,940	2026	444,940
2027	825,000	852,996	1,677,996	2027	426,498	2027	426,498
2028	865,000	813,384	1,678,384	2028	406,692	2028	406,692
2029	905,000	771,000	1,676,000	2029	385,500	2029	385,500
2030	950,000	725,750	1,675,750	2030	362,875	2030	362,875
2031	995,000	678,250	1,673,250	2031	339,125	2031	339,125
2032	1,050,000	627,256	1,677,256	2032	313,628	2032	313,628
2033	1,105,000	572,131	1,677,131	2033	286,066	2033	286,065
2034	1,160,000	514,118	1,674,118	2034	257,059	2034	257,059
2035	1,225,000	451,770	1,676,770	2035	225,885	2035	225,885
2036	1,290,000	385,925	1,675,925	2036	192,963	2036	192,962
2037	1,360,000	316,588	1,676,588	2037	158,294	2037	158,294
2038	1,430,000	243,488	1,673,488	2038	121,744	2038	121,744
2039	1,510,000	166,624	1,676,624	2039	83,312	2039	83,312
2040	1,590,000	85,462	1,675,462	2040	42,731	2040	42,731
	<u>20,500,000</u>	<u>15,243,112</u>	<u>35,743,112</u>		<u>7,621,557</u>		<u>7,621,555</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Park (Alternate Revenue Source) Bonds of 2013A December 31, 2017

Date of Issue	December 2, 2013
Date of Maturity	December 1, 2043
Authorized Issue	\$16,370,000
Denomination of Bonds	\$5,000
Interest Rates	4.625% to 5.250%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ -	809,738	809,738	2018	404,869	2018	404,869
2019	-	809,738	809,738	2019	404,869	2019	404,869
2020	-	809,738	809,738	2020	404,869	2020	404,869
2021	-	809,738	809,738	2021	404,869	2021	404,869
2022	-	809,738	809,738	2022	404,869	2022	404,869
2023	-	809,738	809,738	2023	404,869	2023	404,869
2024	-	809,738	809,738	2024	404,869	2024	404,869
2025	-	809,738	809,738	2025	404,869	2025	404,869
2026	-	809,738	809,738	2026	404,869	2026	404,869
2027	-	809,738	809,738	2027	404,869	2027	404,869
2028	-	809,738	809,738	2028	404,869	2028	404,869
2029	-	809,738	809,738	2029	404,869	2029	404,869
2030	-	809,738	809,738	2030	404,869	2030	404,869
2031	-	809,738	809,738	2031	404,869	2031	404,869
2032	-	809,738	809,738	2032	404,869	2032	404,869
2033	-	809,738	809,738	2033	404,869	2033	404,869
2034	-	809,738	809,738	2034	404,869	2034	404,869
2035	-	809,738	809,738	2035	404,869	2035	404,869
2036	870,000	809,738	1,679,738	2036	404,869	2036	404,869
2037	1,000,000	769,500	1,769,500	2037	384,750	2037	384,750
2038	1,000,000	723,250	1,723,250	2038	361,625	2038	361,625
2039	1,000,000	677,000	1,677,000	2039	338,500	2039	338,500
2040	1,000,000	630,750	1,630,750	2040	315,375	2040	315,375
2041	3,500,000	583,750	4,083,750	2041	291,875	2041	291,875
2042	4,000,000	400,000	4,400,000	2042	200,000	2042	200,000
2043	4,000,000	210,000	4,210,000	2043	105,000	2043	105,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Long-Term Debt Requirements****General Obligation Park (Alternate Revenue Source) Bonds of 2014A
December 31, 2017**

Date of Issue	December 18, 2014
Date of Maturity	December 1, 2044
Authorized Issue	\$15,750,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 100,000	614,062	714,062	2018	307,031	2018	307,031
2019	100,000	611,063	711,063	2019	305,531	2019	305,532
2020	100,000	608,062	708,062	2020	304,031	2020	304,031
2021	-	605,063	605,063	2021	302,531	2021	302,532
2022	-	605,062	605,062	2022	302,531	2022	302,531
2023	-	605,063	605,063	2023	302,531	2023	302,532
2024	-	605,062	605,062	2024	302,531	2024	302,531
2025	-	605,063	605,063	2025	302,531	2025	302,532
2026	150,000	605,063	755,063	2026	302,531	2026	302,532
2027	150,000	597,562	747,562	2027	298,781	2027	298,781
2028	200,000	590,063	790,063	2028	295,031	2028	295,032
2029	250,000	580,062	830,062	2029	290,031	2029	290,031
2030	250,000	572,250	822,250	2030	286,125	2030	286,125
2031	250,000	564,125	814,125	2031	282,062	2031	282,063
2032	250,000	556,000	806,000	2032	278,000	2032	278,000
2033	750,000	546,000	1,296,000	2033	273,000	2033	273,000
2034	800,000	516,000	1,316,000	2034	258,000	2034	258,000
2035	900,000	484,000	1,384,000	2035	242,000	2035	242,000
2036	600,000	448,000	1,048,000	2036	224,000	2036	224,000
2037	600,000	424,000	1,024,000	2037	212,000	2037	212,000
2038	750,000	400,000	1,150,000	2038	200,000	2038	200,000
2039	900,000	370,000	1,270,000	2039	185,000	2039	185,000
2040	1,250,000	334,000	1,584,000	2040	167,000	2040	167,000
2041	1,250,000	284,000	1,534,000	2041	142,000	2041	142,000
2042	1,250,000	234,000	1,484,000	2042	117,000	2042	117,000
2043	1,250,000	184,000	1,434,000	2043	92,000	2043	92,000
2044	3,350,000	134,000	3,484,000	2044	67,000	2044	67,000
	<u>15,450,000</u>	<u>13,281,625</u>	<u>28,731,625</u>		<u>6,640,809</u>		<u>6,640,816</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2017A December 31, 2017

Date of Issue	November 1, 2017
Date of Maturity	December 1, 2032
Authorized Issue	\$5,590,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	JP Morgan Chase

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 250,000	160,063	410,063	2018	86,188	2018	73,875
2019	350,000	142,750	492,750	2019	71,375	2019	71,375
2020	425,000	135,750	560,750	2020	67,875	2020	67,875
2021	525,000	127,250	652,250	2021	63,625	2021	63,625
2022	70,000	116,750	186,750	2022	58,375	2022	58,375
2023	150,000	115,350	265,350	2023	57,675	2023	57,675
2024	225,000	112,350	337,350	2024	56,175	2024	56,175
2025	330,000	107,850	437,850	2025	53,925	2025	53,925
2026	430,000	97,950	527,950	2026	48,975	2026	48,975
2027	380,000	85,050	465,050	2027	42,525	2027	42,525
2028	475,000	73,650	548,650	2028	36,825	2028	36,825
2029	530,000	59,400	589,400	2029	29,700	2029	29,700
2030	610,000	43,500	653,500	2030	21,750	2030	21,750
2031	740,000	25,200	765,200	2031	12,600	2031	12,600
2032	100,000	3,000	103,000	2032	1,500	2032	1,500
	<u>5,590,000</u>	<u>1,405,863</u>	<u>6,995,863</u>		<u>709,088</u>		<u>696,775</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2017B December 31, 2017

Date of Issue	November 30, 2017
Date of Maturity	December 1, 2018
Authorized Issue	\$2,683,000
Denomination of Bonds	\$5,000
Interest Rate	1.950%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Barrington Bank and Trust

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2018	\$ 2,683,000	52,318	2,735,318	2018	26,159	2018	26,159

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2017 (Unaudited)

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years* December 31, 2017 (Unaudited)

	2008	2009	2010
Governmental Activities			
Net Investment in Capital Assets	\$ 857,024	(546,526)	(24,339,309)
Restricted			
Capital Projects	1,162,579	793,300	2,073,021
Debt Service	2,585,777	2,979,089	4,202,759
Employee Retirement	153,358	147,980	152,760
Special Recreation	372,186	308,164	483,836
Working Cash	1,002,393	1,048,690	1,056,714
Unrestricted	2,524,553	4,372,407	24,935,392
Total Governmental Activities Net Position	8,657,870	9,103,104	8,565,173

* Accrual Basis of Accounting

Data Source: District Records

2011	2012	2013	2014	2015	2016	2017
(4,743,739)	(5,847,563)	(7,252,365)	(8,388,077)	(11,506,289)	(12,571,252)	(11,010,334)
1,515,393	4,895	7,071	21,642	2,165,445	2,047,943	2,561,919
4,051,148	4,989,329	4,502,710	3,549,607	3,927,498	4,354,943	4,366,639
165,192	304,014	372,205	456,057	650,897	899,820	1,098,030
504,840	387,967	327,058	209,435	252,393	300,443	331,515
1,060,857	1,070,224	1,073,306	1,078,598	-	-	-
5,570,440	4,832,249	5,406,783	5,842,202	7,128,298	8,525,941	6,368,739
8,124,131	5,741,115	4,436,768	2,769,464	2,618,242	3,557,838	3,716,508

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* December 31, 2017 (Unaudited)

	2008	2009	2010
Expenses			
Governmental Activities			
Recreation	\$ 15,828,849	15,903,691	16,874,539
Interest and Fiscal Charges	2,786,369	2,633,706	2,649,815
Total Governmental Activities Expenses	18,615,218	18,537,397	19,524,354
Program Revenues			
Governmental Activities			
Charges for Services	8,830,901	9,618,670	9,624,818
Operating Grants/Contributions	124,111	106,416	509,416
Capital Grants/Contributions	-	-	-
Total Governmental Activities Program Revenues	8,955,012	9,725,086	10,134,234
Governmental Activities Net (Expense) Revenue	(9,660,206)	(8,812,311)	(9,390,120)
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	7,467,940	7,837,689	7,963,585
Replacement	64,380	54,313	58,562
Supplemental TIF	-	-	-
Interest	244,397	169,159	44,068
Gain on Sale of Capital Assets	-	-	-
Miscellaneous	256,738	298,542	785,974
Total Governmental Activities General Revenues	8,033,455	8,359,703	8,852,189
Governmental Activities Changes in Net Position	(1,626,751)	(452,608)	(537,931)

* Accrual Basis of Accounting

Data Source: District Records

2011	2012	2013	2014	2015	2016	2017
16,544,013	16,302,374	16,688,231	17,354,202	16,645,756	17,556,853	16,933,719
2,900,900	3,039,903	3,531,336	3,757,266	3,185,335	3,219,455	3,015,836
19,444,913	19,342,277	20,219,567	21,111,468	19,831,091	20,776,308	19,949,555
10,623,145	10,397,240	10,295,375	10,166,116	10,451,392	10,771,859	10,290,410
14,469	46,818	39,698	30,851	19,244	7,388	24,800
-	112,500	155,007	242,556	167,939	160,293	152,073
10,637,614	10,556,558	10,490,080	10,439,523	10,638,575	10,939,540	10,467,283
(8,807,299)	(8,785,719)	(9,729,487)	(10,671,945)	(9,192,516)	(9,836,768)	(9,482,272)
8,103,975	8,173,119	8,267,244	8,164,393	8,421,532	8,444,000	8,334,018
51,605	51,700	57,314	58,998	62,891	55,727	58,849
-	-	-	619,029	606,492	635,007	561,630
54,102	48,184	37,799	125,440	105,021	216,037	146,439
-	-	33,857	-	-	-	227,921
156,575	16,828	28,926	36,781	80,775	8,932	-
8,366,257	8,289,831	8,425,140	9,004,641	9,276,711	9,359,703	9,328,857
(441,042)	(495,888)	(1,304,347)	(1,667,304)	84,195	(477,065)	(153,415)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Fund Balances of Governmental Funds - Last Ten Fiscal Years***
December 31, 2017 (Unaudited)

	2008	2009	2010
General Fund			
Nonspendable	\$ 7,972	55,532	4,453
Assigned	-	-	-
Unassigned	1,810,858	2,037,879	2,150,165
Total General Fund	1,818,830	2,093,411	2,154,618
All Other Governmental Funds			
Nonspendable			
Recreation	-	7,427	3,537
Prairie Stone Sports and Wellness Center	14,683	15,090	1,703
Bridges of Poplar Creek County Club	122,402	90,000	78,124
Restricted			
Recreation	-	-	1,000,000
Audit	11,936	-	-
IMRF	153,358	147,980	152,760
Debt Service	2,585,777	2,979,089	4,202,759
Special Recreation	372,186	308,164	483,836
FICA	101,465	91,240	104,198
Capital Projects	-	-	-
Working Cash	1,002,393	1,048,690	1,056,714
Assigned			
Recreation	-	-	-
Capital Projects	1,162,579	793,300	2,073,021
Prairie Stone	-	-	-
Bridges Poplar Creek	-	-	-
Unassigned			
Recreation	470,746	1,625,287	944,472
Ice Arena	1,034,088	-	-
Prairie Stone	439,770	795,081	831,682
Bridges Poplar Creek	44,697	(62,573)	265,533
Total All Other Governmental Funds	7,516,080	7,838,775	11,198,339
Total Governmental Funds	9,334,910	9,932,186	13,352,957

* Modified Accrual Basis of Accounting

Data Source: District Records

2011	2012	2013	2014	2015	2016	2017
15,682	10,118	21,260	6,445	6,613	13,436	18,264
1,561,576	1,785,488	1,755,695	1,802,258	1,645,970	1,980,544	1,923,637
665,307	546,140	925,538	1,155,480	1,571,914	1,812,443	2,173,894
2,242,565	2,341,746	2,702,493	2,964,183	3,224,497	3,806,423	4,115,795
7,048	10,248	8,551	12,407	5,992	7,753	26,664
15,341	14,158	18,958	12,681	13,121	12,223	12,503
121,647	138,703	165,376	131,137	132,724	122,795	83,544
1,000,000	1,000,000	1,000,000	-	-	-	-
-	-	-	-	-	-	-
165,192	166,144	204,306	235,584	338,096	492,953	600,411
4,051,148	3,989,329	3,502,710	3,549,607	3,927,498	4,354,943	4,629,949
504,840	387,967	327,058	209,435	252,393	300,443	331,515
117,133	137,870	167,899	220,473	312,801	406,867	497,619
-	1,601,666	2,900,317	3,554,839	3,275,445	2,047,943	2,561,919
1,060,857	1,070,224	1,073,306	1,078,598	-	-	-
1,229,940	1,983,392	2,145,933	2,206,251	2,572,732	2,921,934	2,087,691
1,515,393	-	-	-	-	-	-
609,622	893,647	910,384	954,809	1,026,845	1,015,583	48,358
9,730	-	-	35,997	-	46,061	173,482
118,212	-	-	-	-	-	-
-	-	-	-	-	-	-
252,477	-	-	-	-	-	-
-	(6,975)	(3,765)	-	(31,182)	-	-
10,778,580	11,386,373	12,421,033	12,201,818	11,826,465	11,729,498	11,053,655
13,021,145	13,728,119	15,123,526	15,166,001	15,050,962	15,535,921	15,169,450

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2017 (Unaudited)**

	2008	2009	2010
Revenues			
Taxes	\$ 7,532,320	7,892,002	8,022,147
Charges for Services	8,830,901	9,618,670	9,624,818
Communications and Marketing	-	-	-
Water Maintenance Fees	6,000	11,000	11,000
Intergovernmental	-	-	-
Grants and Donations	124,111	106,416	509,416
Investment Income	244,397	169,159	44,068
Miscellaneous	229,595	283,713	199,018
Total Revenues	16,967,324	18,080,960	18,410,467
Expenditures			
Current			
Recreation	12,458,222	13,678,851	13,369,416
Capital Outlay	836,516	2,080,418	5,972,747
Debt Service			
Principal Retirement	4,260,000	3,880,000	3,465,000
Interest and Fiscal Charges	2,751,936	2,654,415	2,600,841
Other Charges	80,000	55,000	786,201
Total Expenditures	20,386,674	22,348,684	26,194,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,419,350)	(4,267,724)	(7,783,738)
Other Financing Sources (Uses)			
Debt Issuance	6,415,000	4,865,000	11,204,509
Premium on Bonds Issued	-	-	-
Sales of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	6,415,000	4,865,000	11,204,509
Net Change in Fund Balances	2,995,650	597,276	3,420,771
Debt Service as a Percentage of Noncapital Expenditures	16.14%	17.66%	18.75%

* Modified Accrual Basis of Accounting

Note: The percentage of debt service increased in 2013 due to the 2013A current refunding and the call of over \$15,000,000 in bonds. Also, the 2014 percentage remained at similar levels due to the 2014 current refunding and the call of \$14,740,000 in debt certificates.

Data Source: District Records

2011	2012	2013	2014	2015	2016	2017
8,155,580	8,224,819	8,324,557	8,842,419	9,090,914	9,134,735	8,895,648
10,623,145	10,336,271	10,236,604	10,111,848	10,310,353	10,541,994	10,290,410
-	55,853	63,681	50,866	61,158	-	-
11,000	11,000	11,000	11,000	11,000	11,000	-
-	159,318	189,919	271,585	187,183	167,681	235,722
14,469	-	-	-	-	-	-
54,102	48,184	37,799	125,440	105,021	216,037	146,439
149,352	10,944	17,803	31,006	149,657	227,796	227,921
19,007,648	18,846,389	18,881,363	19,444,164	19,915,286	20,299,243	19,796,140
14,244,407	13,355,663	13,550,881	14,017,732	14,694,812	13,750,553	13,792,038
1,539,609	1,362,986	1,415,748	2,725,411	2,006,890	2,629,161	3,404,982
3,120,000	3,148,000	18,310,000	17,475,000	2,840,000	3,085,000	8,010,000
2,798,387	2,905,035	3,686,613	3,859,392	3,305,722	3,301,150	3,345,079
30,057	-	-	-	-	-	-
21,732,460	20,771,684	36,963,242	38,077,535	22,847,424	22,765,864	28,552,099
(2,724,812)	(1,925,295)	(18,081,879)	(18,633,371)	(2,932,138)	(2,466,621)	(8,755,959)
2,393,000	2,500,000	19,105,000	18,490,000	2,790,000	2,910,000	8,273,000
-	82,475	338,429	161,996	-	-	99,769
-	-	33,857	23,850	27,099	41,580	16,719
-	2,323,289	2,335,245	3,221,645	3,745,874	1,465,000	1,585,860
-	(2,323,289)	(2,335,245)	(3,221,645)	(3,745,874)	(1,465,000)	(1,585,860)
2,393,000	2,582,475	19,477,286	18,675,846	2,817,099	2,951,580	8,389,488
(331,812)	657,180	1,395,407	42,475	(115,039)	484,959	(366,471)
29.31%	31.19%	61.88%	60.35%	29.24%	31.30%	45.27%

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years December 31, 2017 (Unaudited)

Tax Levy Year	Total Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value (1)	Total Direct Tax Rate (2)
2007	\$ 1,778,112,879	\$ 5,334,338,637	33.33%	0.4196
2008	1,882,548,874	5,647,646,622	33.33%	0.4131
2009	1,907,073,711	5,721,221,133	33.33%	0.4124
2010	1,726,136,225	5,178,408,675	33.33%	0.4646
2011	1,541,658,746	4,624,976,238	33.33%	0.5203
2012	1,415,413,914	4,246,241,742	33.33%	0.5845
2013	1,250,292,037	3,750,876,111	33.33%	0.6690
2014	1,262,575,231	3,787,725,693	33.33%	0.6727
2015	1,221,136,659	3,663,409,977	33.33%	0.7003
2016	1,408,437,259	4,225,311,777	33.33%	0.6212

(1) Assessed values set by the County Assessor on an annual basis

(2) Direct rates are based on Cook County property tax rates

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

Data Source: Office of the County Clerk

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2017 (Unaudited)

	2007	2008	2009
Direct Rates			
Corporate	0.0928	0.1173	0.1166
Recreation	0.0696	0.0652	0.0633
Illinois Municipal Retirement	0.0190	0.0170	0.0186
Social Security	0.0204	0.0227	0.0234
Special Recreation	0.0349	0.0383	0.0397
Audit	0.0007	-	-
Liability Insurance	0.0204	-	-
Debt Service	0.1618	0.1526	0.1508
Total Direct Rates	0.4196	0.4131	0.4124
Overlapping Rates			
Village of Hoffman Estates	0.8200	0.8200	0.8880
School Districts			
School District #54	2.5820	2.5590	2.5920
High School District #211	1.9720	1.9270	1.9160
Community College #512	0.2600	0.2560	0.2580
Metropolitan Water Reclamation District	0.2630	0.2520	0.2610
Cook County	0.4460	0.4150	0.3940
Cook County Forest Preserve District	0.0530	0.0510	0.0490
Poplar Creek Library District	0.3670	0.3570	0.3500
All Others	-	-	-
Total Overlapping Rates	6.7630	6.6370	6.7080

Data Source: Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value

2010	2011	2012	2013	2014	2015	2016
0.1327	0.1539	0.1842	0.2121	0.2180	0.2267	0.2049
0.0699	0.0738	0.0702	0.0801	0.0793	0.0809	0.0719
0.0233	0.0289	0.0351	0.0428	0.0397	0.0449	0.0360
0.0276	0.0321	0.0368	0.0428	0.0436	0.0449	0.0432
0.0400	0.0400	0.0400	0.0400	0.0397	0.0400	0.0356
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0.1711	0.1916	0.2182	0.2512	0.2524	0.2629	0.2296
0.4646	0.5203	0.5845	0.6690	0.6727	0.7003	0.6212
0.9860	1.1160	1.2240	0.7060	1.4430	1.5630	1.4170
2.9950	3.1950	3.5780	4.1480	4.1680	4.3320	3.7900
2.2040	2.4820	2.7720	3.1970	3.2130	3.3090	2.8710
0.2950	0.3340	0.3730	0.4440	0.4510	0.4660	0.4160
0.2740	0.3200	0.3700	0.4700	0.4300	0.4260	0.4060
0.4230	0.4620	0.5360	0.6600	0.5680	0.5520	0.5960
0.0510	0.0580	0.0580	-	-	0.0690	-
0.3940	0.4490	0.5150	-	0.6320	0.0663	-
-	-	-	1.2550	-	-	0.5400
7.6220	8.4160	9.4260	10.8800	10.9050	10.7833	10.0360

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago December 31, 2017 (Unaudited)

Taxpayer	2016 Tax Levy			2007 Tax Levy		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Sears Holding Corporation	\$ 106,414,097	1	7.56%	\$ 272,061,625	1	15.30%
MB Hoffman Estates LLC	52,030,918	2	3.69%			
Poplar Creek Crossing	19,470,503	3	1.38%			
Cabelas	15,561,847	4	1.10%			
Wells Fargo Bank	13,438,844	5	0.95%			
Lincoln Properties	12,974,998	6	0.92%			
Paul Hasting LLP	12,290,059	7	0.87%			
Anerican Heritage	12,208,264	7	0.87%	21,561,506	7	1.21%
Stonegate Properties	10,900,069	9	0.77%	23,910,129	6	1.34%
Siemens	10,738,709	10	0.76%			0.00%
AT & T /SBC Ameritech				174,727,922	2	9.83%
Property Tax Advisors				52,168,274	3	2.93%
Akexian Brothers				39,454,457	4	2.22%
Lisa Philips				33,091,905	5	1.86%
Madkatstep Entertainment				21,290,081	8	1.20%
GE Commerical Finance				18,257,983	9	1.03%
Thompson Property Tax				17,813,490	10	1.00%
	<u>266,028,308</u>		<u>18.87%</u>	<u>674,337,372</u>		<u>37.92%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source: Office of the County Clerk and the Village of Hoffman Estates

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$	7,449,600	\$ 7,258,619	97.44%	\$ -	\$ 7,258,619	97.44%
2008		7,776,272	7,559,051	97.21%	-	7,559,051	97.21%
2009		7,864,340	7,679,038	97.64%	-	7,679,038	97.64%
2010		8,019,750	7,919,226	98.75%	-	7,919,226	98.75%
2011		8,020,212	7,952,752	99.16%	-	7,952,752	99.16%
2012		8,273,599	8,173,120	98.79%	-	8,173,120	98.79%
2013		8,364,464	8,267,244	98.84%	-	8,267,244	98.84%
2014		8,492,924	8,444,915	99.43%	-	8,444,915	99.43%
2015		8,552,045	8,444,121	98.74%	-	8,444,121	98.74%
2016		8,749,212	8,334,018	95.25%	-	8,334,018	95.25%

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

Data Source: Office of the County Clerk

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds ARS	Unamortized Premium	Debt Certificates	General Obligation Limited Bonds			
2008	\$ 31,555,000	\$ 882,354	\$ 16,550,000	\$ 10,800,000	\$ 59,787,354	3.47%	\$ 1,182.20
2009	33,510,000	871,321	16,215,000	10,165,000	60,761,321	3.53%	1,201.46
2010	61,360,000	859,768	15,865,000	10,295,000	88,379,768	5.23%	1,703.05
2011	41,400,000	847,878	15,505,000	10,293,000	68,045,878	4.11%	1,311.22
2012	41,020,000	864,911	15,130,000	10,400,000	67,414,911	3.86%	1,299.06
2013	45,070,000	1,055,423	14,740,000	7,535,000	68,400,423	3.94%	1,318.05
2014	60,820,000	1,124,285	-	7,540,000	69,484,285	3.88%	1,338.94
2015	60,720,000	1,001,419	-	7,590,000	69,311,419	3.71%	1,335.61
2016	60,425,000	922,256	-	7,710,000	69,057,256	3.64%	1,330.71
2017	60,125,000	387,867	-	8,273,000	68,785,867	3.56%	1,325.48

Data Source: District Records

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Fiscal Year	Governmental Activities General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2008	\$ 59,787,354	\$ -	\$ 59,787,354	1.12%	\$ 1,182.20
2009	60,761,321	-	60,761,321	1.08%	1,201.46
2010	88,379,768	-	88,379,768	1.54%	1,703.05
2011	68,045,878	-	68,045,878	1.31%	1,311.22
2012	67,414,911	-	67,414,911	1.46%	1,299.06
2013	68,400,423	-	68,400,423	1.61%	1,318.05
2014	69,484,285	-	69,484,285	1.85%	1,338.94
2015	69,311,419	-	69,311,419	1.83%	1,335.61
2016	69,057,256	4,354,943	64,702,313	1.77%	1,246.79
2017	68,785,867	4,629,949	64,155,918	1.52%	1,236.26

Data Source: District Records

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2017 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (1)	District's Share of Debt
District	\$ 68,785,867	100.000%	\$ 68,785,867
Overlapping Debt			
Village of Hoffman Estates	106,940,000	83.880%	89,701,272
Village of Schaumburg	306,365,000	1.800%	5,514,570
Schools			
District No. 211	3,020,000	12.760%	385,352
District No. 15	38,343,560	8.680%	3,328,221
District No. 220	39,240,000	8.880%	3,484,512
District No. 300	409,627,392	1.370%	5,611,895
District No. 46	281,093,329	2.900%	8,151,707
Junior College District No. 512	153,255,000	6.260%	9,593,763
Junior College District No. 509	177,182,264	1.900%	3,366,463
Metropolitan Water Reclamation District	2,484,843,000	0.940%	23,357,524
Cook County including Forest Preserve District	3,372,642,750	0.920%	31,028,313
Total Overlapping Debt	7,372,552,295		183,523,592
Total Direct and Overlapping Debt	7,441,338,162		252,309,459

Data Source: Cook County Tax Extension Department

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Legal Debt Margin - Last Ten Tax Levy Years
December 31, 2017 (Unaudited)

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Legal Debt Margin - Last Ten Tax Levy Years December 31, 2017 (Unaudited)

	2007	2008	2009	2010
Equalized Assessed Valuation	\$ 1,778,112,879	1,882,548,874	1,907,073,711	1,726,136,225
Bonded Debt Limit - 2.875% of Assessed Value	51,120,745	54,123,280	54,828,369	49,626,416
Bonded Debt Limit - 0.575% of Assessed Value	10,224,149	10,824,656	10,965,674	9,925,283
General Obligation Limited Debt				
General Obligation (Limited) Dated				
December 1, 2002	3,100,000	3,100,000	3,100,000	3,100,000
December 1, 2005	1,830,000	-	-	-
December 1, 2006	6,300,000	5,900,000	5,550,000	4,800,000
December 1, 2008	-	1,800,000	-	-
December 1, 2009	-	-	1,515,000	-
December 1, 2010	-	-	-	2,395,000
December 1, 2011	-	-	-	-
December 1, 2012	-	-	-	-
December 2, 2013	-	-	-	-
December 18, 2014	-	-	-	-
December 1, 2015	-	-	-	-
November 1, 2017	-	-	-	-
December 1, 2017	-	-	-	-
Total General Limited Debt	11,230,000	10,800,000	10,165,000	10,295,000
Debt Certificates:				
Certificates Dated				
March 4, 2004	16,875,000	16,550,000	16,215,000	15,865,000
General Bonded Debt				
(Alternate Revenue Source)				
May 1, 1997	645,000	-	-	-
May 15, 1998	1,580,000	950,000	-	-
May 1, 1999	16,520,000	16,090,000	15,645,000	15,175,000
December 1, 2000	4,800,000	4,800,000	4,800,000	4,420,000
December 1, 2001	5,100,000	5,100,000	5,100,000	5,100,000
December 1, 2008	-	4,615,000	4,615,000	4,615,000
December 1, 2009	-	-	3,350,000	3,350,000
December 1, 2010	-	-	-	6,680,000
December 1, 2010	-	-	-	1,520,000
December 1, 2010	-	-	-	20,500,000
December 2, 2013	-	-	-	-
December 18, 2014	-	-	-	-
Total General Obligation Bonds				
(Alternate Revenue Source)	28,645,000	31,555,000	33,510,000	61,360,000
Total Bonded Debt	56,750,000	58,905,000	59,890,000	87,520,000
Legal Debt Margin	23,015,745	26,773,280	28,448,369	23,466,416
Nonreferendum Debt Margin	3,924,149	9,024,656	9,450,674	7,530,283

Note: Under Illinois State Statutes general obligation "alternate revenue source" bonds are not regarded or included in any computation of indebtedness for the purposes of the overall 2.875% of EAV debt limit or the nonreferendum 0.575% of EAV limit so long as the debt service levy for the bonds is abated annually and not extended.

Data Source: District Records

2011	2012	2013	2014	2015	2016
1,541,658,746	1,415,413,914	1,250,292,037	1,262,575,231	1,221,136,659	1,408,437,259
44,322,689	40,693,150	35,945,896	36,299,038	35,107,679	40,492,571
8,864,538	8,138,630	7,189,179	7,259,808	7,021,536	8,098,514
3,100,000	3,100,000	-	-	-	-
-	-	-	-	-	-
4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,393,000	-	-	-	-	-
-	2,500,000	-	-	-	-
-	-	2,735,000	-	-	-
-	-	-	2,740,000	-	-
-	-	-	-	2,790,000	-
-	-	-	-	-	5,590,000
-	-	-	-	-	2,683,000
10,293,000	10,400,000	7,535,000	7,540,000	7,590,000	8,273,000
15,505,000	15,130,000	14,740,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,735,000	4,355,000	-	-	-	-
4,615,000	4,615,000	-	-	-	-
3,350,000	3,350,000	-	-	-	-
6,680,000	6,680,000	6,680,000	6,680,000	6,680,000	6,680,000
1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,325,000
20,500,000	20,500,000	20,500,000	20,500,000	20,500,000	20,500,000
-	-	16,370,000	16,370,000	16,370,000	16,370,000
-	-	-	15,750,000	15,650,000	15,550,000
41,400,000	41,020,000	45,070,000	60,820,000	60,720,000	60,425,000
67,198,000	66,550,000	67,345,000	68,360,000	68,310,000	68,698,000
18,524,689	15,163,150	13,670,896	28,759,038	27,517,679	32,219,571
6,471,538	5,638,630	4,454,179	4,519,808	4,231,536	2,508,514

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Fiscal Year	Net REC Operations	Net PSSWC Operations	Net Ice Operations	Annual Rollover Bond (Non Ref)
2008	\$ 441,059	\$ 591,079	\$ 69,170	\$ 1,800,000
2009	405,223	375,718	(214,988)	1,515,000
2010	869,151	528,214	(383,770)	2,395,000
2011	1,017,191	555,499	(212,280)	2,393,000
2012	1,278,940	613,637	163,269	2,500,000
2013	833,369	633,987	129,883	2,735,000
2014	770,324	588,148	5,523	2,740,000
2015	1,110,065	622,476	(65,592)	2,790,000
2016	1,138,463	565,340	67,314	2,910,000
2017	(61,232)	(418,945)	203,990	2,683,000

Note: Details of the District's outstanding debt can be found in the notes to financial statements. Net operations equals excess of revenues over expenditures net of any bond payments.

Data Source: District Records

BAB Rebate	Net Available Revenue	Debt Service		Coverage
		Principal	Interest	
\$ -	\$ 2,901,308	\$ 2,030,000	\$ 2,244,733	\$ 0.68
-	2,080,953	1,730,000	2,429,346	0.50
-	3,408,595	1,200,000	2,505,988	0.92
163,194	3,916,604	725,000	2,870,116	1.09
163,194	4,719,040	755,000	2,968,690	1.27
150,220	4,482,459	790,000	2,936,590	1.20
151,362	4,255,357	1,110,000	3,089,200	1.01
151,963	4,608,912	100,000	2,980,622	1.50
152,015	4,833,132	295,000	3,008,250	1.46
152,073	2,558,886	300,000	3,238,841	0.72

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2017 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	50,573	\$ 1,722,719	\$ 34,064	5.50%
2009	50,573	1,722,719	34,064	8.80%
2010	51,895	1,690,895	32,583	8.20%
2011	51,895	1,655,762	31,906	7.90%
2012	51,895	1,746,941	33,663	6.80%
2013	51,895	1,736,199	33,456	7.10%
2014	51,895	1,792,349	34,538	5.20%
2015	51,895	1,868,998	36,015	4.40%
2016	51,895	1,898,371	36,581	7.40%
2017	51,895	1,934,386	37,275	6.60%

Data Source: U.S. Department of Commerce, Bureau of Census, Illinois Bureau of Employment Security
Village of Hoffman Estates

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Sears Holdings	N/A	1	8.30%	N/A	1	11.90%
St. Alexius Medical Center	N/A	2	4.00%	N/A	3	4.00%
CDK Global	N/A	3	1.20%			
Siemens Medical Systems	N/A	4	1.10%	N/A	7	1.20%
Plote Construction	N/A	5	1.00%			
Claire's	N/A	6	0.80%	N/A	9	0.80%
Leopardo Companies, Inc.	N/A	6	0.80%	N/A	9	0.80%
Liberty Mutual	N/A	8	0.70%	N/A	9	0.80%
Omeron Automation & Safety	N/A	9	0.50%			
Salvation Army	N/A	9	0.50%			
AT&T				N/A	2	5.30%
GE Commercial Finances				N/A	4	1.60%
Automated Data Processing				N/A	5	1.40%
Careeer Education Corporation				N/A	6	1.30%
Village of Hoffman Estates				N/A	9	0.80%
Township Community School Dist. 211				N/A	10	0.60%
	<u>N/A</u>		<u>18.90%</u>	<u>N/A</u>		<u>30.50%</u>

Data Source: Village of Hoffman Estates

N/A - not available

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Full-Time Equivalent Government Employees by Function - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Full-Time Employees	26	28	28	27	26	28	36	36	43	39
Part-Time Employees	6	6	6	7	7	7	4	3	2	4
	32	34	34	34	33	35	40	39	45	43
Culture and Recreation										
Full-Time Employees	28	31	31	33	39	34	35	35	38	38
Part-Time Employees	365	359	354	392	416	496	481	484	424	445
Seasonal Employees	246	263	258	301	289	220	231	242	285	240
	639	653	643	726	744	750	747	761	747	723
Total Full-Time Employees	54	59	59	60	65	62	71	71	81	77
Total Part-Time/Seasonal Employees	617	628	618	700	712	723	716	729	711	689
Total Employees	671	687	677	760	777	785	787	800	792	766

Data Source: District Records

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2017 (Unaudited)**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2017 (Unaudited)

	2008	2009	2010
Recreation			
Number of Participants	14,739	17,189	23,653
Annual Attendance			
Prairie Stone Sports and Wellness Center	199,817	177,760	182,535
Seascape Family Aquatic Center	20,427	23,732	31,650
Triphahn Center and Ice Arena	44,009	50,729	44,039
Willow Recreation Center	9,892	12,136	12,033
Memberships			
50+ Active Adults	-	-	-
Bo's Run Dog Park	258	264	442
Dog Park Combo (Admit to Both Sites)	-	-	-
Freedom Run Dog Park	-	-	-
Prairie Stone Sports and Wellness Center	3,097	3,030	3,142
Seascape Family Aquatic Center	1,242	1,411	1,557
Triphahn Center and Ice Arena	853	951	976
Willow Recreation Center	338	382	380
Bridges Poplar Creek Country Club			
Rounds	36,243	36,402	27,364

Notes:

Renovation took place at Bridges of Poplar Creek Country Club between August 19, 2010 and June 9, 2011, causing shortened seasons for those two years.

Door counters were installed between 2011 and 2012 at facilities to better track patrons visiting each site.

Reporting resources were increased between 2008 and 2010, enabling more accurate tracking of recreation participants.

Data Source: District Departments

2011	2012	2013	2014	2015	2016	2017
24,277	24,853	25,479	24,397	23,540	23,311	22,544
232,077	395,763	716,635	696,067	897,021	757,983	773,143
33,718	32,150	28,935	26,202	27,901	33,601	27,740
48,947	681,264	707,044	701,670	948,002	916,718	907,551
103,430	106,324	109,541	107,514	203,544	191,942	184,264
-	380	1,097	618	586	673	296
533	443	371	329	249	297	318
-	62	83	80	72	76	85
-	213	338	351	281	321	321
3,409	3,433	3,489	3,389	3,481	2,940	3,000
1,831	1,857	1,827	1,415	1,337	1,459	1,437
980	947	924	917	892	863	854
372	373	378	371	370	349	335
27,660	34,627	31,147	28,525	29,393	31,279	31,323

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2017 (Unaudited)

	2008	2009	2010
Recreation			
Acreage - Owned	753	795	807
Facilities	7	7	7
Number of Parks - Owned	59	64	65
Natural Areas	5	8	11
Pathway Distance	54,061	58,988	58,988
Retention Ponds/Lakes	22	24	24
Amenities			
Ball Diamonds	27	27	27
Basketball Courts	13	12	12
Cricket Fields	-	-	-
Disc Golf Courses	-	1	1
Dog Parks	1	1	1
Fishing Areas	3	3	3
Football Fields	1	1	1
Indoor Ice Arenas	2	2	2
Playgrounds	41	44	44
Shelter Areas	20	25	25
Skate Parks	1	1	1
Sled Hills	3	2	2
Soccer Fields	12	12	12
Splash Pads	-	-	-
Tennis Courts	17	17	17
Volleyball Courts	4	4	4

Data Source: District Departments

2011	2012	2013	2014	2015	2016	2017
815	829	829	828	884	924	924
7	7	7	7	7	7	7
69	70	70	71	73	80	80
13	13	13	13	13	23	23
64,187	64,187	64,187	64,187	64,187	72,388	72,388
25	25	25	25	25	28	28
29	29	29	28	29	29	29
13	13	13	13	13	15	15
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	2	2	2	2	2	2
15	15	15	15	15	16	16
1	1	1	1	1	2	2
2	2	2	2	2	2	2
44	44	44	45	45	46	46
25	25	25	19	22	24	24
1	3	3	3	3	2	2
1	1	1	2	2	2	2
14	14	14	18	18	16	16
3	4	4	4	4	4	4
17	17	17	17	17	17	17
4	5	5	5	5	5	5