AGENDA BARRINGTON-HIGGINS TIF ANNUAL MEETING JOINT REVIEW BOARD JULY 6, 2017 1900 HASSELL ROAD Hoffman Estates, IL

1:30 p.m. - Frank Alexa Room

- I. Call to Order
- II. Approval of Minutes July 7, 2016 (no quorum present)
- III. Review of Year 2016 Audit & Compliance Report
- IV. Question and Answers
- V. Adjournment

Minutes
Barrington-Higgins TIF
Annual Meeting
Joint Review Board
July 7, 2016

Board Members Present:

James Norris, Village of Hoffman Estates, Chairman

Bev Romanoff, Resident Member Bret Bonnstetter, Harper College

Eric Leninger, Hoffman Estates Park District

Lauren Hummel, Palatine-Schaumburg HS Dist. #211

Guests Present:

Mayor William McLeod

Mark Koplin, Asst. Village Mgr. - Development Serv.

Rachel Musiala, Director of Finance Art Janura, Corporation Counsel Patti Cross, Asst. Corporation Counsel

Kevin Kramer, Economic Development Director

I. Call to Order

Chairman Norris called the meeting to order at 1:00 p.m. noting that a quorum was not present. Notices were sent via email to all members of the Joint Review Board in which they also received a copy of the Annual Report. No questions were received from the members. A distribution list and annual report will be attached to the minutes. No questions were asked.

II. Approval of Minutes – July 8, 2015 (no quorum present – no action taken)

III. Review of Year 2015 Audit & Compliance Report

Rachel Musiala Director of Finance gave a brief overview of the Annual Financial Report. No action can be taken. No quorum present.

IV. Question and Answers

No questions were asked.

V. Adjournment

Chairman Norris adjourned the meeting at 1:04 p.m.

June 28, 2017

TO:

ALL TAXING DISTRICTS ON ATTACHED LIST

FROM:

RACHEL MUSIALA, DIRECTOR OF FINANCE

SUBJECT:

BARRINGTON-HIGGINS TIF DISTRICT ANNUAL REPORT

In accordance with 65 ILCS 5/11-74.4-5-(d), the Village of Hoffman Estates is transmitting to all affected taxing districts the 2016 Annual Report of the Barrington-Higgins Tax Increment Financing District. This TIF was created in November, 1986 and will expire on December 1, 2021.

Please be advised the Village will soon be declaring as surplus funds the \$281,861.31 received thus far. This sum will be returned to the Cook County Treasurer for distribution to all affected taxing districts.

Any questions regarding this report can be directed to my attention.

Rachel Musiala Director of Finance

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

DISTRIBUTION LIST

COOK COUNTY CLERK'S OFFICE

118 North Clark Street Chicago, IL 60602 d.orr@cookcountyil.gov

SCHAUMBURG TOWNSHIP

One Illinois Blvd Hoffman Estates, IL 60169 Rich Osten, Director of Finance rosten@schaumburgtownship.org Mary Wroblewski, Supervisor mwroblewski@schaumburgtownship.org

NORTHWEST MOSQUITO ABATEMENT DISTRICT

147 West Hintz Road Wheeling, IL 60090 Mike Szyska, Director & CFO mszyska@nwmadil.com

FOREST PRESERVE DISTRICT OF COOK COUNTY

536 N. Harlem Avenue River Forest, IL 60305 Arnold Randall, General Superintendent arnold.randall@cookcountyil.gov

METROPOLITAN WATER RECLAMATION DISTRICT

111 East Erie Street
Chicago, IL 60611
Eileen McElligott, Administrative Services Manager
Eileen.mcelligott@mwrd.org

Hoffman Estates, IL 60
Dean Bostrom, Executive destrom@heparks.org
Craig Talsma, Deputy Dean Bostrom.

Shellie Riedle, Budget Officer

riedles@mwrd.org

HOFFMAN ESTATES PARK DISTRICT

1685 West Higgins Road Hoffman Estates, IL 60169 Dean Bostrom, Executive Director

Craig Talsma, Deputy Director/Admin & Finance

ctalsma@heparks.org

PALATINE-SCHAUMBURG HIGH SCHOOL DISTRICT #211

1750 S. Roselle Road
Palatine, IL 60067
Daniel Cates, Superintendent
dcates@d211.org
Lauren Hummel, Chief Operating Officer
lhummel@d211.org

HARPER COLLEGE DISTRICT #512

1200 W. Algonquin Road
Palatine, IL 60067
Ron Ally, Exec. V.P. of Finance/Adm Svcs.
rally@harpercollege.edu
Julie Riley, Exec. Asst. Finance & Admin Svcs.
jriley@harpercollege.edu

SCHAUMBURG TOWNSHIP DISTRICT LIBRARY

130 South Roselle Road Schaumburg, IL 60193 Monica Harris, Executive Director mharris@stdl.org Elizabeth Valenziano evalenziano@stdl.org

COMMUNITY SCHOOL DISTRICT #54

524 E. Schaumburg Rd
Schaumburg, IL 60194
Ric King, Asst. Superintendent of Business Services
RicKing@sd54.org
Andrew DuRoss, Superintendent
andyduross@sd54.org

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

								PAGE
Redevelopment Plan Amenda	ments .	*				٠		1
Certificate of Compliance - V	illage Pres	ident		*				2
Certificate of Compliance - C	Corporation	Counsel		٠			٠	3
Statement of Receipts, Disbu	rsements, a	nd Chang	ges in Fu	and Bal	ance			4
Statement of Fund Balance B	y Source ar	nd Year					•	5
Statement of Equalized Asses	ssed Value	and Incre	mental '	Tax Re	venues		es.	6
Statement of Property Purcha	sed .	•	***		•		٠	7
Redevelopment Activities		÷	٠	ž				8
Statement of Indebtedness				•	3•1			9

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

REDEVELOPMENT PLAN AMENDMENTS

During the year ending December 31, 2016, there were no amendments made to the Redevelopment Plan and Project.

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

CERTIFICATE OF COMPLIANCE

I, William D. McLeod, duly elected Village President of the Village of Hoffman Estates, State of Illinois, do hereby certify that the Village of Hoffman Estates has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year January 1, 2016 through December 31, 2016, except that no quorum was present for the annual Joint Review Board meeting in 2016.

6-15-2017 Date

William D. McLeod Village President

N When D. me Lead

VILLAGE OF HOFFMAN ESTATES, ILLINOIS BARRINGTON-HIGGINS TIF DISTRICT ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016 CERTIFICATE OF COMPLIANCE

[See Attachment]

LAW OFFICE OF

ARTHUR JANURA, P.C.

2123 MULGUY COURT, INVERNESS, IL 60010 O: 224.655.7615 | C: 224.210.4593 januralaw@gmail.com

April 4, 2017

The Honorable Susana A. Mendoza Illinois Comptroller James R. Thompson Center 100 West Randolph Street, Suite 15-1500 Chicago, IL 60601-3252

Re: Village of Hoffman Estates
Barrington and Higgins Road TIF District
2016 Compliance

Dear Comptroller Mendoza:

Subject to the qualifications and limitation herein, we are of the opinion that, for the period of January 1, 2016 to December 31, 2016, we are not aware of any material violation by the Village of any of the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act (the "Act") except for the annual meeting of the Joint Review Board.

Whenever we indicate that our opinion with respect to the existence is based on our knowledge, our opinion is based solely on the current actual knowledge of Arthur L. Janura. We have made no independent investigation as to such factual matters. We have not undertaken to identify or review any facts which could constitute any potential non-compliance by the Village under the Act.

This opinion is given as of the date hereof and we undertake no obligation to advise you or anyone else of any subsequent changes in any matter stated herein, changes in any law related thereto or changes in facts or any other matters that hereafter may occur or be brought to our attention. The opinion expressed herein is specifically limited to the laws of the State of Illinois and the Federal laws of the United States and no opinion express or implied, is rendered as to the effect that the law of any other jurisdiction might have upon the subject matter of the opinion expressed herein.

This opinion is rendered solely to the addressee hereof and is not to be quoted in whole or in part or otherwise referred to nor is it to be filed with any governmental agency or any other person nor is it intended to be relied upon, nor may it be relied upon, by any entity or individual other than such addressee without the prior written consent of a partner of this firm. No opinion may be inferred or implied beyond the matters expressly contained herein.

Very truly yours,

Arthur Janura, P.C.

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2016

Receipts	
Property Taxes	\$ 691,033
Interest Earnings	1,476
Notes Issued, at Par	541,447
Sub-total	\$ 1,233,956
Disbursements	
Interest - Development Note	242,215
Surplus Distribution	450,136
Professional Services	709,629
Miscellaneous	400
Sub-total	\$ 1,402,380
Excess (Deficit) of Receipts over Disbursements	\$ (168,424)
Balance, January 1, 2016	\$ 450,285
Balance, December 31, 2016	\$ 281,861
Ending Balance By Source:	
Property Taxes	\$ 281,861
Interest	
Total	\$ 281,861

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF FUND BALANCE BY SOURCE AND YEAR

SOURCE YEAR

2016

Property Taxes (2015 Levy) \$ 281,861
Interest Total Fund Balance, December 31, 2016 \$ 281,861

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF EQUALIZED ASSESSED VALUE (EAV) AND INCREMENTAL TAX REVENUES

Initial EAV of the Redevelopment Project Area		
2015 EAV of the Redevelopment Project Area		
Incremental Revenues Received During 2016		
Incremental Revenues Received in Previous Year		
Increase (Decrease) in Incremental Revenues	\$	896
Breakdown of Change By Taxing District: Cook County Consolidated Elections Cook County Forest Preserve Schaumburg Township Road & Bridge – Schaumburg General Assistance – Schaumburg Metropolitan Water Reclamation District Northwest Mosquito Abatement District Palatine Township High School District 211 Harper College District 512 Hoffman Estates Park District Village of Hoffman Estates Schaumburg Township Library District School District 54		\$ 41.09 2.53 5.14 8.93 2.53 1.27 31.71 .82 246.33 34.69 52.18 116.44 29.93 322.41
TOTAL		\$ 896.00

VILLAGE OF HOFFMAN ESTATES, ILLINOIS BARRINGTON-HIGGINS TIF DISTRICT ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF PROPERTY PURCHASED

During the year ended December 31, 2016, the Village of Hoffman Estates did not purchase any property within the redevelopment project area.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS BARRINGTON-HIGGINS TIF DISTRICT ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

REDEVELOPMENT ACTIVITIES

During the year ended December 31, 2016, no new redevelopment activity occurred.

BARRINGTON-HIGGINS TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

STATEMENT OF INDEBTEDNESS

As of December 31, 2016, the balance of TIF Notes due is \$3,584,840. Payment is due and payable from the Barrington-Higgins TIF District only if tax increment revenues are available for the payment of the debt service. An additional non-interest bearing TIF Note was issued to Ala Carte Entertainment Limited Partnership in the amount of \$541,447 during the year ended December 31, 2016.

612212017

Bev Romanoff Village Clerk

EXHIBIT B FORM OF TIF NOTE

REGISTERED No. R-1

\$ 541,447.28

United States of America
State of Illinois
Counties of Cook and Kane
Village of Hoffman Estates
Restricted Tax Increment Allocation revenue note
(Barrington Higgins Project), Series 2014

REGISTERED OWNER:

ALA CARTE ENTERTAINMENT LIMITED PARTNERSHIP

PRINCIPAL AMOUNT:

\$541,447.28 Non-Interest Bearing

ISSUANCE DATE:

JANUARY 20, 2016

MATURITY DATE:

DECEMBER 1, 2021

KNOW ALL PERSONS BY THESE PRESENTS, that the VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS (the "Village"), a municipality, home rule unit and municipal corporation under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner shown above, or registered assigns as hereinafter provided as the absolute owner thereof, the Principal Amount on the Maturity Date shown above, unless optionally prepaid by the Village prior to the Maturity Date.

This Note is issued by the Village as a non-interest bearing obligation, in fully registered form, in consideration for the payment by the Developer of certain "redevelopment project costs" as that term is defined in Section 11-74.4-3(q) of the Act in connection with the Project for the Barrington Higgins Redevelopment Project Area, as such Project is described in that certain Redevelopment Agreement by and between the Village and Ala Carte Entertainment Limited Partnership, a Delaware limited partnership, dated as of November 3, 2014 (the "Redevelopment Agreement").

This Note is issued pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as supplemented and amended, and the Omnibus Bond Acts, as amended. This Note has been authorized by Ordinance No. 4456-2014, entitled "An Ordinance Authorizing the Execution of a Redevelopment Agreement and the issuance of a TIF Note" by the Corporate Authorities (the "Note Ordinance"), to all of the provisions of which the Registered Owner, by acceptance of this Note, assents.

Except as otherwise provided, the capitalized terms herein shall have the meanings as provided in the Note Ordinance or the Redevelopment Agreement.

Payment of the principal of this Note shall be made solely as provided in the Note Ordinance, to the Registered Owner hereof as shown on the registration books of the Village maintained by the Finance Director, as note registrar and paying agent (the "Note Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or prepayment date ("Record Date") and shall be paid by electronic transfer to the Registered Owner, provided such Registered Owner has given prior written notice to the Note Registrar, containing the electronic transfer instructions, including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such Registered Owner wishes to have such transfer directed.

The Village has assigned and pledged certain rights, and interest of the Village in and to certain Restricted Incremental Taxes which the Village is entitled to receive pursuant to the Act, in order to pay the principal of the Note. Reference is hereby made to the aforesaid Note Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note, and the terms and conditions under which the Note is issued and secured.

THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. IF THE PLEDGED AMOUNT IS INSUFFICIENT TO PAY ALL THE PRINCIPAL DUE UNDER THE NOTE, THE REGISTERED OWNER SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, PROVIDED THAT ALL PLEDGED AMOUNTS REQUIRED TO BE DEPOSITED IN THE ACCOUNT FROM TIME TO TIME PURSUANT TO THE TIF ACT AND THE NOTE ORDINANCE HAVE BEEN DEPOSITED INTO THE DEVELOPER ACCOUNT AND THE AMOUNT EQUAL TO THE PLEDGED AMOUNT IN EACH YEAR HAS BEEN USED SOLELY TO PAY AMOUNTS DUE UNDER THE NOTE. THE REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING AUTHORITY OF THE VILLAGE OR TO USE ANY FUNDS OF THE VILLAGE (OTHER THAN THE PLEDGED AMOUNT) FOR PAYMENT OF THE PRINCIPAL OF THE NOTE. ALL AMOUNTS DUE PURSUANT TO THIS NOTE SHALL BE LIMITED TO THE RESTRICTED INCREMENTAL TAXES.

The Village shall have the right to prepay this Note in whole or in part, at any time, without payment of any penalty or premium.

This Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Note Registrar in Hoffman Estates, Illinois, but only in the manner, subject to the limitations provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note or authorized denomination and for the same aggregate Principal Amount will be delivered to the transferee in exchange therefor.

The Village and the Note Registrar may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes, and neither the Village nor the Note Registrar shall be affected by any notice to the contrary. This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Note Registrar. The Note shall not be a collaterally assignable.

The Village hereby expressly finds and determines that the Maturity Date of this Note does not exceed December 1, 2021.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the Incremental Taxes and the Pledged Amount, and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

Whenever, under the terms hereof, principal hereof shall become due and payable, the holder of this Note may pursue any remedies, legal or equitable, that are available to collect such unpaid principal.

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as of the date of delivery hereof, to wit, the 20 day of January, 2016.

[SEAL]

VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS.

President

Village Clerk

Date of Authentication: January 25, 2016

CERTIFICATE OF AUTHENTICATION

This Note is the Tax Increment Allocation Revenue Note (Barrington Higgins Project), Series 2016, of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, described in the within-mentioned Note Ordinance.

Village Treasurer (Assistant)

By Rachel Sunala

Village of Hoffman Estates, Cook and Kane Counties, Illinois, as Note Registrar

NOTE REGISTRAR AND PAYING AGENT: Village Treasurer Village of Hoffman Estates, Cook and Kane Counties, Illinois

BARRINGTON/HIGGINS TIF DISTRICT FUND

REPORT ON COMPLIANCE WITH PUBLIC ACT 85-1142

For the Year Ended December 31, 2016



VILLAGE OF HOFFMAN ESTATES, ILLINOIS BARRINGTON/HIGGINS TIF DISTRICT FUND TABLE OF CONTENTS

	Page(s)
INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE	1
INDEPENDENT AUDITOR'S REPORT	2-3
FINANCIAL STATEMENTS	
Balance Sheet	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Notes to Financial Statements	6-10
SUPPLEMENTARY DATA	
Schedule of Fund Balance by Source	11

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

630.566.8400 // www.sikich.com



1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined management's assertion, included in its representation letter dated June 12, 2017 that the Village of Hoffman Estates, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2016. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Hoffman Estates, Illinois complied with the aforementioned requirements for the year ended December 31, 2016 is fairly stated, in all material respects.

This report is intended solely for the information and use of the President, the Board of Trustees, management of the Village, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Naperville, Illinois June 12, 2017

Sikich IID







1415 W. Diehl Road, Suite 400 Naperville, Illinois 60563 Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the Barrington/Higgins TIF District Fund (the Fund), a special revenue fund of the Village of Hoffman Estates, Illinois, as of and for the year ended December 31, 2016, and the related notes to the 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 an opinion 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 from 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund'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 Fund'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 opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Barrington/Higgins TIF District Fund, a special revenue fund of the Village of Hoffman Estates, Illinois, as of December 31, 2016 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Barrington/Higgins TIF District Fund and do not purport to, and do not, present fairly the financial position of the Village of Hoffman Estates, Illinois, as of December 31, 2016, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

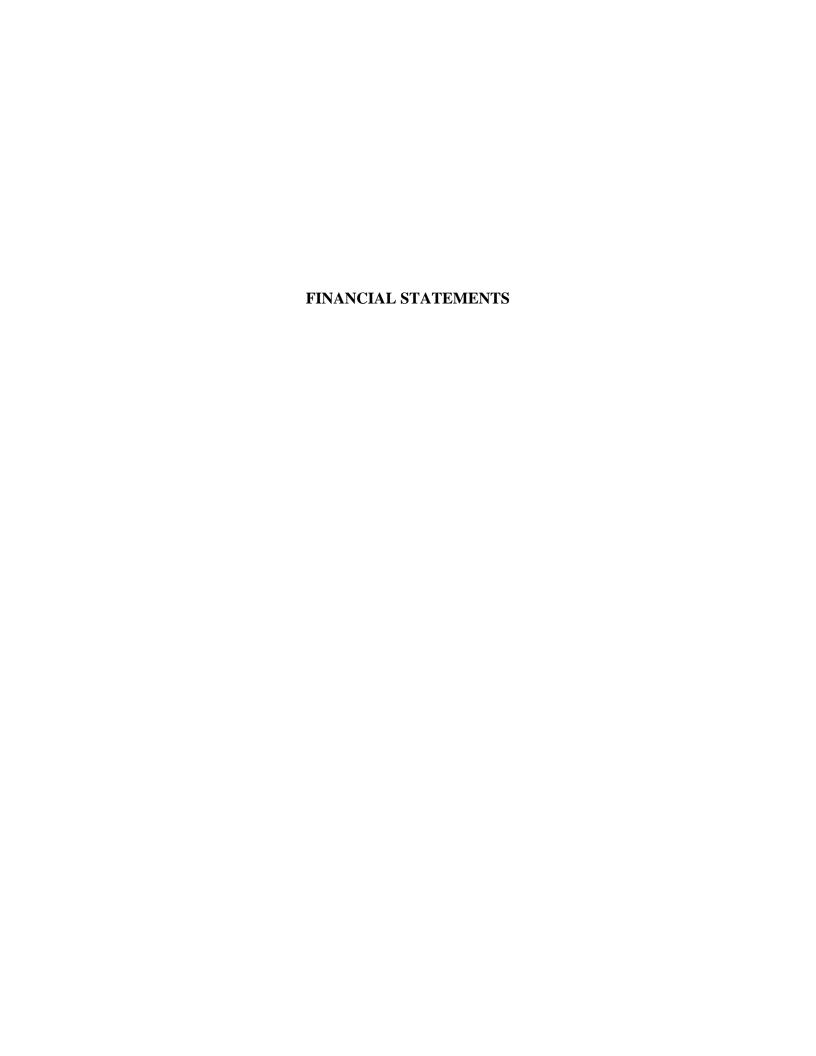
Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary data (the information) (schedule of fund balance by source for the Barrington/Higgins TIF District Fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The data has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such data 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 data is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP
Naperville, Illinois

June 12, 2017



BARRINGTON/HIGGINS TIF DISTRICT FUND

BALANCE SHEET

December 31, 2016

ASSETS	
Cash and Investments Property Tax Receivable	\$ 281,861 691,041
TOTAL ASSETS	\$ 972,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
LIABILITIES None	\$ -
DEFERRED INFLOWS OF RESOURCES Property Tax	691,041
Total Liabilities and Deferred Inflows of Resources	691,041
FUND BALANCE Restricted for Economic Development	 281,861
Total Fund Balance	 281,861
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 972,902

BARRINGTON/HIGGINS TIF DISTRICT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 2016

REVENUES	
Property Tax	\$ 691,033
Investment Income	1,476
Total Revenues	692,509
EXPENDITURES	
Current	
Economic Development	1,401,980
Miscellaneous	400
Total Expenditures	1,402,380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(709,871)
OTHER FINANCING SOURCES (USES) Notes Issued, at Par	541,447
Total Other Financing Sources (Uses)	541,447
NET CHANGE IN FUND BALANCE	(168,424)
FUND BALANCE, JANUARY 1	450,285
FUND BALANCE, DECEMBER 31	\$ 281,861

BARRINGTON/HIGGINS TIF DISTRICT FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The balance sheet of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois (the Village) has been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The financial statement presents only the Barrington/Higgins TIF District Fund and does not present fairly the financial position of the Village. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Reporting Entity

The Barrington/Higgins TIF District Fund (the Fund) was established to account for transactions related to the Redevelopment Plan and Redevelopment Project within the municipal boundaries established by Village Ordinance.

Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Fund is classified as a Governmental Special Revenue Fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is used by governmental funds. The main revenue source included in the fund is incremental revenues from the designated TIF area. Governmental funds are used to account for the Village's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after year end.

BARRINGTON/HIGGINS TIF DISTRICT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting (Continued)

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes for 2016 attach as an enforceable lien on January 1, 2016 on properties assessed as of the same date. Taxes are levied on a calendar year basis by the last Tuesday of December. Tax bills are prepared and mailed by the County on or about February 1, 2017 and August 1, 2017, and are payable in two installments, on or about March 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. Since the 2016 levy is intended to finance the 2017 fiscal year, the levy has been recorded as receivable and unearned revenue. The revenues in the current year financial statements represent the 2015 property tax levy.

Interfund eliminations have not been made in the aggregation of this data. If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. Investments with a maturity date of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. The components of fund balance include the following line items:

- A. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- B. Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- C. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision-making that requires formal action at the same level to remove. For the Fund and the Village, the Board of Trustees is the highest level of decision-making. As of December 31, 2016, the Fund does not have any commitments of fund balance.

BARRINGTON/HIGGINS TIF DISTRICT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

- D. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Village Board designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB No. 54 has outlined that fund balance outside of the General Fund is to fall in this category if there is not a deficit fund balance for the Fund.
- E. Unassigned fund balance is the total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

2. CASH AND INVESTMENTS

The Village's investment policy authorizes the Village to invest in debt securities guaranteed by the United States Government (explicitly or implicitly), debt securities of the United States Government or its agencies, interest-bearing savings accounts, time deposits and certificates of deposit of a bank that is insured by the FDIC, certain insured short-term obligations of corporations organized in the United States Government, certain money market mutual funds, interest-bearing bonds of other local governments and Illinois Funds, a money market fund created by the State Legislature under the control of the State Treasurer that maintains a \$1 share value.

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village investment policies require pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

BARRINGTON/HIGGINS TIF DISTRICT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

B. Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed currently. The investment policy limits the maximum maturity lengths of most investments to two years.

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

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

Concentration of Credit Risk - The Village's investment policy has the following diversification guidelines: no more than 50% of the Village's investments can be held at any one financial institution, exclusive of bonds, notes debenture or other obligations of the United States Government or its agencies. The Village had greater than 5% of its overall portfolio invested in Illinois Funds at year end.

3. LONG-TERM DEBT

A. Tax Increment Redevelopment Note Disclosures

The Village, pursuant to an economic development agreement dated March 17, 1997, has agreed to reimburse Poplar Creek, LLC for certain project costs incurred as the Village's agent in furthering the economic development plan and project. A tax increment redevelopment note was issued in 1997 for \$3,584,840. This note is payable from and secured solely by the pledged incremental revenues deposited in the Fund.

BARRINGTON/HIGGINS TIF DISTRICT FUND NOTES TO FINANCIAL STATEMENTS (Continued)

3. LONG-TERM DEBT (Continued)

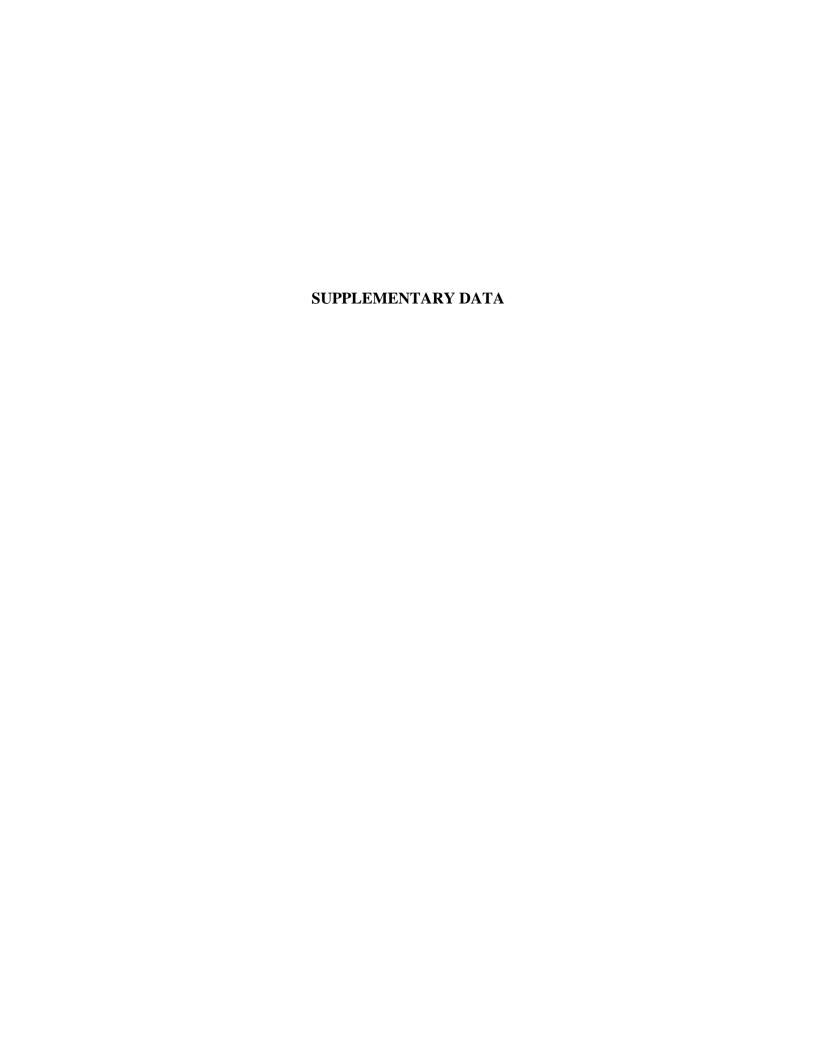
A. Tax Increment Redevelopment Note Disclosures (Continued)

The Village, pursuant to an economic development agreement dated November 6, 2014, and issued on January 20, 2016, has agreed to reimburse Ala Carte, Inc. for certain project costs incurred as the Village's agent in furthering the economic development plan and project. A tax increment redevelopment note was issued in 2016 for \$541,447. This note is payable from and secured solely by the pledged incremental revenues deposited in the Fund.

Issue	Balance January 1	Issuances or Accretions	Retirements or Accretions	Balances December 31	Current Portion
Tax Increment Redevelopment Notes due in annual installments only if tax increment revenues are available.	\$ 3,584,840	\$ -	\$ -	\$ 3,584,840	\$ -
Ala Carte Note due upon maturity on December 1, 2021 only if tax increment revenues are available.		541,447		541,447	
TOTAL	\$ 3,584,840	\$ 541,447	\$ -	\$ 4,126,287	\$ -

B. Debt Service Requirements to Maturity

The Barrington/Higgins Redevelopment Notes provide that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. The notes bears interest at 5%. Therefore, no set debt service schedule is available.



BARRINGTON/HIGGINS TIF DISTRICT FUND

SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended December 31, 2016

BEGINNING BALANCE, JANUARY 1	\$ 450,285
DEPOSITS	
	601.022
Property Tax Investment Income	691,033
	1,476
Notes Issued, at Par	541,447
Total Deposits	1,233,956
Balance Plus Deposits	1,684,241
EXPENDITURES	
Economic Development	
Operations	1,401,980
Miscellaneous	400
Total Expenditures	1,402,380
ENDING BALANCE, DECEMBER 31	\$ 281,861
ENDING BALANCE BY SOURCE	
Property Tax	\$ 281,861
Subtotal	281,861
Less Surplus Funds	
ENDING BALANCE, DECEMBER 31	\$ 281,861