



Hoffman Estates, Illinois



hoffman estates park district Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2021

Craig Talsma C.P.A., C.P.R.E. Executive Director

Nicole Hopkins C.P.A., Director of Finance — Lynne Cotshott C.P.R.P. Superintendent of Business



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Prepared by:

Nicole Hopkins
Director of Finance

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the District including:

- 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, 2021

BOARD OF COMMISSIONERS

Patrick Kinnane, President

Robert Kaplan, Vice President

Rajkumari Chhatwani, Treasurer

Pat McGinn, Assistant Secretary

Keith Evans, Commissioner

Marc A. Friedman, Commissioner

Linda Dressler, Commissioner

PARK DISTRICT STAFF

Craig Talsma, Executive Director

Nicole Hopkins, Director of Finance

Dustin Hugen, Director of Parks

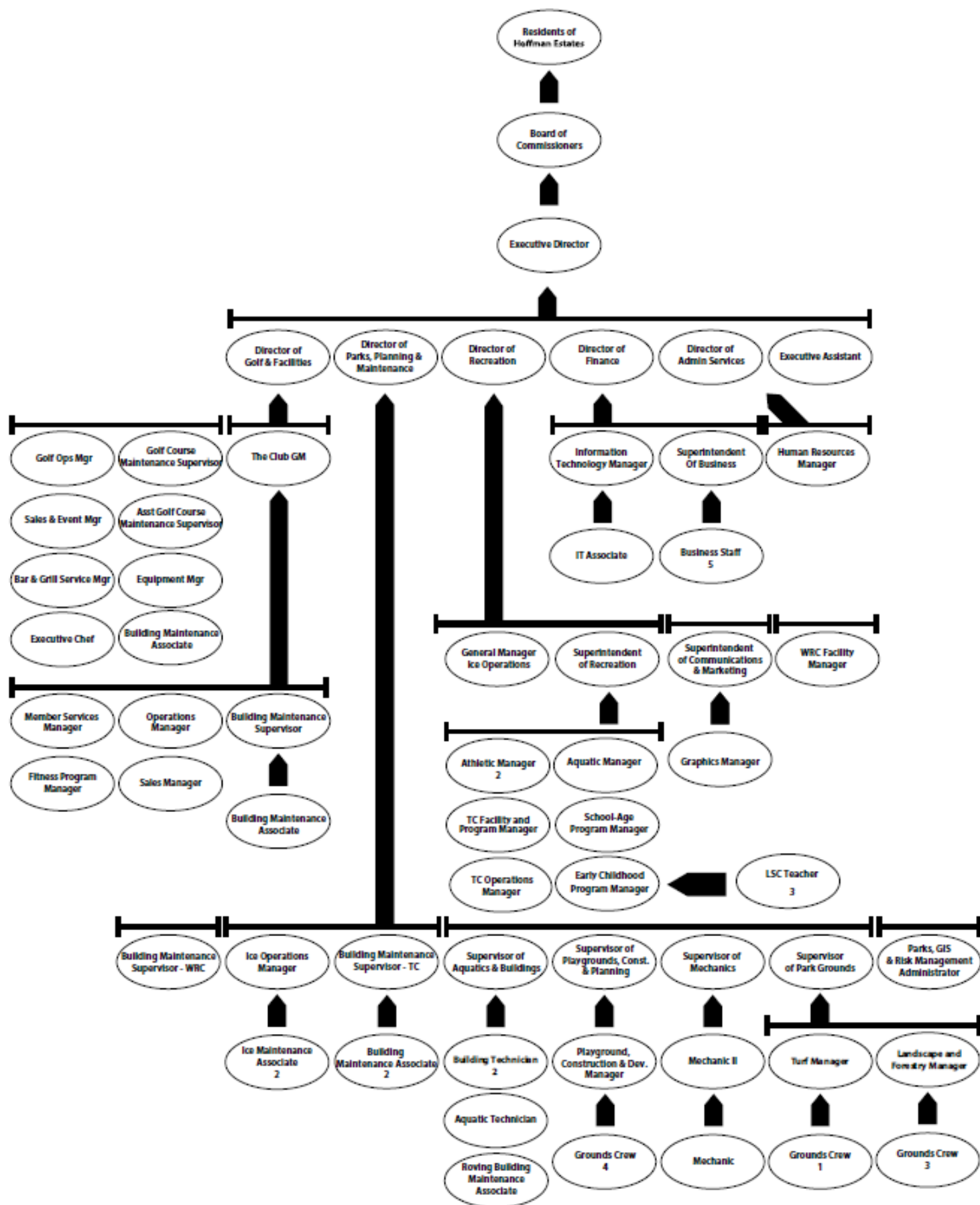
Brian Bechtold, Director of Golf and Facilities

Alisa Kapusinski, Director of Recreation

Peter Cahill, Director of Administrative Services

Lynne Cotshott, Superintendent of Business

hoffman estates park district
Table of Organization - Full Time Employees



May 16, 2022

To the Board of Commissioners
The Residents of Hoffman Estates

Presented for your review is the Hoffman Estates Park District (hereinafter "District") Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. 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, representing the District's overall financial operations and performance. The complete financial framework for which these are presented is established with the utilization of internal controls to prepare and report the financial operations for the District accurately. 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, in all material aspects, the District's financial position for the fiscal year ended December 31, 2021. This opinion assures the user of the fairness and accuracy of the financial statements. To help the user better understand the financial statements and 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. A seven-member board of commissioners governs the District that the District's residents publicly elect 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 includes three main areas due to the division by major highways. These areas are the north, south, and west regions of Hoffman Estates located within Cook County. The District serves a population of 52,530 and currently has 81 parks totaling over 930 acres. The District had 20,079 participants in our recreational programs in 2021. 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. The COVID-19 pandemic still impacted, 2021, but participation is beginning to increase. In addition to the parks and programs, the District has the following major facilities:

Triphahn Center (TC) is 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 with 523 members at the end of 2021. Preschool and early learning center activity rooms, a dance room, multi-purpose areas, and the District's "50+ Club". This facility is also the practice facility for the Chicago Wolves. Because of this partnership, the current facility was expanded, and two professional-sized ice rinks were added. In 2020, the facility became the home rink for the Chicago Wolves' home games. Due to COVID-related facility closures and restrictions, this facility recorded an annual attendance of 138,735 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. This space is a perfect wedding spot for our award-winning wedding operation (winner of the "Best of the Knot" for the last nine years). In 2018, the large banquet room was remodeled, providing a fresh contemporary look. 2020 challenged the District's innovation for contactless customer service to open the course under state-mandated guidelines, which we continued to utilize in 2021. The course recorded its highest rounds since 2017, with 30,830 rounds of golf played in 2021. Additionally, the course enhanced a portion of the outdoor range by adding a driving range enclosure powered by Top Tracer technology. This addition allows extended seasonal play and attracts all skill sets.

Seascape Family Aquatic Center is located adjacent to the Bridges of Poplar Creek. 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. In 2018, the Sand Filters at Seascape were wholly replaced, improving water clarity and circulation. Annual passes for individuals or families are sold here as well as a daily visit option. The facility opened in 2021 after remaining closed during the 2020 season due to COVID restrictions. The 2021 season had 1,642 annual pass members and 20,521 daily visit passes sold.

The Club at Prairie Stone (formerly known as Prairie Stone Sports & Wellness Center), located on the west side of Hoffman Estates, is a 100,000 square foot sports and health facility. It includes three gymnasiums, a High Intensity Interval Training space, 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 childcare are also available. Monthly membership dues generate the most revenue for the facility, with 2,160 members at the end of 2021. There were 147,503 visits in 2021. As a part of our commitment to maintaining state-of-the-art facilities, the Club underwent a renovation in 2020 to include a new functional fitness and strength area. An alternative revenue source and partnership has been established here with Athletico, a primary physical therapy provider. Athletico has a full-service center located within The Club, 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 and a small fitness center and locker rooms with 139 members at the end of 2021, racquetball courts, and preschool and programming rooms. It is also the location of our outdoor skate park and Bo's Run, one of the District's two dog parks (the other dog park, Freedom Run, is located on the west side of Hoffman Estates). The District had 700 annual dog park members at the end of 2021. 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 34,260 patrons.

Vogelei Park, House & Barn is a 10-acre park located at the southeastern entry point to Hoffman Estates. Found here is a historic house and barn, both of which are used for rentals. The barn and large park area are also excellent spots 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 was refurbished as part of a significant renovation in 2010. The barn is the primary site for gymnastics and is also used for various summer camps, rentals, and the teen center. In early 2021, a new eSports Zone opened at this location. Construction began in 2021 to make remodel and this site completely accessible, as Northwest Special Recreation Association (NWSRA) will relocate to this facility.

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 ongoing 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 District's mission, vision, and goals 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 and all other services and offerings.

It is the responsibility of each department: Parks for Maintenance and construction, Recreation for programming, and Facilities for facility usage and memberships (in addition to the specific Club 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, departments develop an overall budget. The operational budgets also include inter-fund charges for shared costs like 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 Director of Finance, who works with all departments throughout the process. A balanced budget for the District as a whole is developed utilizing all of the program areas. The District's annual tax levy and the Budget and Appropriations (B&A) Ordinance are developed to coincide with the budget process. This budget then goes through a rigorous review by the Executive Director before going to the Board of Commissioners and our District's Committee as a Whole for the final review.

The committee as a whole is made up of the District's three community committees, including 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 are the final documents displayed for public input for 30 days. During that time, an additional public meeting is held. Then the working budget, Tax Levy and B&A Ordinance are formally approved by the District's Board of Commissioners. The final B&A Ordinance puts legal spending limits on each operating fund of the District.

Our District approves the budget every December before the start of the fiscal year, even though we could legally 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 process 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 expenditures. Monthly financial statements and listings of all expenditures are approved every month by the Administration & Finance Committee and then by the Commissioners' Board of Commissioners. The budget numbers are an integral part of the financial statements, which are eventually audited and comprise part of our Annual Comprehensive Financial Report.

Local Economy

The local, state, and national economies are all still navigating through and beginning recovery from the COVID-19 pandemic. The most dramatic effect of the pandemic is seen in user access. User access significantly declined in connection with closures and mitigation recommendations as advised and required by the State of Illinois and the CDC. The District is starting to see a rebound in participation as mitigation recommendations loosened throughout 2021.

The District's "Assessed and Actual Value of Taxable Property" chart in the statistical section shows the past ten years of equalized assessed value (EAV). The EAV for general district taxation since 2009 dropped losing more than a third in value (2009-\$1,907,073,711 and 2015-\$1,221,136,659). The 2020 EAV for general district taxation reflects improvement over prior years at \$1,650,993,361, but still not as high as was reflected in 2009. The EAV and tax levy years are always one year behind the fiscal year they fund. 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 our residents to quickly view all park and facility amenities, such as where is a playground, tennis courts, splash bad, 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 significant assets of the District.

The day-to-day 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 current annual levy plus an increase for CPI. This increase was 2.30% for 2020 and 1.40% for 2021. The minimal increase ensures that we must continuously 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, ADA, and 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, The Club, and most programming, whether early childhood, athletics, or ice.

The state and county mitigation guidance in 2021 has affected the District, local, and statewide economies. At the issuance of this report, mask and vaccination requirements became optional for public patrons. District continues to see increased participation and visits to our locations by the public. Due to the uncertainty and unprecedented nature of the current situation, we are continually developing scenario planning to address future needs and priorities to mitigate any negative impact. The District also closely monitors legislation, both state and federal, to determine the effects they may have.

Alternative revenues constitute a significant component of our financial planning. These include revenues from various partnerships like the Chicago Wolves that provide \$150,000 in rent every year as part of our new agreement in 2020. The renewal of this agreement continued the Chicago Wolves relationship and increased those services in 2020 to include hosting their home games at our ice arena facility. We also have partnerships with cellular carriers for cell sites on our properties that generate over \$62,000 per year. Other partnerships are not necessarily dollar-based, but they provide additional programming space like our agreements with the local school districts for additional gym and classroom space, 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 schools through an intergovernmental agreement with those school districts.

We also have an agreement with the Wings and Talons 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 Athletico, Sky High Volleyball, and the Windy City Bulls.

In 2021, the District entered into an agreement with Northwest Special Recreation Association (NWSRA) to renovate the District's Vogelei Park house to become a future site for NWSRA and Clearbrook's cooperative Adult Day Program, called PURSUIT. In 2021, there were 105 participants enrolled between all five PURSUIT sites with an interest list of another 203 individuals waiting to join.

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. While in 2019, these two signs generated just over \$86,000 in revenue, due to the COVID-19 pandemic, the revenue for 2021 was just over \$46,000.

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 2019, the District was awarded a \$400,000 OSLAD grant from the Illinois Department of Natural Resources to support a renovation at South Ridge Park. In 2020, an additional \$225,000 was awarded for the Birch Park Revitalization project. In 2020, the District was awarded a Child Care Restoration grant of just over \$162,000, and in 2021 an additional \$125,000 for staffing, improvements, and COVID safety-related expenses of the ELC program. The bond rebates from the Federal government for our Build America Bond issue generated just over \$77,000 in revenue for 2020 as the District refunded that series.

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 final stage of the 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. Due to favorable market conditions, the District was able to enter into advance refunding agreements for the 2010A and 2010C bonds, achieving a net present value savings of just under \$4.9 million. This ensures that the 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 maintained a Standard & Poor's bond rating of AA+. (This bond rating was reconfirmed in 2020). 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 2018, the District engaged the services of the ETC Institute to help us in preparation for this new five-year document. A significant component of this document is the community-wide attitude and interest survey. This was completed in 2018 and measured a variety of data from our residents. The survey focused on measuring the residents' satisfaction 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 significant focus on the District's mission, and we take great pride in each and every playground through careful planning and construction. In 2021, Birch Park received a significant renovation. Every time a playground is renovated, community meetings are held to gather public input on the functionality, usage, and design. Birch Park was completely renovated to include a basketball court, playground, shelter, soccer field, sled hill, a trail, and a berm for residents. Additionally, any time a capital project impacts the use of our land or facilities, public meetings are held for input. Below are some of the significant initiative projects for 2021: Birch Park, Bridges of Poplar Creek Driving Range Enclosure, Early Childhood space renovation, eSports Center, and maintenance equipment replacements.

Park Improvements Birch Park



Before



After



After

Early Childhood Renovation



Before



After

Bridges Driving Range Enclosure



Before



After



After



After

E-Sports Zone



After



After

Awards and Acknowledgments

The District received its eighth Government Finance Officers Association of the United States and Canada (GFOA) award of Certificate of Achievement for Excellence in Financial Reporting in 2022 for our 2020 Annual Comprehensive Financial Report. This prestigious award recognizes a government for publishing an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both GAAP and applicable legal requirements. We believe that our Annual Comprehensive Financial Report for 2021 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. In 2021, IAPD awarded the District and Cabela's Hoffman Estates with the Partnership award for the work done together in promoting the District's fishing programs. Cabela's and their parent company Bass Pro Shops support a nationwide movement dedicated to encouraging families to be outside.

The District's partner AMITA Health was awarded the "Best Friend of Illinois Parks" in the large business category (more than 500 employees) from the Illinois Association of Park Districts in 2018. This honor is awarded to a business or corporation that demonstrates exemplary support to either a local park district, forest preserve, conservation, recreation, or special recreation agency.

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 2018 the District joined 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 District performed the reaccreditation process in 2018 and once again received a perfect score of 151 out of 151. The reaccreditation for CAPRA is every five years, and we will submit again in 2022.

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 government's 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, please 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. While the District still maintains full transparency on the website, the Illinois Sunshine award no longer exists.

The District is also accredited by the Park District Risk Management Association, of 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. Reaccreditation for this was scheduled for 2021, but has been delayed by PDRMA as their process is evolving.

In 2013, 2015, and 2018, 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). Due to COVID, the accreditation process through ExceleRate has been delayed due to their not performing on-site visits. We hope 2022 brings many such processes currently on hold back to normal.

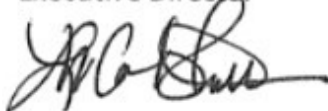
For six years in a row, 2014-2019, we received the Four-Star Aquatic Safety Award from Starguard Aquatics Institute to recognize exceptional operational safety standards for lifeguard professionalism and excellence in risk management practices. After being closed for the 2020 season, we are pleased to say that we once again received the Four-Star Aquatic Safety Award for the 2021 season. In 2020, the District received third place in a statewide award given to a sports turf facility that is managed with a high degree of excellence by the SportsTurf Managers Association.

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 Lauterbach & Amen, LLP staff for the guidance and oversight of our audit process and the final presentation of our Annual Comprehensive Financial Report.

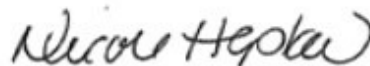
Respectfully submitted,



Craig Talsma, CPA, CPRE
Executive Director



Lynne Cotshott, CPRP
Superintendent of Business



Nicole Hopkins, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hoffman Estates Park District
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 16, 2022

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hoffman Estates Park District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

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, 2021. Please read it in conjunction with the transmittal letter, which can be found in the introductory section of this report and the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Hoffman Estates Park District's net position increased \$1,326,919, which is an increase of 40.7 percent from the prior year's restated net position of \$3,260,096. This is due to significant increases in charges for services (\$7,400,027 in 2021 compared to \$5,034,893 in 2020) as COVID restrictions were lifted. Grant and contribution revenue also increased (\$548,495 in 2021 compared \$142,975 in 2020).
- During the year, government-wide revenues for the primary government totaled \$18,068,543 while expenses totaled \$16,741,624, resulting in an increase to net position of \$1,326,919.
- The Hoffman Estates Park District's net position totaled \$4,587,015 on December 31, 2021, which includes (\$9,978,596) net investment in capital assets, \$5,996,866 subject to external restrictions, and \$8,568,745 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease for the year of \$216,659, prior to disposal of capital assets and transfers in of \$5,191. The net change in fund balance of (\$211,468) brings the fund balance in the General Fund to \$3,932,439, resulting in a decrease of 5.1 percent.
- Beginning net position/fund balance was restated due to the recognition of prior year grant revenue and allocation of bond proceeds between the correct funds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. 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 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, 2021

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.

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, The Club at Prairie Stone 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

USING THIS ANNUAL REPORT - Continued

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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 and Retiree Benefit Plan, as well as budgetary comparison schedules for the General Fund and major Special Revenue Funds.

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 \$4,587,015.

	Net Position	
	2021	2020
Current and Other Assets	\$ 31,892,368	27,164,370
Capital Assets	57,233,274	58,278,238
Total Assets	89,125,642	85,442,608
Deferred Outflows	787,731	418,873
Total Assets/ Deferred Outflows	89,913,373	85,861,481
Long-Term Debt	63,898,915	65,131,316
Other Liabilities	6,788,285	5,550,909
Total Liabilities	70,687,200	70,682,225
Deferred Inflows	14,639,158	12,319,160
Total Liabilities/ Deferred Inflows	85,326,358	83,001,385
Net Investment in Capital Assets	(9,978,596)	(10,596,190)
Restricted	5,996,866	7,328,178
Unrestricted	8,568,745	6,128,108
Total Net Position	4,587,015	2,860,096

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the District's net position, (\$9,978,596), 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, \$5,996,866, 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 \$8,568,745, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Changes in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 7,400,027	5,034,893
Grants/Contributions	548,495	142,975
General Revenues		
Property Taxes	9,836,434	9,644,470
Replacement Taxes	104,358	59,446
Other General Revenues	179,229	480,561
Total Revenues	18,068,543	15,362,345
Expenses		
Recreation	14,230,105	12,833,777
Interest on Long-Term Debt	2,511,519	3,528,494
Total Expenses	16,741,624	16,362,271
Change in Net Position	1,326,919	(999,926)
Net Position-Beginning as Restated	3,260,096	3,860,022
Net Position-Ending	4,587,015	2,860,096

Net position of the District's governmental activities increased by 40.7 percent (\$4,587,015 at December 31, 2021 compared to a restated net position of \$3,260,096 at December 31, 2020). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$8,568,745 at December 31, 2021.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

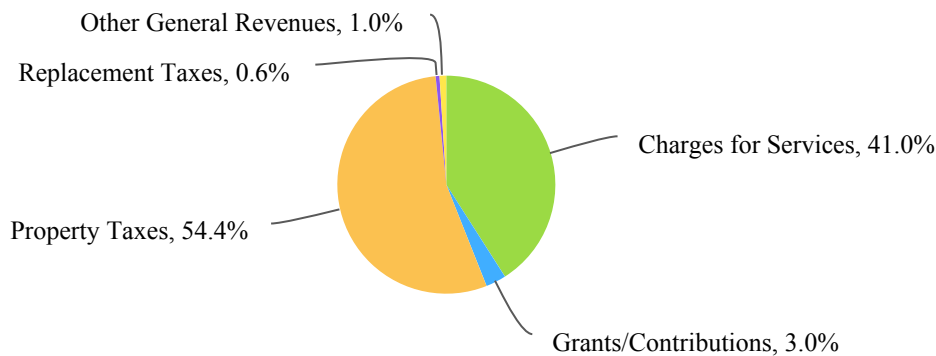
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$18,068,543, while the cost of all governmental functions totaled \$16,741,624. This results in an increase of \$1,326,919. For the year ended December 31, 2020, revenues of \$15,362,345 were lower than expenses of \$16,362,271, resulting in a decrease of \$999,926. In 2021, the District recognized the \$190,468 in the remaining OSLAD grant funds for Birch Park and received a grant of \$288,406 from the Illinois Network of Child Care Resource & Referral Agencies. Charges for services increased by \$2,365,134 compared to the prior fiscal year due to the lifting of COVID restrictions. The District did not resume full staffing levels to minimize costs should COVID-19 mitigations again impacted charges for services.

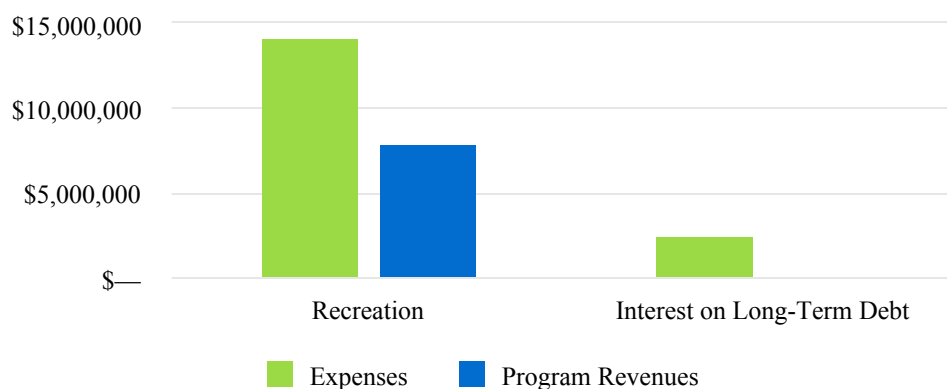
The following chart graphically depicts the major revenue sources of the District. This graph illustrates that, more than half of the District's revenues come from charges for services and other general revenues.

Revenues by Source - Governmental Activities



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. In 2021, the COVID-19 pandemic mitigation measures resulted in a reduction in revenue from charges for services in the early part of the year.

Expenses and Program Revenues - Governmental Activities



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

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 for the District's Governmental Funds combined is \$13,569,288 which is an increase of \$25,234, or 0.2 percent, from last year's restated total of \$13,544,054. 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 General Fund is the chief operating fund of the District. At December 31, 2021, unassigned fund balance in the General Fund was \$1,303,226, which represents 33.1 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 28.0 percent of total General Fund expenditures. The General Fund reported a decrease of \$211,468 due to the development of Birch Park. This was an anticipated drawdown of reserves.

The Recreation Fund reported an increase for the year ended of \$972,437 or 73.4 percent, resulting in an ending fund balance of \$2,297,155. As patrons returned to the programs and services provided by the District, overhead costs were still strictly curtailed to enable the District to react quickly should circumstances change.

The Bridges of Poplar Creek Country Club Fund reported an increase for the year of \$404,313 or 88.6 percent, resulting in an ending fund balance of \$860,494. This is due to a rise in golf rounds. Golf was one of the few recreational opportunities available during COVID-19 restrictions which resulted in a surge in popularity. The course was closed until May 2020 due to early mitigation restrictions. Favorable spring weather allowed for greater course availability in the early part of 2021.

The Club at Prairie Stone Fund reported an increase for the year of \$290,374 or 856.3 percent, resulting in an ending fund balance of \$256,463. Fitness Centers were hit particularly hard by the COVID-19 restrictions. In 2020, the center remained closed for three months and the mask mandate was not lifted until May of 2021 and then reinstated in September.

The Debt Service Fund reported a decrease of \$386,564, to an ending fund balance of \$1,723,860. This was a planned decrease to reduce accumulated funds from prior year transfers from operations. The fund balance in the Debt Service Fund is restricted for future debt service payments.

The Capital Projects Fund reported a decrease in fund balance of \$388,043 to an ending fund balance of \$2,710,503. This is due to the planned spend down of resources for the TopTracer Driving Range project.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2021, 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 \$4,435,693, compared to budgeted revenue of \$4,470,304. The \$34,611 difference in projected and actual revenues was mainly due to \$64,622 in grants received from FEMA to cover costs incurred in relation to the pandemic. Expenditures were lower than budgeted by \$236,732. Positions that were not filled during 2020 were held open with those responsibilities shifting temporarily to salaried individuals.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2021 was \$57,233,274 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction, machinery and equipment, and vehicles.

	Capital Assets - Net of	
	2021	2020
Land	\$ 11,313,465	11,313,465
Land Improvements	4,157,571	4,698,700
Construction	38,931,508	39,489,645
Machinery and Equipment	2,687,517	2,657,487
Vehicles	143,213	118,941
Totals	<u>57,233,274</u>	<u>58,278,238</u>

This year's major additions included:

Land Improvements	\$ 26,249
Construction	1,436,814
Machinery and Equipment	566,626
Vehicles	<u>69,008</u>
Totals	<u>2,098,697</u>

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$63,410,000 as compared to \$64,210,000 the previous year, a decrease of 1.25 percent. The District's debt consists of General Obligation Bonds comprised of \$55,715,000 in Alternate Revenue Bonds and \$7,695,000 in Limited Bonds. The Limited Bonds are measured against the current legal debt limit of \$59,378,310. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2021	2020
General Obligation Park Bonds	\$ 63,410,000	64,210,000

The change is the result of issuing \$2,855,000 of General Obligation Limited Park Bonds with an offset of payments to principal.

The District was upgraded to an AA+ rating in 2010 by Standard and Poor's. The District has been able to maintain this rating despite the Illinois downgrades and pandemic impact. Standard and Poor's confirmed the AA+ rating in 2020. This is an excellent reflection of the District's financial strength.

Additional information on the District's long-term debt can be found in Note 3 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 and maintain its capital assets and strong financial position to provide residents with excellent programs and facilities. The COVID-19 pandemic impacted operations in the early part of 2021, although we already see increases in memberships and participation near pre-pandemic levels.

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, 2021

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Statement of Net Position

December 31, 2021

ASSETS

Current Assets

Cash and Investments	\$ 14,375,141
Receivables - Net of Allowances	
Taxes	10,610,000
Accounts	1,571,364
Accrued Interest	13,536
Prepays/Inventory	<u>65,153</u>
Total Current Assets	<u>26,635,194</u>

Noncurrent Assets

Capital Assets

Nondepreciable	11,313,465
Depreciable	95,173,229
Accumulated Depreciation	<u>(49,253,420)</u>
Total Capital Assets	<u>57,233,274</u>

Net Pension Asset - IMRF	<u>5,257,174</u>
Total Noncurrent Assets	<u>62,490,448</u>

Total Assets	89,125,642
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Items - IMRF	<u>787,731</u>
Total Assets and Deferred Outflows of Resources	<u>89,913,373</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 1,161,987
Accrued Payroll	237,340
Deposits Payable	49,482
Accrued Interest Payable	225,871
Other Payables	1,007,097
Current Portion of Long-Term Debt	4,106,508
Total Current Liabilities	<u>6,788,285</u>
Noncurrent Liabilities	
Compensated Absences Payable	151,669
General Obligation Bonds Payable - Net	<u>63,747,246</u>
Total Noncurrent Liabilities	<u>63,898,915</u>
Total Liabilities	<u>70,687,200</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	10,610,000
Deferred Items - IMRF	<u>4,029,158</u>
Total Deferred Inflows of Resources	<u>14,639,158</u>
Total Liabilities and Deferred Inflows of Resources	<u>85,326,358</u>

NET POSITION

Net Investment in Capital Assets	(9,978,596)
Restricted	
Capital Projects	2,710,503
Debt Service	1,497,989
Employee Retirement	1,222,443
Special Recreation	565,931
Unrestricted	<u>8,568,745</u>
Total Net Position	<u>4,587,015</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, 2021

		Program Revenues			Net (Expenses)/
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Revenues and Changes in Net Position
	Expenses				
Governmental Activities					
Culture and Recreation	\$ 14,230,105	7,400,027	288,406	260,089	(6,281,583)
Interest on Long-Term Debt	2,511,519	—	—	—	(2,511,519)
Total Governmental Activities	16,741,624	7,400,027	288,406	260,089	(8,793,102)
General Revenues					
Taxes					
Property Taxes					
					9,435,531
TIF Distributions					
					400,903
Intergovernmental - Unrestricted					
Replacement Taxes					
					104,358
Interest					
					(17,157)
Miscellaneous					
					196,386
					10,120,021
Change in Net Position					1,326,919
Net Position - Beginning as Restated					3,260,096
Net Position - Ending					4,587,015

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2021

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds
December 31, 2021**

			Special Revenue
			Bridges of
			Poplar Creek
	General	Recreation	Country Club
ASSETS			
Cash and Investments	\$ 3,176,500	3,015,546	898,888
Receivables - Net of Allowances			
Taxes	5,247,000	969,000	—
Accounts	1,338,512	173,530	37,342
Accrued Interest	13,536	—	—
Prepays	14,544	15,775	264
Inventory	—	—	33,691
Total Assets	9,790,092	4,173,851	970,185
LIABILITIES			
Accounts Payable	340,812	159,710	21,817
Accrued Payroll	97,764	87,696	20,896
Deposits Payable	10,000	4,500	29,341
Other Payables	162,077	655,790	37,637
Total Liabilities	610,653	907,696	109,691
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	5,247,000	969,000	—
Total Liabilities and Deferred Inflows of Resources	5,857,653	1,876,696	109,691
FUND BALANCES			
Nonspendable	14,544	15,775	33,955
Restricted	—	—	—
Assigned	2,614,669	2,281,380	826,539
Unassigned	1,303,226	—	—
Total Fund Balances	3,932,439	2,297,155	860,494
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,790,092	4,173,851	970,185

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

The Club at Prairie Stone	Debt Service	Capital Projects	Nonmajor	Totals
474,722	2,284,860	2,736,251	1,788,374	14,375,141
—	3,344,000	—	1,050,000	10,610,000
21,980	—	—	—	1,571,364
—	—	—	—	13,536
879	—	—	—	31,462
—	—	—	—	33,691
497,581	5,628,860	2,736,251	2,838,374	26,635,194
52,900	561,000	25,748	—	1,161,987
30,984	—	—	—	237,340
5,641	—	—	—	49,482
151,593	—	—	—	1,007,097
241,118	561,000	25,748	—	2,455,906
—	3,344,000	—	1,050,000	10,610,000
241,118	3,905,000	25,748	1,050,000	13,065,906
879	—	—	—	65,153
—	1,723,860	2,710,503	1,788,374	6,222,737
255,584	—	—	—	5,978,172
—	—	—	—	1,303,226
256,463	1,723,860	2,710,503	1,788,374	13,569,288
497,581	5,628,860	2,736,251	2,838,374	26,635,194

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

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

December 31, 2021

Total Governmental Fund Balances	\$ 13,569,288
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	57,233,274
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A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	5,257,174

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(3,241,427)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(189,586)
General Obligation Park Bonds Payable - Net	(67,815,837)
Accrued Interest Payable	<u>(225,871)</u>

Net Position of Governmental Activities	<u><u>4,587,015</u></u>
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HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021**

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, 2021

	General	Recreation	Special Revenue Bridges of Poplar Creek Country Club
Revenues			
Taxes	\$ 3,920,904	1,630,613	—
Intergovernmental	364,447	288,406	—
Charges for Services	67,816	3,679,784	2,141,050
Interest	(17,157)	—	—
Miscellaneous	99,683	79,451	15,556
Total Revenues	4,435,693	5,678,254	2,156,606
Expenditures			
Current			
Recreation	4,286,728	4,001,717	1,574,421
Capital Outlay	365,624	—	87,052
Debt Service			
Principal Retirement	—	—	—
Interest and Fiscal Charges	—	—	—
Total Expenditures	4,652,352	4,001,717	1,661,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	(216,659)	1,676,537	495,133
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Disposal of Capital Assets	1,411	—	—
Transfers In	3,780	45,900	9,180
Transfers Out	—	(750,000)	(100,000)
	5,191	(704,100)	(90,820)
Net Change in Fund Balances	(211,468)	972,437	404,313
Fund Balances - Beginning as Restated	4,143,907	1,324,718	456,181
Fund Balances - Ending	3,932,439	2,297,155	860,494

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

The Club at Prairie Stone	Debt Service	Capital Projects	Nonmajor	Totals
—	3,488,570	—	796,347	9,836,434
—	—	—	—	652,853
1,511,377	—	—	—	7,400,027
—	—	—	—	(17,157)
1,696	—	—	—	196,386
1,513,073	3,488,570	—	796,347	18,068,543
1,249,699	—	—	1,169,783	12,282,348
—	—	1,443,957	196,519	2,093,152
—	3,655,000	—	—	3,655,000
—	2,869,220	—	—	2,869,220
1,249,699	6,524,220	1,443,957	1,366,302	20,899,720
263,374	(3,035,650)	(1,443,957)	(569,955)	(2,831,177)
—	1,799,086	1,055,914	—	2,855,000
—	—	—	—	1,411
27,000	850,000	—	—	935,860
—	—	—	(85,860)	(935,860)
27,000	2,649,086	1,055,914	(85,860)	2,856,411
290,374	(386,564)	(388,043)	(655,815)	25,234
(33,911)	2,110,424	3,098,546	2,444,189	13,544,054
256,463	1,723,860	2,710,503	1,788,374	13,569,288

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 of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	25,234
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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	2,098,697
Depreciation Expense	(3,143,661)
Disposals - Cost	(309,957)
Disposals - Accumulated Depreciation	309,957

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

Change in Deferred Items - IMRF	(1,078,140)
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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.

Change in Compensated Absences Payable	(23,209)
Change in Net Pension (Asset) - IMRF	2,290,297
Retirement of Long-Term Debt	3,655,000
Change in Premium on Debt Issuance	258,591
Issuance of Debt	(2,855,000)

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.

99,110

Changes in Net Position of Governmental Activities	1,326,919
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HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hoffman Estates Park District (District) of 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.

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 and personal property replacement taxes, certain intergovernmental revenues, interest income, 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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. All of the District funds are reported as governmental funds. An emphasis is placed on major funds within the governmental category. 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: District

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

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

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 accounts for all revenues and expenditures of the District which are not accounted for in other funds. 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 Club at Prairie Stone 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 Club at Prairie Stone. The revenues in this fund are for the use with the Club 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 of 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.

Notes to the Financial Statements

December 31, 2021

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 is 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 inflow 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.

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

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. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

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.

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. Prepays/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.

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. 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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, 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	15 Years
Construction	10 - 15 Years
Machinery and Equipment	7 - 15 Years
Vehicles	8 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction 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.

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 fund 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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.

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 legislation.

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

BUDGETARY INFORMATION

The District's budgetary operations are governed by the appropriation law detailed in the Illinois Park District Code and administered by the Director of 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION - Continued

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 but not over the appropriation for the fiscal year:

Fund	Actual	Budget	Appropriation
Recreation	\$ 4,001,717	3,785,942	6,246,522
Illinois Municipal Retirement	363,878	346,565	1,145,958
Social Security	494,500	475,120	1,080,875
Special Recreation	507,924	461,640	1,047,579

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 combined balance sheet 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, 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. The Illinois Park District Liquid Asset Fund is not registered with the SEC as an investment company. Regulatory oversight of the pool is managed by their Board of Trustees and Audit Committee. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$5,189,823 and the bank balances totaled \$6,901,773.

Investments. The District has the following recurring fair value measurements as of December 31, 2021:

		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	Totals			
Equity Securities				
Mutual Funds	\$ 5,946,680	5,946,680	—	—
Investments Measured at the Net Asset Value (NAV)				
IPDLAF	3,238,638			
	9,185,318			

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 and the mutual funds have 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, 2021, 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 \$5,946,680 invested in mutual funds. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

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, 2021, 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. The District's investment policy does not address custodial credit risk for investments. At December 31, 2021, the District's investment in the Illinois Park District Liquid Asset Fund is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2020 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.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Nonmajor Governmental	\$ 3,780
Recreation	Nonmajor Governmental	45,900
Bridges of Poplar Creek Country Club	Nonmajor Governmental	9,180
The Club at Prairie Stone	Nonmajor Governmental	27,000
Debt Service	Bridges of Poplar Creek Country Club	100,000
Debt Service	Recreation	750,000
		<u>935,860</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****December 31, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS****Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 11,313,465	—	—	11,313,465
Depreciable Capital Assets				
Land Improvements	18,827,642	26,249	—	18,853,891
Construction	64,355,788	1,436,814	—	65,792,602
Machinery and Equipment	9,127,635	566,626	262,705	9,431,556
Vehicles	1,073,424	69,008	47,252	1,095,180
	93,384,489	2,098,697	309,957	95,173,229
Less Accumulated Depreciation				
Land Improvements	14,128,942	567,378	—	14,696,320
Construction	24,866,143	1,994,951	—	26,861,094
Machinery and Equipment	6,470,148	536,596	262,705	6,744,039
Vehicles	954,483	44,736	47,252	951,967
	46,419,716	3,143,661	309,957	49,253,420
Total Net Depreciable Capital Assets	46,964,773	(1,044,964)	—	45,919,809
Total Net Capital Assets	58,278,238	(1,044,964)	—	57,233,274

Depreciation expense was charged to governmental activities as follows:

Recreation	<u>\$ 3,143,661</u>
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HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
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
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	15,150,000	—	—	15,150,000
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	4,565,000	—	525,000	4,040,000
General Obligation Limited Tax Park Bonds of 2019A (\$2,735,000), due in annual installments of \$135,000 to \$2,600,000, plus interest at 4.00% on December 1, 2021.	Debt Service	135,000	—	135,000	—
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2019B (\$6,285,000), due in annual installments of \$2,456,000 to \$475,000, plus interest at 4.00% on December 1, 2040.	Debt Service	6,285,000	—	—	6,285,000
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2020A (\$18,465,000), due in annual installments of \$555,000 to \$1,410,000, plus interest at 5.00% on December 1, 2040.	Debt Service	18,465,000	—	555,000	17,910,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Park Bonds - Continued

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Park Bonds of 2020B (\$2,680,000), due in annual installments of \$200,000 to \$1,880,000, plus interest at 4.00% on December 1, 2024.	Debt Service	\$ 2,680,000	—	1,880,000	800,000
General Obligation Limited Park Bonds of 2020C (\$560,000), due in annual installments of \$560,000, plus interest at 0.70% on December 1, 2021.	Debt Service	560,000	—	560,000	—
General Obligation Limited Park Bonds of 2021 (\$2,855,000), due in annual installments of \$2,855,000, plus interest at 0.70% on December 1, 2022.	Debt Service	—	2,855,000	—	2,855,000
		<u>64,210,000</u>	<u>2,855,000</u>	<u>3,655,000</u>	<u>63,410,000</u>

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 166,377	46,418	23,209	189,586	37,917
General Obligation Park Bonds	64,210,000	2,855,000	3,655,000	63,410,000	3,810,000
Plus: Unamortized Premium	4,664,428	—	258,591	4,405,837	258,591
	<u>69,040,805</u>	<u>2,901,418</u>	<u>3,936,800</u>	<u>68,005,423</u>	<u>4,106,508</u>

For the governmental activities, the compensated absences are liquidated by the General Fund and Recreation Fund. The general obligation park bonds are being liquidated by the Debt Service Fund.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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 than .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."

Equalized Assessed Valuation - 2020	<u>\$ 2,065,332,516</u>
Legal Debt Limit - 2.875% of Assessed Value	<u>59,378,310</u>
Total Outstanding Debt	63,410,000
Alternate Bonds Not Subject to Debt Limit	<u>(55,715,000)</u>
Amount of Debt Applicable to Limit	<u>7,695,000</u>
Legal Debt Margin	<u>51,683,310</u>
Non-Referendum Legal Debt Limit	
0.575% of Assessed Valuation	11,875,662
Amount of Debt Applicable to Debt Limit	<u>7,695,000</u>
Non-Referendum Legal Debt Margin	<u>4,180,662</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****December 31, 2021****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	General Obligation Park Bonds			Percent Principal Paid	
	Principal	Interest	Total	Annual	Cumulative
2022	\$ 3,810,000	2,730,436	6,540,436	6.01 %	6.01 %
2023	1,310,000	2,667,800	3,977,800	2.07 %	8.07 %
2024	1,330,000	2,612,250	3,942,250	2.10 %	10.17 %
2025	1,275,000	2,557,050	3,832,050	2.01 %	12.18 %
2026	1,565,000	2,502,550	4,067,550	2.47 %	14.65 %
2027	1,565,000	2,435,650	4,000,650	2.47 %	17.12 %
2028	1,765,000	2,367,850	4,132,850	2.78 %	19.90 %
2029	1,915,000	2,292,100	4,207,100	3.02 %	22.92 %
2030	2,050,000	2,214,738	4,264,738	3.23 %	26.16 %
2031	2,235,000	2,132,062	4,367,062	3.52 %	29.68 %
2032	1,655,000	2,042,838	3,697,838	2.61 %	32.29 %
2033	2,120,000	1,968,088	4,088,088	3.34 %	35.63 %
2034	2,225,000	1,873,238	4,098,238	3.51 %	39.14 %
2035	2,395,000	1,773,738	4,168,738	3.78 %	42.92 %
2036	3,040,000	1,666,888	4,706,888	4.79 %	47.71 %
2037	3,245,000	1,528,250	4,773,250	5.12 %	52.83 %
2038	3,470,000	1,380,000	4,850,000	5.47 %	58.30 %
2039	3,705,000	1,222,150	4,927,150	5.84 %	64.15 %
2040	4,135,000	1,054,250	5,189,250	6.52 %	70.67 %
2041	4,750,000	867,750	5,617,750	7.49 %	78.16 %
2042	5,250,000	634,000	5,884,000	8.28 %	86.44 %
2043	5,250,000	394,000	5,644,000	8.28 %	94.72 %
2044	3,350,000	134,000	3,484,000	5.28 %	100.00 %
Totals	63,410,000	41,051,676	104,461,676		

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 57,233,274
Plus: Unspent Bond Proceeds	603,967
Less Capital Related Debt:	
General Obligation Park (Alternate Revenue Source) Bonds of 2013A	(16,370,000)
General Obligation Park (Alternate Revenue Source) Bonds of 2014A	(15,150,000)
General Obligation Limited Tax Park Bonds of 2017A	(4,040,000)
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2019B	(6,285,000)
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2020A	(17,910,000)
General Obligation Limited Park Bonds of 2020B	(800,000)
General Obligation Limited Park Bonds of 2021	(2,855,000)
Unamortized Premiums	<u>(4,405,837)</u>
Net Investment in Capital Assets	<u><u>(9,978,596)</u></u>

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning net position/fund balance was restated due to recognizing prior year grant revenue and allocating bond proceed between the correct funds. The following is a summary of the net position/fund balance as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 2,860,096	3,260,096	400,000
General	3,743,907	4,143,907	400,000
Debt Service	3,826,188	2,110,424	(1,715,764)
Capital Projects	1,382,782	3,098,546	1,715,764

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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.

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 unassigned fund balance reserve equal to 40% of the actual operating expenditures and 25% for all other funds.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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

	<div>Special Revenue</div> <div>Bridges of</div> <div>Poplar Creek The Club at</div> <div>Country Club Prairie Stone</div> <div>Debt Capital</div> <div>Service Projects Nonmajor</div> <div>Totals</div>							
	General	Recreation	Country Club	Prairie Stone	Debt Service	Capital Projects	Nonmajor	Totals
Fund Balances								
Nonspendable								
Prepays	\$ 14,544	15,775	264	879	—	—	—	31,462
Inventory	—	—	33,691	—	—	—	—	33,691
	14,544	15,775	33,955	879	—	—	—	65,153
Restricted								
Capital Projects	—	—	—	—	—	2,710,503	—	2,710,503
Debt Service	—	—	—	—	1,723,860	—	—	1,723,860
Employee Retirement	—	—	—	—	—	—	1,222,443	1,222,443
Special Recreation	—	—	—	—	—	—	565,931	565,931
	—	—	—	—	1,723,860	2,710,503	1,788,374	6,222,737
Assigned								
Recreational Programming								
Facility Maintenance, and								
Future Recreation Capital	—	2,281,380	826,539	255,584	—	—	—	3,363,503
Capital Projects	2,614,669	—	—	—	—	—	—	2,614,669
	2,614,669	2,281,380	826,539	255,584	—	—	—	5,978,172
Unassigned	1,303,226	—	—	—	—	—	—	1,303,226
Total Fund Balances	3,932,439	2,297,155	860,494	256,463	1,723,860	2,710,503	1,788,374	13,569,288

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, 2021 to January 1, 2022:

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****December 31, 2021****NOTE 4 - OTHER INFORMATION - Continued****RISK MANAGEMENT - Continued****Park District Risk Management Agency (PDRMA) - Continued**

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	\$100,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/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	\$1,000	Included	\$25,000,000
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/Reported Values
			\$1,000,000/Non-Reported Values
Business Interruption, Rental Income	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Off Premises 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			
Employers Liability	N/A	\$500,000	Statutory
		\$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
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/Claim/Aggregate;
			\$5,000,000 Aggregate All Members

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****December 31, 2021****NOTE 4 - OTHER INFORMATION - Continued****RISK MANAGEMENT - Continued****Park District Risk Management Agency (PDRMA) - Continued**

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits
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			\$1,000,000 Aggregate Policy Limit
Outbreak Suspension	24 Hours	N/A	\$5,000/\$25,000/Day All Locations
			\$150,000/\$500,000 Aggregate
Workplace Violence Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
Fungus Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Breach Response	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption due to			
System Failure	8 Hours	\$100,000	\$250,000/Occurrence/Annual Aggregate
Dependent Business Loss	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
DEADLY WEAPON RESPONSE			
Liability	\$1,000	\$9,000	\$500,000/Occurrence/\$2,500,000 Annual Aggregate
First Party Property	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Crisis Management Services	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Medical Expenses	\$1,000	\$9,000	\$25,000/person/\$500,000 Annual Aggregate
AD&D	\$1,000	\$9,000	\$50,000/person/\$500,000 Annual Aggregate
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

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.

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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020. The District's portion of the overall equity of the pool is 1.770% or \$1,004,854.

Assets	\$ 76,433,761
Deferred Outflows of Resources - Pension	1,015,561
Liabilities	19,892,387
Deferred Inflows of Resources - Pension	798,816
Total Net Position	56,758,119
Operating Revenues	19,454,155
Nonoperating Revenues	4,109,196
Expenditures	16,158,333

Since 89.98% 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, 2021

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 premiums 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 PDRMA Health Program is governed by a contract and by-laws that have been adopted by a 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 Health Program balance sheet at December 31, 2020 and the statement of revenues and expenses for the period ending December 31, 2020.

Assets	\$ 29,550,609
Deferred Outflows of Resources - Pension	435,241
Liabilities	5,326,323
Deferred Inflows of Resources - Pension	342,350
Total Net Position	24,317,177
Operating Revenues	34,484,852
Nonoperating Revenues	1,999,072
Expenditures	32,395,210

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, 2021

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not 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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

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, 2021.

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, 2021, the District contributed \$311,405 to NWSRA.

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

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 online 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.

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	85
Inactive Plan Members Entitled to but not yet Receiving Benefits	158
Active Plan Members	<u>107</u>
Total	<u><u>350</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% 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, 2021, the District's contribution was 7.63% of covered payroll.

Net Pension (Asset). The District's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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	25.00%	2.00%
Domestic Equities	39.00%	4.50%
International Equities	15.00%	5.75%
Real Estate	10.00%	5.90%
Blended	10.00%	4.30% - 8.10%
Cash and Cash Equivalents	1.00%	1.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****December 31, 2021****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 (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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,376,654	(5,257,174)	(3,241,427)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 26,883,946	29,850,823	(2,966,877)
Changes for the Year:			
Service Cost	375,594	—	375,594
Interest on the Total Pension Liability	1,917,407	—	1,917,407
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,082,658	—	1,082,658
Changes of Assumptions	—	—	—
Contributions - Employer	—	366,521	(366,521)
Contributions - Employees	—	218,140	(218,140)
Net Investment Income	—	4,982,980	(4,982,980)
Benefit Payments, Including Refunds of Employee Contributions	(1,249,492)	(1,249,492)	—
Other (Net Transfer)	—	98,315	(98,315)
Net Changes	2,126,167	4,416,464	(2,290,297)
Balances at December 31, 2021	29,010,113	34,267,287	(5,257,174)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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, 2021, the District recognized pension expense of \$845,636. At December 31, 2021, the District reported deferred outflows or 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	\$ 787,731	(161,471)	626,260
Change in Assumptions	—	(75,865)	(75,865)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,791,822)	(3,791,822)
Total Deferred Amounts Related to IMRF	787,731	(4,029,158)	(3,241,427)

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
2022	\$ (612,256)
2023	(1,154,671)
2024	(906,632)
2025	(567,868)
2026	—
Thereafter	—
Total	(3,241,427)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the District provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of December 31, 2021.

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 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
The Club at Prairie Stone - 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 Schedule of Employer Contributions December 31, 2021

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%
2018	356,271	356,271	—	5,126,731	6.95%
2019	246,776	246,776	—	4,838,744	5.10%
2020	313,956	313,956	—	4,257,298	7.37%
2021	366,521	366,521	—	4,804,263	7.63%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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****Schedule of Changes in the Employer's Net Pension Liability/(Asset)****December 31, 2021**

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 487,223
Interest	1,235,623
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	<u>18,381,083</u>
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	<u>18,300,535</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 80,548</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.56%
Covered Payroll	\$ 4,234,301
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	1.90%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

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	12/31/2018	12/30/2019	12/31/2020	12/31/2021
466,157	488,542	471,584	469,459	448,736	453,021	375,594
1,381,820	1,498,741	1,549,103	1,636,304	1,766,474	1,879,850	1,917,407
139,385	(751,348)	500,736	678,884	—	(393,089)	1,082,658
—	—	(625,519)	688,705	409,376	(184,687)	—
(379,791)	(499,425)	(612,510)	(851,799)	(978,645)	(1,147,201)	(1,249,492)
1,607,571	736,510	1,283,394	2,621,553	1,645,941	607,894	2,126,167
18,381,083	19,988,654	20,725,164	22,008,558	24,630,111	26,276,052	26,883,946
19,988,654	20,725,164	22,008,558	24,630,111	26,276,052	26,883,946	29,010,113
1,542,502	426,171	414,380	357,848	246,776	312,134	366,521
216,204	206,657	231,252	232,413	217,744	189,847	218,140
94,950	1,301,895	3,402,387	(1,147,162)	4,164,491	3,745,233	4,982,980
(379,791)	(499,425)	(612,510)	(851,799)	(978,645)	(1,147,201)	(1,249,492)
(671,056)	83,346	(141,032)	360,697	92,304	139,678	98,315
802,809	1,518,644	3,294,477	(1,048,003)	3,742,670	3,239,691	4,416,464
18,300,535	19,103,344	20,621,988	23,916,465	22,868,462	26,611,132	29,850,823
19,103,344	20,621,988	23,916,465	22,868,462	26,611,132	29,850,823	34,267,287
885,310	103,176	(1,907,907)	1,761,649	(335,080)	(2,966,877)	(5,257,174)
95.57%	99.50%	108.67%	92.85%	101.28%	111.04%	118.12%
4,804,541	4,592,363	5,134,810	5,126,761	4,838,744	4,234,629	4,804,263
18.43%	2.25%	(37.16%)	34.36%	(6.92%)	(70.06%)	(109.43%)

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, 2021**

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 3,806,000	3,806,000	3,726,756
TIF Distribution	220,000	220,000	194,148
Intergovernmental			
Replacement Taxes	65,000	65,000	104,358
Grants	187,500	187,500	260,089
Charges for Services	66,519	66,519	67,816
Interest	114,285	114,285	(17,157)
Miscellaneous	11,000	11,000	99,683
Total Revenues	4,470,304	4,470,304	4,435,693
Expenditures			
Recreation			
Administration	1,892,922	1,892,922	1,781,155
Cost Reimbursements			
FICA	(192,075)	(192,075)	(178,706)
IMRF	(163,655)	(163,655)	(168,052)
Maintenance	2,936,892	2,936,892	2,852,331
Capital Outlay	415,000	415,000	365,624
Total Expenditures	4,889,084	4,889,084	4,652,352
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(418,780)	(418,780)	(216,659)
Other Financing Sources			
Disposal of Capital Assets	—	—	1,411
Transfers In	3,780	3,780	3,780
	3,780	3,780	5,191
Net Change in Fund Balance	(415,000)	(415,000)	(211,468)
Fund Balance - Beginning as Restated			4,143,907
Fund Balance - Ending			3,932,439

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,677,000	1,677,000	1,630,613
Intergovernmental	—	—	288,406
Charges for Services	2,586,639	2,608,139	3,679,784
Interest	44,903	44,903	—
Miscellaneous	160,000	160,000	79,451
Total Revenues	4,468,542	4,490,042	5,678,254
Expenditures			
Recreation	3,764,442	3,785,942	4,001,717
Excess (Deficiency) of Revenues Over (Under) Expenditures	704,100	704,100	1,676,537
Other Financing Sources (Uses)			
Transfers In	45,900	45,900	45,900
Transfers Out	(750,000)	(750,000)	(750,000)
	(704,100)	(704,100)	(704,100)
Net Change in Fund Balance	—	—	972,437
Fund Balance - Beginning			1,324,718
Fund Balance - Ending			2,297,155

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Golf Operations	\$ 1,342,698	1,342,698	1,615,075
Food and Beverage Operations	394,875	394,875	512,712
Rentals	15,500	15,500	13,263
Interest	6,155	6,155	—
Miscellaneous			
Advertising	2,200	2,200	2,000
Water Maintenance Fees	11,000	11,000	11,000
Miscellaneous	3,500	3,500	2,556
Total Revenues	1,775,928	1,775,928	2,156,606
Expenditures			
Recreation	1,532,682	1,532,682	1,574,421
Capital Outlay	148,106	148,106	87,052
Total Expenditures	1,680,788	1,680,788	1,661,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,140	95,140	495,133
Other Financing Sources (Uses)			
Transfers In	9,180	9,180	9,180
Transfers Out	(100,000)	(100,000)	(100,000)
	(90,820)	(90,820)	(90,820)
Net Change in Fund Balance	4,320	4,320	404,313
Fund Balance - Beginning			456,181
Fund Balance - Ending			860,494

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**The Club at Prairie Stone - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Rentals	\$ 131,992	131,992	139,284
Fitness	1,163,500	1,163,500	1,286,589
Recreation	54,530	54,530	60,642
Aquatics	500	500	24,862
Interest	2,521	2,521	—
Miscellaneous	1,950	1,950	1,696
Total Revenues	1,354,993	1,354,993	1,513,073
Expenditures			
Recreation	1,381,993	1,381,993	1,249,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,000)	(27,000)	263,374
Other Financing Sources			
Transfers In	27,000	27,000	27,000
Net Change in Fund Balance	—	—	290,374
Fund Balance - Beginning			(33,911)
Fund Balance - Ending			256,463

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

INDIVIDUAL FUND DESCRIPTIONS

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 expenditure 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.

The Club at Prairie Stone Fund

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

INDIVIDUAL FUND DESCRIPTIONS

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, 2021**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 1,607,000	1,607,000	1,573,541
TIF Distribution	70,000	70,000	57,072
Total Taxes	1,677,000	1,677,000	1,630,613
Intergovernmental			
Grants	—	—	288,406
Charges for Services			
Rentals	51,000	51,000	58,314
Triphahn Center	151,366	151,366	168,153
Willow Racquet Club	103,821	103,821	127,097
General Leisure Services	181,067	181,067	230,271
Senior Programs	17,904	17,904	18,390
Early Childhood	447,849	447,849	607,530
Youth Childcare	445,537	445,537	770,837
Adult Athletics	27,535	27,535	11,150
Youth Athletics	81,688	81,688	233,563
Seascape Aquatic Center	227,200	248,700	295,864
Ice Center	851,672	851,672	1,158,615
Total Charges for Services	2,586,639	2,608,139	3,679,784
Interest	44,903	44,903	—
Miscellaneous	160,000	160,000	79,451
Total Revenues	4,468,542	4,490,042	5,678,254

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 1,409,085	1,409,085	1,418,798
Cost Reimbursements			
FICA	(161,850)	(161,850)	(195,361)
IMRF	(107,910)	(107,910)	(119,373)
	1,139,325	1,139,325	1,104,064
Communication and Marketing	335,769	335,769	271,879
Maintenance	498,911	498,911	435,036
Programs			
Triphahn Center	86,003	86,003	81,272
Willow Racquet Club	79,719	79,719	76,000
General Leisure Services	132,314	132,314	163,288
Senior Programs	11,619	11,619	20,259
Early Childhood	360,596	360,596	386,071
Youth Childcare	308,221	308,221	481,830
Adult Athletics	19,050	19,050	5,680
Youth Athletics	45,114	45,114	124,616
Seascape Aquatic Center	453,020	474,520	431,326
Ice Center	294,781	294,781	420,396
	1,790,437	1,811,937	2,190,738
Total Expenditures	3,764,442	3,785,942	4,001,717

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, 2021**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 296,982	296,982	297,068
Cost Reimbursements			
FICA	(63,185)	(63,185)	(64,119)
IMRF	(42,175)	(42,175)	(41,616)
	191,622	191,622	191,333
Maintenance	553,650	553,650	561,318
Golf Operations	332,226	332,226	361,794
Food and Beverage Operations	455,184	455,184	459,976
Total Recreation	1,532,682	1,532,682	1,574,421
Capital Outlay	148,106	148,106	87,052
Total Expenditures	1,680,788	1,680,788	1,661,473

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**The Club at Prairie Stone - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 936,538	936,538	887,430
Cost Reimbursements			
FICA	(58,010)	(58,010)	(56,315)
IMRF	(32,825)	(32,825)	(34,837)
	845,703	845,703	796,278
Communications and Marketing	91,380	91,380	53,360
Maintenance	222,458	222,458	216,671
Programs			
Fitness	186,453	186,453	143,534
Recreation	35,499	35,499	39,695
Aquatics	500	500	161
	222,452	222,452	183,390
Total Expenditures	1,381,993	1,381,993	1,249,699

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,344,000	3,344,000	3,366,567
TIF Distributions	210,000	210,000	122,003
Interest	65,808	65,808	—
Total Revenues	3,619,808	3,619,808	3,488,570
Expenditures			
Debt Service			
Principal Retirement	3,327,300	3,327,300	3,655,000
Interest and Fiscal Charges	3,878,594	3,878,594	2,869,220
Total Expenditures	7,205,894	7,205,894	6,524,220
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,586,086)	(3,586,086)	(3,035,650)
Other Financing Sources (Uses)			
Debt Issuance	1,769,086	1,769,086	1,799,086
Payment to Escrow Agent	(635,000)	(635,000)	—
Transfers In	850,000	850,000	850,000
	1,134,086	1,134,086	2,649,086
Net Change in Fund Balance	(2,452,000)	(2,452,000)	(386,564)
Fund Balance - Beginning as Restated			2,110,424
Fund Balance - Ending			1,723,860

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 77,550	77,550	—
Expenditures			
Capital Outlay	1,774,350	1,774,350	1,443,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,696,800)	(1,696,800)	(1,443,957)
Other Financing Sources			
Debt Issuance	990,000	990,000	1,055,914
Net Change in Fund Balance	<u>(706,800)</u>	<u>(706,800)</u>	(388,043)
Fund Balance - Beginning as Restated			<u>3,098,546</u>
Fund Balance - Ending			<u>2,710,503</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Nonmajor Governmental Funds - Special Revenue Funds****Combining Balance Sheet****December 31, 2021**

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
ASSETS				
Cash and Investments	\$ 706,971	515,472	565,931	1,788,374
Receivables - Net of Allowances				
Property Taxes	25,000	275,000	750,000	1,050,000
Total Assets	731,971	790,472	1,315,931	2,838,374
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	25,000	275,000	750,000	1,050,000
FUND BALANCES				
Restricted	706,971	515,472	565,931	1,788,374
Total Deferred Inflows of Resources and Fund Balances	731,971	790,472	1,315,931	2,838,374

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Nonmajor Governmental Funds - Special Revenue Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended December 31, 2021**

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
Revenues				
Taxes	\$ 101,336	101,334	593,677	796,347
Expenditures				
Current				
Recreation	363,878	494,500	311,405	1,169,783
Capital Outlay	—	—	196,519	196,519
Total Expenditures	363,878	494,500	507,924	1,366,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(262,542)	(393,166)	85,753	(569,955)
Other Financing (Uses)				
Transfers Out	—	—	(85,860)	(85,860)
Net Change in Fund Balances	(262,542)	(393,166)	(107)	(655,815)
Fund Balances - Beginning	969,513	908,638	566,038	2,444,189
Fund Balances - Ending	706,971	515,472	565,931	1,788,374

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 100,000	100,000	97,918
TIF Distributions	30,000	30,000	3,418
Interest	16,565	16,565	—
Total Revenues	146,565	146,565	101,336
Expenditures			
Recreation			
Contractual	346,565	346,565	363,878
Net Change in Fund Balance	<u>(200,000)</u>	<u>(200,000)</u>	(262,542)
Fund Balance - Beginning			<u>969,513</u>
Fund Balance - Ending			<u>706,971</u>

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 100,000	100,000	97,918
TIF Distributions	40,000	40,000	3,416
Interest	12,120	12,120	—
Total Revenues	152,120	152,120	101,334
Expenditures			
Recreation			
Contractual	475,120	475,120	494,500
Net Change in Fund Balance	(323,000)	(323,000)	(393,166)
Fund Balance - Beginning			908,638
Fund Balance - Ending			515,472

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 580,000	580,000	572,831
TIF Distributions	40,000	40,000	20,846
Interest	10,500	10,500	—
Total Revenues	630,500	630,500	593,677
Expenditures			
Recreation			
NWSRA Special Assessments	311,640	311,640	311,405
Capital Outlay	150,000	150,000	196,519
Total Expenditures	461,640	461,640	507,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	168,860	168,860	85,753
Other Financing (Uses)			
Transfers Out	(85,860)	(85,860)	(85,860)
Net Change in Fund Balance	83,000	83,000	(107)
Fund Balance - Beginning			566,038
Fund Balance - Ending			565,931

SUPPLEMENTAL SCHEDULES

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Long-Term Debt Requirements****General Obligation Park (Alternate Revenue Source) Bonds of 2013A****December 31, 2021**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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
	<u>16,370,000</u>	<u>16,140,320</u>	<u>32,510,320</u>		<u>8,070,160</u>		<u>8,070,160</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Long-Term Debt Requirements****General Obligation Park (Alternate Revenue Source) Bonds of 2014A****December 31, 2021**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	\$ —	605,062	605,062	2022	302,531	2022	302,531
2023	—	605,062	605,062	2023	302,531	2023	302,531
2024	—	605,062	605,062	2024	302,531	2024	302,531
2025	—	605,062	605,062	2025	302,531	2025	302,531
2026	150,000	605,062	755,062	2026	302,531	2026	302,531
2027	150,000	597,562	747,562	2027	298,781	2027	298,781
2028	200,000	590,062	790,062	2028	295,031	2028	295,031
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	564,124	814,124	2031	282,062	2031	282,062
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>15,150,000</u>	<u>10,843,370</u>	<u>25,993,370</u>		<u>5,421,685</u>		<u>5,421,685</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Long-Term Debt Requirements****General Obligation Limited Tax Park Bonds of 2017A****December 31, 2021**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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>4,040,000</u>	<u>840,050</u>	<u>4,880,050</u>		<u>420,025</u>		<u>420,025</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2019B

December 31, 2021

Date of Issue	December 2, 2019
Date of Maturity	December 1, 2040
Authorized Issue	\$6,285,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Cede & Co

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	\$ —	251,400	251,400	2022	125,700	2022	125,700
2023	245,000	251,400	496,400	2023	125,700	2023	125,700
2024	255,000	241,600	496,600	2024	120,800	2024	120,800
2025	265,000	231,400	496,400	2025	115,700	2025	115,700
2026	275,000	220,800	495,800	2026	110,400	2026	110,400
2027	285,000	209,800	494,800	2027	104,900	2027	104,900
2028	300,000	198,400	498,400	2028	99,200	2028	99,200
2029	310,000	186,400	496,400	2029	93,200	2029	93,200
2030	325,000	174,000	499,000	2030	87,000	2030	87,000
2031	335,000	161,000	496,000	2031	80,500	2031	80,500
2032	350,000	147,600	497,600	2032	73,800	2032	73,800
2033	365,000	133,600	498,600	2033	66,800	2033	66,800
2034	375,000	119,000	494,000	2034	59,500	2034	59,500
2035	390,000	104,000	494,000	2035	52,000	2035	52,000
2036	410,000	88,400	498,400	2036	44,200	2036	44,200
2037	425,000	72,000	497,000	2037	36,000	2037	36,000
2038	440,000	55,000	495,000	2038	27,500	2038	27,500
2039	460,000	37,400	497,400	2039	18,700	2039	18,700
2040	475,000	19,000	494,000	2040	9,500	2040	9,500
	<u>6,285,000</u>	<u>2,902,200</u>	<u>9,187,200</u>		<u>1,451,100</u>		<u>1,451,100</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Long-Term Debt Requirements****General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2020A****December 31, 2021**

Date of Issue	September 2, 2020
Date of Maturity	December 1, 2040
Authorized Issue	\$18,465,000
Denomination of Bonds	\$5,000
Interest Rate	5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Cede & Co

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	\$ 585,000	895,500	1,480,500	2022	447,750	2022	447,750
2023	615,000	866,250	1,481,250	2023	433,125	2023	433,125
2024	650,000	835,500	1,485,500	2024	417,750	2024	417,750
2025	680,000	803,000	1,483,000	2025	401,500	2025	401,500
2026	710,000	769,000	1,479,000	2026	384,500	2026	384,500
2027	750,000	733,500	1,483,500	2027	366,750	2027	366,750
2028	790,000	696,000	1,486,000	2028	348,000	2028	348,000
2029	825,000	656,500	1,481,500	2029	328,250	2029	328,250
2030	865,000	615,250	1,480,250	2030	307,625	2030	307,625
2031	910,000	572,000	1,482,000	2031	286,000	2031	286,000
2032	955,000	526,500	1,481,500	2032	263,250	2032	263,250
2033	1,005,000	478,750	1,483,750	2033	239,375	2033	239,375
2034	1,050,000	428,500	1,478,500	2034	214,250	2034	214,250
2035	1,105,000	376,000	1,481,000	2035	188,000	2035	188,000
2036	1,160,000	320,750	1,480,750	2036	160,375	2036	160,375
2037	1,220,000	262,750	1,482,750	2037	131,375	2037	131,375
2038	1,280,000	201,750	1,481,750	2038	100,875	2038	100,875
2039	1,345,000	137,750	1,482,750	2039	68,875	2039	68,875
2040	1,410,000	70,500	1,480,500	2040	35,250	2040	35,250
	<u>17,910,000</u>	<u>10,245,750</u>	<u>28,155,750</u>		<u>5,122,875</u>		<u>5,122,875</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Park Bonds of 2020B

December 31, 2021

Date of Issue	December 1, 2020
Date of Maturity	December 1, 2024
Authorized Issue	\$2,680,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Depository Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	\$ 300,000	32,000	332,000	2022	16,000	2022	16,000
2023	300,000	20,000	320,000	2023	10,000	2023	10,000
2024	200,000	8,000	208,000	2024	4,000	2024	4,000
	800,000	60,000	860,000		30,000		30,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Park Bonds of 2021

December 31, 2021

Date of Issue	November 18, 2021
Date of Maturity	December 1, 2022
Authorized Issue	\$2,855,000
Denomination of Bonds	\$5,000
Interest Rate	0.70%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Barrington Bank & Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2022	<u>\$ 2,855,000</u>	19,986	2,874,986	2022	<u>9,993</u>	2022	<u>9,993</u>

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 government'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, 2021 (Unaudited)

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Net Position by Component - Last Ten Fiscal Years***
December 31, 2021 (Unaudited)

	2012	2013	2014
Governmental Activities			
Net Investment in Capital Assets	\$ (5,847,563)	(7,252,365)	(8,388,077)
Restricted			
Capital Projects	4,895	7,071	21,642
Debt Service	4,989,329	4,502,710	3,549,607
Employee Retirement	304,014	372,205	456,057
Special Recreation	387,967	327,058	209,435
Working Cash	1,070,224	1,073,306	1,078,598
Unrestricted	4,832,249	5,406,783	5,842,202
Total Governmental Activities Net Position	5,741,115	4,436,768	2,769,464

* Accrual Basis of Accounting

Data Source: District Records

2015	2016	2017	2018	2019	2020	2021
(11,506,289)	(12,571,252)	(11,010,334)	(11,377,542)	(11,260,420)	(10,596,190)	(9,978,596)
2,165,445	2,047,943	2,561,919	3,309,111	3,285,885	1,382,782	2,710,503
3,927,498	4,354,943	4,366,639	4,167,163	2,565,322	3,501,207	1,497,989
650,897	899,820	1,098,030	1,440,408	1,557,148	1,878,151	1,222,443
252,393	300,443	331,515	429,954	551,079	566,038	565,931
—	—	—	—	—	—	—
7,128,298	8,525,941	6,368,739	6,028,575	7,161,008	6,128,108	8,568,745
2,618,242	3,557,838	3,716,508	3,997,669	3,860,022	2,860,096	4,587,015

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Changes in Net Position - Last Ten Fiscal Years***
December 31, 2021 (Unaudited)

	2012	2013	2014
Expenses			
Governmental Activities			
General Government	\$ 16,302,374	16,688,231	17,354,202
Interest on Long-Term Debt	3,039,903	3,531,336	3,757,266
Total Governmental Activities Expenses	19,342,277	20,219,567	21,111,468
Program Revenues			
Governmental Activities			
Charges for Services	10,397,240	10,295,375	10,166,116
Operating Grants/Contributions	46,818	39,698	30,851
Capital Grants/Contributions	112,500	155,007	242,556
Total Governmental Activities Program Revenues	10,556,558	10,490,080	10,439,523
Governmental Activities Net (Expenses) Revenues	(8,785,719)	(9,729,487)	(10,671,945)
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	8,173,119	8,267,244	8,164,393
Supplemental TIF	—	—	619,029
Intergovernmental			
Replacement	51,700	57,314	58,998
Interest	48,184	37,799	125,440
Gain on Sale of Capital Assets	—	33,857	—
Miscellaneous	16,828	28,926	36,781
Total Governmental Activities General Revenues	8,289,831	8,425,140	9,004,641
Governmental Activities Changes in Net Position	(495,888)	(1,304,347)	(1,667,304)

* Accrual Basis of Accounting

Data Source: District Records

2015	2016	2017	2018	2019	2020	2021
16,645,756	17,556,853	16,933,719	16,451,052	16,703,853	12,833,777	14,230,105
3,185,335	3,219,455	3,015,836	3,213,483	3,560,170	3,528,494	2,511,519
19,831,091	20,776,308	19,949,555	19,664,535	20,264,023	16,362,271	16,741,624
10,451,392	10,771,859	10,290,410	9,881,859	9,595,799	5,034,893	7,400,027
19,244	7,388	24,800	—	—	—	288,406
167,939	160,293	152,073	152,749	153,320	142,975	260,089
10,638,575	10,939,540	10,467,283	10,034,608	9,749,119	5,177,868	7,948,522
(9,192,516)	(9,836,768)	(9,482,272)	(9,629,927)	(10,514,904)	(11,184,403)	(8,793,102)
8,421,532	8,444,000	8,334,018	8,898,307	9,060,676	9,246,233	9,435,531
606,492	635,007	561,630	601,355	407,412	398,237	400,903
62,891	55,727	58,849	53,500	66,514	59,446	104,358
105,021	216,037	146,439	206,075	686,666	296,051	(17,157)
—	—	—	—	—	—	—
80,775	8,932	227,921	151,851	155,989	184,510	196,386
9,276,711	9,359,703	9,328,857	9,911,088	10,377,257	10,184,477	10,120,021
84,195	(477,065)	(153,415)	281,161	(137,647)	(999,926)	1,326,919

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Fund Balances of Governmental Funds - Last Ten Fiscal Years***
December 31, 2021 (Unaudited)

	2012	2013	2014
General Fund			
Nonspendable	\$ 10,118	21,260	6,445
Assigned	1,785,488	1,755,695	1,802,258
Unassigned	546,140	925,538	1,155,480
Total General Fund	2,341,746	2,702,493	2,964,183
All Other Governmental Funds			
Nonspendable			
Recreation	10,248	8,551	12,407
Bridges of Poplar Creek County Club	138,703	165,376	131,137
The Club at Prairie Stone	14,158	18,958	12,681
Debt Service	—	—	—
Restricted			
Recreation	1,000,000	1,000,000	—
IMRF	166,144	204,306	235,584
Debt Service	3,989,329	3,502,710	3,549,607
Special Recreation	387,967	327,058	209,435
FICA	137,870	167,899	220,473
Capital Projects	1,601,666	2,900,317	3,554,839
Working Cash	1,070,224	1,073,306	1,078,598
Assigned			
Recreation	1,983,392	2,145,933	2,206,251
Bridges of Poplar Creek County Club	—	—	35,997
The Club at Prairie Stone	893,647	910,384	954,809
Unassigned			
Recreation	—	—	—
The Club at Prairie Stone	—	—	—
Bridges Poplar Creek	(6,975)	(3,765)	—
Total All Other Governmental Funds	11,386,373	12,421,033	12,201,818
Total Governmental Funds	13,728,119	15,123,526	15,166,001

* Modified Accrual Basis of Accounting

Data Source: District Records

2015	2016	2017	2018	2019	2020	2021
6,613	13,436	18,264	15,051	206,469	11,716	14,544
1,645,970	1,980,544	1,923,637	1,946,757	3,166,748	2,614,669	2,614,669
1,571,914	1,812,443	2,173,894	2,639,431	1,712,848	1,117,522	1,303,226
3,224,497	3,806,423	4,115,795	4,601,239	5,086,065	3,743,907	3,932,439
5,992	7,753	26,664	13,782	19,689	2,685	15,775
132,724	122,795	83,544	88,081	85,463	37,737	33,955
13,121	12,223	12,503	564	8,443	264	879
—	—	—	—	16,200	—	—
—	—	—	—	—	—	—
338,096	492,953	600,411	816,340	865,393	969,513	706,971
3,927,498	4,354,943	4,629,949	4,432,956	691,755	908,638	515,472
252,393	300,443	331,515	429,954	2,814,433	3,826,188	1,723,860
312,801	406,867	497,619	624,068	551,079	566,038	565,931
3,275,445	2,047,943	2,561,919	3,309,111	3,285,885	1,382,782	2,710,503
—	—	—	—	—	—	—
2,572,732	2,921,934	2,087,691	1,539,781	1,490,119	1,341,974	2,281,380
—	46,061	173,482	123,652	4,472	418,444	826,539
1,026,845	1,015,583	48,358	75,237	63,719	—	255,584
—	—	—	—	87,511	(19,941)	—
—	—	—	—	—	(34,175)	—
(31,182)	—	—	—	239,341	—	—
11,826,465	11,729,498	11,053,655	11,453,526	10,223,502	9,400,147	9,636,849
15,050,962	15,535,921	15,169,450	16,054,765	15,309,567	13,144,054	13,569,288

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* December 31, 2021 (Unaudited)

	2012	2013	2014
Revenues			
Taxes	\$ 8,224,819	8,324,557	8,842,419
Charges for Services	10,336,271	10,236,604	10,111,848
Communications and Marketing	55,853	63,681	50,866
Water Maintenance Fees	11,000	11,000	11,000
Intergovernmental	159,318	189,919	271,585
Grants and Donations	—	—	—
Investment Income	48,184	37,799	125,440
Miscellaneous	10,944	17,803	31,006
Total Revenues	18,846,389	18,881,363	19,444,164
Expenditures			
Current			
Recreation	13,355,663	13,550,881	14,017,732
Capital Outlay	1,362,986	1,415,748	2,725,411
Debt Service			
Principal Retirement	3,148,000	18,310,000	17,475,000
Interest and Fiscal Charges	2,905,035	3,686,613	3,859,392
Other Charges	—	—	—
Total Expenditures	20,771,684	36,963,242	38,077,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,925,295)	(18,081,879)	(18,633,371)
Other Financing Sources (Uses)			
Debt Issuance	2,500,000	19,105,000	18,490,000
Premium on Bonds Issued	82,475	338,429	161,996
Payment to Escrow Agent	—	—	—
Sales of Capital Assets	—	33,857	23,850
Transfers In	2,323,289	2,335,245	3,221,645
Transfers Out	(2,323,289)	(2,335,245)	(3,221,645)
	2,582,475	19,477,286	18,675,846
Net Change in Fund Balances	657,180	1,395,407	42,475
Debt Service as a Percentage of Noncapital Expenditures	31.19%	61.88%	60.35%

* 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

2015	2016	2017	2018	2019	2020	2021
9,090,914	9,134,735	8,895,648	9,499,662	9,468,088	9,644,470	9,836,434
10,310,353	10,541,994	10,290,410	9,881,859	9,595,799	5,034,893	7,400,027
61,158	—	—	—	—	—	—
11,000	11,000	—	—	—	—	—
187,183	167,681	235,722	206,249	219,834	202,421	652,853
—	—	—	—	—	—	—
105,021	216,037	146,439	206,075	686,666	296,051	(17,157)
149,657	227,796	227,921	151,851	155,989	184,510	196,386
19,915,286	20,299,243	19,796,140	19,945,696	20,126,376	15,362,345	18,068,543
14,694,812	13,750,553	13,792,038	13,678,069	13,324,280	10,239,040	12,282,348
2,006,890	2,629,161	3,404,982	1,585,572	3,819,052	4,683,344	2,093,152
2,840,000	3,085,000	8,010,000	3,238,000	3,311,000	3,830,000	3,655,000
3,305,722	3,301,150	3,345,079	3,224,721	3,287,696	2,986,526	2,869,220
—	—	—	—	—	—	—
22,847,424	22,765,864	28,552,099	21,726,362	23,742,028	21,738,910	20,899,720
(2,932,138)	(2,466,621)	(8,755,959)	(1,780,666)	(3,615,652)	(6,376,565)	(2,831,177)
2,790,000	2,910,000	8,273,000	2,646,000	9,020,000	21,705,000	2,855,000
—	—	99,769	—	889,735	3,525,311	—
—	—	—	—	(7,040,578)	(21,019,440)	—
27,099	41,580	16,719	19,981	1,297	181	1,411
3,745,874	1,465,000	1,585,860	1,660,860	585,860	935,860	935,860
(3,745,874)	(1,465,000)	(1,585,860)	(1,660,860)	(585,860)	(935,860)	(935,860)
2,817,099	2,951,580	8,389,488	2,665,981	2,870,454	4,211,052	2,856,411
(115,039)	484,959	(366,471)	885,315	(745,198)	(2,165,513)	25,234
29.24%	31.30%	45.27%	32.04%	33.06%	39.93%	34.70%

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Equalized Valuation and Estimated Market Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

Fiscal Year	Tax Levy Year	Classification of Equalized Assessed Value (EAV) by Type			
		Residential	Commercial	Industrial	Farm
2012	2011	\$ 1,157,898,192	\$ 644,178,499	\$ 153,646,828	\$ 40,598
2013	2012	1,081,161,478	598,197,992	145,334,697	40,598
2014	2013	933,917,912	552,288,046	134,723,207	40,200
2015	2014	980,428,545	622,093,048	40,837,927	39,925
2016	2015	955,551,970	609,473,057	39,511,338	39,925
2017	2016	1,169,018,328	563,532,747	42,926,385	61,880
2018	2017	1,223,547,133	602,090,403	43,251,062	62,486
2019	2018	1,204,689,371	587,975,588	42,651,480	55,585
2020	2019	1,375,565,174	582,130,276	55,875,519	55,585
2021	2020	1,378,298,933	614,987,832	71,990,085	55,585

(1) Total EAV of property based on the Assessed Valuation of property determined by the Cook County Assessor based on 10% of fair market value for residential property and 25% of fair value for commercial and industrial property (except for certain exemptions) equalized by the Equalization Factor calculated by the Illinois Department of Revenue applicable to Cook County. Accordingly, the EAV before exemptions and tax increment should approximate 33% of the market value of taxable property in the District.

(2) Total Equalized Assessed Valuation of the District is reduced by Homeowners Exemptions and the Tax Increment (the EAV of property in a Tax Increment District that exceeds the Frozen Level at the inception of the Tax Increment District) for purpose of billing and collection general property taxes for the District.

(3) The Total Estimated Market Value of the District is based on the EAV before Homeowners Exemptions and Tax Increment multiplied by 3. This calculation assumes that the countywide Equalization Factor adjusts Assessed Value in the District to one third of market value.

Total EAV (1)	Homeowners Exemptions	Tax Increment	EAV for General District Taxation (2)	Total Estimated Market Value (3)
\$ 1,955,764,117	\$ (117,973,945)	\$ (296,131,426)	\$ 1,541,658,746	\$ 5,867,292,351
1,824,734,765	(127,773,348)	(281,547,503)	1,415,413,914	5,474,204,295
1,620,969,365	(120,719,126)	(249,958,202)	1,250,292,037	4,862,908,095
1,643,399,445	(119,588,902)	(261,235,310)	1,262,575,233	4,930,198,335
1,604,576,290	(118,126,936)	(265,312,695)	1,221,136,659	4,813,728,870
1,775,539,340	(133,737,157)	(233,364,924)	1,408,437,259	5,326,618,020
1,868,951,084	(187,819,702)	(255,687,044)	1,425,444,338	5,606,853,252
1,835,372,024	(186,434,325)	(254,528,033)	1,394,409,666	5,506,116,072
2,013,626,554	(201,806,394)	(188,949,448)	1,622,870,712	6,040,879,662
2,065,332,435	(201,902,800)	(212,436,274)	1,650,993,361	6,195,997,305

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

	2011	2012	2013
Direct Rates			
Corporate	0.1539	0.1842	0.2121
Recreation	0.0738	0.0702	0.0801
Illinois Municipal Retirement	0.0289	0.0351	0.0428
Social Security	0.0321	0.0368	0.0428
Special Recreation	0.0400	0.0400	0.0400
Debt Service	0.1916	0.2182	0.2512
Total Direct Rates	0.5203	0.5845	0.6690
Overlapping Rates			
Village of Hoffman Estates	1.1160	1.2240	0.7060
School Districts			
School District #54	3.1950	3.5780	4.1480
High School District #211	2.4820	2.7720	3.1970
Community College #512	0.3340	0.3730	0.4440
Metropolitan Water Reclamation District	0.3200	0.3700	0.4700
Cook County	0.4620	0.5360	0.6600
Cook County Forest Preserve District	0.0580	0.0580	—
Poplar Creek Library District	0.4490	0.5150	—
All Others	—	—	1.2550
Total Overlapping Rates	8.4160	9.4260	10.8800

Data Source: Office of the County Clerk

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

2014	2015	2016	2017	2018	2019	2020
0.2180	0.2267	0.2049	0.2109	0.1986	0.2134	0.2354
0.0793	0.0809	0.0719	0.0740	0.1277	0.0671	0.0994
0.0397	0.0449	0.0360	0.0379	0.0195	0.0244	0.0062
0.0436	0.0449	0.0432	0.0443	0.0408	0.0366	0.0062
0.0397	0.0400	0.0356	0.0400	0.0400	0.0346	0.0362
0.2524	0.2629	0.2296	0.2317	0.2418	0.2116	0.2127
0.6727	0.7003	0.6212	0.6388	0.6684	0.5877	0.5961
1.4430	1.5630	1.4170	1.4700	1.5280	1.3770	1.4210
4.1680	4.3320	3.7900	3.8440	4.0300	3.5450	3.5750
3.2130	3.3090	2.8710	2.9220	3.0440	2.7490	2.7870
0.4510	0.4660	0.4160	0.4250	0.4430	0.4030	0.4090
0.4300	0.4260	0.4060	0.4020	0.3960	0.3890	0.3780
0.5680	0.5520	0.5960	0.5580	0.5490	0.4540	0.4530
—	0.0690	—	—	0.0600	0.0590	0.0580
0.6320	0.0663	—	0.5900	0.3720	0.5460	—
—	—	0.5400	0.4700	0.7800	0.4980	1.0700
10.9050	10.7833	10.0360	10.6810	11.2020	10.0200	10.1510

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago December 31, 2021 (Unaudited)

Taxpayer	2020 Tax Levy			2011 Tax Levy		
	Taxable Assessed Valuation	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total District Taxable Assessed Value
Sears Holding Corporation (now Transformco)	\$ 50,460,097	1	2.71%	\$ 162,750,758	1	8.61%
Bell Works Chicago	37,511,732	2	2.01%			
Amita Health	23,949,142	3	1.29%			
Cabelas	22,880,382	4	1.23%			
Paul Hasting LLP	22,563,799	5	1.21%			
American Heritage	20,790,930	6	1.12%	11,863,528	9	0.63%
Lincoln Property Co.	20,180,794	7	1.08%			
Hmc Pt Poplar Creek Cr.	16,522,123	8	0.89%			
Wells Fargo Bank	15,300,526	9	0.82%			
Broadstone CLE IL LLC	15,227,793	10	0.82%			
AT & T /SBC Ameritech				117,823,805	2	6.24%
Property Tax Advisors				29,071,426	3	1.54%
W2001 VHE LLC				21,759,018	4	1.15%
Stonegate Properties				18,262,714	5	0.97%
Yavitski LLC				16,635,815	6	0.88%
Trans America				14,388,312	8	0.76%
Alexian Bros Health System				14,306,965	9	0.76%
Winegarner & Hammons				11,083,160	10	0.59%
	<u>245,387,318</u>		<u>13.17%</u>	<u>417,945,501</u>		<u>22.13%</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, 2021 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year		Collected within the		Collections in Subsequent Years	Total Collections to Date				
			Fiscal Year of the Levy			Amount	Percentage of Levy			
	Amount	Percentage of Levy								
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%
2017		9,105,633		8,899,017	97.73%		—		8,899,017	97.73%
2018		9,320,217		9,061,857	97.23%		—		9,061,857	97.23%
2019		9,537,731		9,248,647	96.97%		—		9,248,647	96.97%
2020		9,840,221		9,438,218	95.91%		—		9,438,218	95.91%

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, 2021 (Unaudited)

Fiscal Year	Governmental Activities			General Obligation Limited Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds ARS	Unamortized Premium	Debt Certificates				
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
2018	59,820,000	374,146	—	7,986,000	68,180,146	3.68%	1,313.81
2019	52,825,000	1,192,459	—	14,010,000	68,027,459	3.38%	1,310.87
2020	56,270,000	4,664,428	—	7,940,000	68,874,428	3.39%	1,327.19
2021	55,715,000	4,405,837	—	7,695,000	67,815,837	3.23%	1,290.99

Data Source: District Records

(1) See the Schedule of Demographic and Economic Statistics for personal income and 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, 2021 (Unaudited)**

Fiscal Year	Governmental Activities General Obligations Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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	4,366,639	64,419,228	1.52%	1,241.34
2018	68,180,146	4,167,163	64,012,983	1.50%	1,233.51
2019	68,027,459	2,565,322	65,462,137	1.56%	1,261.43
2020	68,874,428	3,501,207	65,373,221	1.34%	1,259.72
2021	67,815,837	1,497,989	66,317,848	1.34%	1,262.48

(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, 2021 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (1)	District's Share of Debt
District	\$ 67,815,837	100.00%	\$ 67,815,837
Overlapping Debt			
Cook County	2,596,351,750	0.95%	24,665,342
Cook County Forest Preserve	123,150,000	0.95%	1,169,925
Metropolitan Water Reclamation District	2,770,969,000	0.97%	26,878,399
Community College District # 509	140,415,000	2.30%	3,229,545
Community College District # 512	243,530,000	6.17%	15,025,801
School District #15	39,440,000	6.94%	2,737,136
Unit School District #46	185,425,910	3.06%	5,674,033
Unit School District #220	125,930,500	22.52%	28,359,549
Unit School District #300	260,040,000	1.32%	3,432,528
Gail Borden Library	3,290,000	5.62%	184,898
Poplar Creek Library	12,065,000	6.18%	745,617
Village of Hoffman Estates	93,340,725	95.62%	89,252,401
Village of Schaumburg	286,420,000	2.04%	5,842,968
Total Overlapping Debt	6,880,367,885		207,198,142
Totals	6,948,183,722		275,013,979

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, 2021 (Unaudited)

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Legal Debt Margin - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

	2011	2012	2013	2014
Equalized Assessed Valuation	\$ 1,955,764,117	1,824,734,765	1,620,969,365	1,643,399,445
Bonded Debt Limit - 2.875% of Assessed Value	56,228,218	52,461,124	46,602,869	47,247,734
Bonded Debt Limit - 0.575% of Assessed Value	11,245,644	10,492,225	9,320,574	9,449,547
General Obligation Limited Debt				
General Obligation (Limited) Dated				
December 1, 2002	3,100,000	3,100,000	—	—
December 1, 2006	4,800,000	4,800,000	4,800,000	4,800,000
December 1, 2011	2,393,000	—	—	—
December 1, 2012	—	2,500,000	—	—
December 2, 2013	—	—	2,735,000	—
December 18, 2014	—	—	—	2,740,000
December 1, 2015	—	—	—	—
November 1, 2017	—	—	—	—
December 1, 2017	—	—	—	—
December 1, 2018	—	—	—	—
December 2, 2019	—	—	—	—
December 1, 2020	—	—	—	—
December 1, 2020	—	—	—	—
December 1, 2021	—	—	—	—
Total General Limited Debt	10,293,000	10,400,000	7,535,000	7,540,000
Debt Certificates:				
Certificates Dated				
March 4, 2004	15,505,000	15,130,000	14,740,000	—
General Bonded Debt (Alternate Revenue Source)				
December 1, 2001	4,735,000	4,355,000	—	—
December 1, 2008	4,615,000	4,615,000	—	—
December 1, 2009	3,350,000	3,350,000	—	—
December 1, 2010	6,680,000	6,680,000	6,680,000	6,680,000
December 1, 2010	1,520,000	1,520,000	1,520,000	1,520,000
December 1, 2010	20,500,000	20,500,000	20,500,000	20,500,000
December 2, 2013	—	—	16,370,000	16,370,000
December 18, 2014	—	—	—	15,750,000
December 2, 2019	—	—	—	—
September 2, 2020	—	—	—	—
Total General Obligation Bonds (Alternate Revenue Source)	41,400,000	41,020,000	45,070,000	60,820,000
Total Bonded Debt	67,198,000	66,550,000	67,345,000	68,360,000
Legal Debt Margin	30,430,218	26,931,124	24,327,869	39,707,734
Nonreferendum Debt Margin	8,852,644	7,992,225	6,585,574	6,709,547

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

2015	2016	2017	2018	2019	2020
1,604,576,290	1,775,539,340	1,868,951,084	1,835,372,024	2,013,626,554	2,065,332,435
46,131,568	51,046,756	53,732,344	52,766,946	57,891,763	59,378,308
9,226,314	10,209,351	10,746,469	10,553,389	11,578,353	11,875,662
—	—	—	—	—	—
4,800,000	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2,790,000	—	—	—	—	—
—	5,590,000	5,340,000	4,990,000	4,565,000	4,040,000
—	2,683,000	—	—	—	—
—	—	2,646,000	—	—	—
—	—	—	2,735,000	135,000	—
—	—	—	—	2,680,000	800,000
—	—	—	—	560,000	—
—	—	—	—	—	2,855,000
7,590,000	8,273,000	7,986,000	7,725,000	7,940,000	7,695,000
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
6,680,000	6,680,000	6,680,000	6,680,000	—	—
1,520,000	1,325,000	1,125,000	920,000	—	—
20,500,000	20,500,000	20,500,000	20,500,000	—	—
16,370,000	16,370,000	16,370,000	16,370,000	16,370,000	16,370,000
15,650,000	15,550,000	15,450,000	15,350,000	15,150,000	15,150,000
—	—	—	—	6,285,000	6,285,000
—	—	—	—	18,465,000	17,910,000
60,720,000	60,425,000	60,125,000	59,820,000	56,270,000	55,715,000
68,310,000	68,698,000	68,111,000	67,545,000	64,210,000	63,410,000
38,541,568	42,773,756	45,746,344	45,041,946	49,951,763	51,683,308
6,436,314	4,619,351	2,760,469	2,828,389	3,638,353	4,180,662

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Fiscal Year	User Fees (1)	Annual Limited Bond Proceeds (2)	Total Pledged Revenues	Applicable Alternate Bond Debt Service (3)	Debt Service Coverage (4)
2012	\$ 10,284,296	\$ 2,585,472	\$ 12,869,768	\$ 3,120,983	412%
2013	10,183,070	2,735,000	12,918,070	3,180,318	406%
2014	10,056,707	2,740,000	12,796,707	2,419,187	529%
2015	10,138,677	2,790,000	12,928,677	3,139,250	412%
2016	10,454,849	2,910,000	13,364,849	3,323,545	402%
2017	10,203,158	2,683,000	12,886,158	3,318,090	388%
2018	9,730,018	2,646,000	12,376,018	3,311,074	374%
2019	9,445,241	2,735,000	12,180,241	3,028,665	402%
2020	4,967,052	3,240,000	8,207,052	2,491,755	329%
2021	7,332,211	2,855,000	10,187,211	3,130,575	325%

(1) User fees are gross user fees or charges for services from the District Special Revenue Funds including Recreation Programs, Bridges of Poplar Creek Country Club (golf), and The Club at Prairie Stone. User fees not used to fund Alternate Revenue Bond debt service may be spent for any other District governmental purpose.

(2) Annual Limited Bond Proceeds are derived from the issuance of general obligation bonds payable from dedicated debt service levy from the District's Debt Service Extension Base. Any portion of Annual Limited Bond proceeds not required to fund Alternate Revenue Bond debt service is used to fund District capital projects.

(3) Pledged Revenues are intended to pay debt service on December 1 of the current fiscal year and the following June 1 payment (the Annual Debt Service Requirement). Capitalized interest and Build America Bond rebates are not reflected in these amounts.

(4) The District has covenanted to maintain Pledged Revenues in an annual amount that is at least 125% of the Annual Debt Service Requirement. If there are not sufficient Pledged Revenues, the District could levy Pledged Taxes to fund any shortfall of Pledged Revenues. This has never occurred since the District has issued Alternate Revenue Bonds.

Data Source: District Records

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2012	51,895	\$ 1,746,941	\$ 33,663	7.20%
2013	51,895	1,736,199	33,456	7.40%
2014	51,895	1,792,349	34,538	5.50%
2015	51,895	1,868,998	36,015	4.50%
2016	51,895	1,898,371	36,581	4.70%
2017	51,895	1,934,386	37,275	3.80%
2018	51,895	1,851,909	35,686	3.10%
2019	51,895	2,010,257	38,737	2.90%
2020	51,895	2,029,458	39,107	6.90%
2021	52,530	2,102,041	40,016	2.90%

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, 2021 (Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
St. Alexius Medical Center	2,500	1	4.80%	2,550	2	4.90%
CDK Global	650	2	1.30%			
Siemens Medical Systems	600	3	1.20%	500	6	1.00%
Liberty Mutual	400	4	0.80%	400	7	0.80%
Claire's	400	5	0.80%	350	8	1.00%
FANUC America	370	6	0.70%			
Village of Hoffman Estates	359	7	0.70%	350	9	0.70%
Vistex	330	8	0.60%			
Leopardo Companies, Inc.	300	9	0.60%	300	10	0.60%
Wells Fargo	300	10	0.60%			
Sears Holding Corporation (now Transformco)				6,200	1	11.90%
AT&T (Ameritech)				1,200	3	2.30%
GE Commercial Finances				800	4	1.50%
Automated Data Processing				600	5	1.20%
Totals	<u>6,209</u>		<u>12.10%</u>	<u>13,250</u>		<u>25.90%</u>

Data Source: Village of Hoffman Estates

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS**Full-Time Equivalent Government Employees by Function - Last Ten Fiscal Years
December 31, 2021 (Unaudited)**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Full-Time Employees	26	28	36	36	43	39	38	37	42	37
Part-Time Employees	7	7	4	3	2	4	4	3	1	—
	33	35	40	39	45	43	42	40	43	37
Culture and Recreation										
Full-Time Employees	39	34	35	35	38	38	37	38	20	33
Part-Time Employees	416	496	481	484	424	445	405	386	379	316
Seasonal Employees	289	220	231	242	285	240	250	250	61	140
	744	750	747	761	747	723	692	674	460	489
Total Full-Time Employees	65	62	71	71	81	77	75	75	62	70
Total Part-Time/Seasonal	712	723	716	729	711	689	659	639	441	456
	777	785	787	800	792	766	734	714	503	526

Data Source: District Records

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2012	2013	2014
Recreation			
Number of Participants	24,853	25,479	24,397
Annual Attendance			
The Club at Prairie Stone	395,763	716,635	696,067
Seascape Family Aquatic Center	32,150	28,935	26,202
Triphahn Center and Ice Arena	681,264	707,044	701,670
Willow Recreation Center	106,324	109,541	107,514
Memberships			
50+ Active Adults	380	1,097	618
Bo's Run Dog Park	443	371	329
Dog Park Combo (Admit to Both Sites)	62	83	80
Freedom Run Dog Park	213	338	351
The Club at Prairie Stone	3,433	3,489	3,389
Seascape Family Aquatic Center	1,857	1,827	1,415
Triphahn Center and Ice Arena	947	924	917
Willow Recreation Center	373	378	371
Bridges Poplar Creek Country Club			
Rounds	34,627	31,147	28,525

Notes:

Metrics for 2020 are lower due to the COVID-19 pandemic and a change in methodology.

Data Source: District Departments

2015	2016	2017	2018	2019	2020	2021
23,540	23,311	22,544	21,254	23,301	12,085	20,079
897,021	757,983	773,143	705,192	694,422	91,141	147,503
27,901	33,601	27,740	28,202	31,864	—	32,226
948,002	916,718	907,551	827,787	720,175	26,701	138,735
203,544	191,942	184,264	168,069	189,893	4,932	34,260
586	673	296	397	369	—	—
249	297	318	287	329	257	296
72	76	85	81	66	79	132
281	321	321	315	288	250	272
3,481	2,940	3,000	2,881	2,837	1,992	2,160
1,337	1,459	1,437	1,302	1,366	—	1,642
892	863	854	809	781	509	523
370	349	335	329	253	93	103
29,393	31,279	31,323	26,109	24,538	28,238	30,830

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2012	2013	2014
Recreation			
Acreage - Owned	829	829	828
Facilities	7	7	7
Number of Parks - Owned	70	70	71
Natural Areas	13	13	13
Pathway Distance	64,187	64,187	64,187
Retention Ponds/Lakes	25	25	25
Amenities			
Ball Diamonds	29	29	28
Basketball Courts	13	13	13
Cricket Fields	1	1	1
Disc Golf Courses	1	1	1
Dog Parks	2	2	2
Fishing Areas	15	15	15
Football Fields	1	1	1
Indoor Ice Arenas	2	2	2
Pickleball Courts	—	—	—
Playgrounds	44	44	45
Shelter Areas	25	25	19
Skate Parks	3	3	3
Sled Hills	1	1	2
Soccer Fields	14	14	18
Splash Pads	4	4	4
Tennis Courts	17	17	17
Volleyball Courts	5	5	5

Data Source: District Departments

2015	2016	2017	2018	2019	2020	2021
884	924	924	927	933	933	936
7	7	7	7	7	7	7
73	80	80	80	80	80	81
13	23	23	23	23	23	36
64,187	72,388	72,388	72,388	72,716	72,716	72,716
25	28	28	28	28	28	29
29	29	29	26	29	29	25
13	15	15	15	15	15	16
1	1	1	1	1	1	1
1	1	1	1	1	1	1
2	2	2	2	2	2	2
15	16	16	16	16	16	18
1	2	2	2	2	2	3
2	2	2	2	2	2	2
—	—	—	—	—	—	16
45	46	46	46	47	47	46
22	24	24	24	25	25	29
3	2	2	2	2	2	2
2	2	2	2	2	2	3
18	16	16	14	16	16	17
4	4	4	4	4	4	5
17	17	17	17	17	17	14
5	5	5	5	5	5	5