



 hoffman estates park district

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2020

Craig Talsma C.P.A., C.P.R.E. Executive Director — Nicole Hopkins C.P.A., Director of Finance & Administration



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Prepared by:

Nicole Hopkins
Director of Finance and Administration

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, 2020

BOARD OF COMMISSIONERS

Robert Kaplan, President

Parick Kinnane, Vice President

Keith Evans, Treasurer

Ron Evans, Assistant Secretary

Rajkumari Chhatwani, Commissioner

Marc A. Friedman, Commissioner

Pat McGinn, Commissioner

PARK DISTRICT STAFF

Craig Talsma, Executive Director

Nicole Hopkins, Director of Finance and Administration

Dustin Hugen, Director of Parks

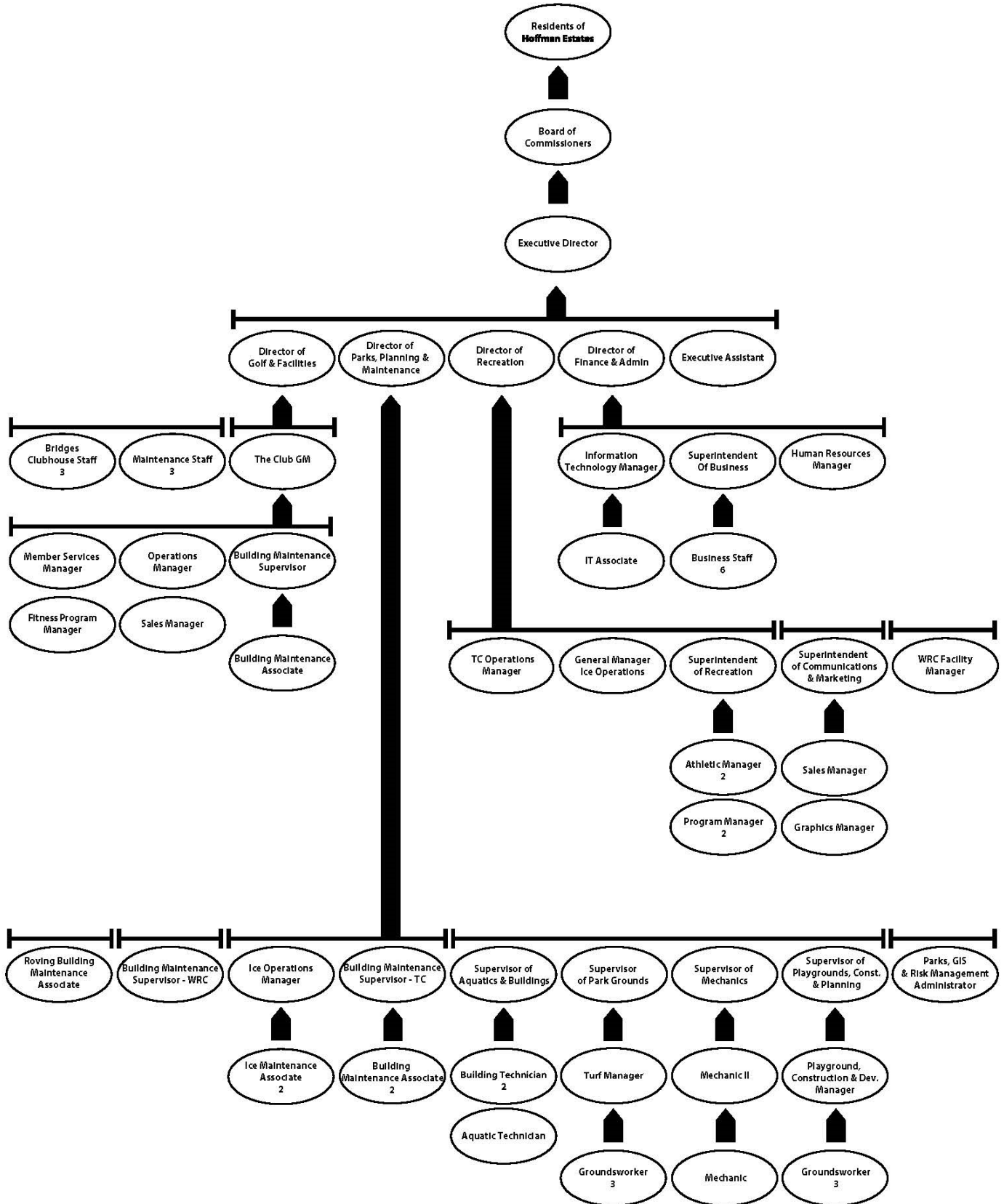
Brian Bechtold, Director of Golf and Facilities

Alisa Kapusinski, Director of Recreation

Lynne Cotshott, Superintendent of Business

Catalina Rodelo, Human Resources Manager

Table of Organization - Full Time Employees





May 4, 2021

To the Board of Commissioners
The Residents of Hoffman Estates

Presented for your review is the Hoffman Estates Park District (hereinafter "District") Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020. 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 within all material aspects of the District's financial position for the fiscal year ended December 31, 2020. 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 51,895 and currently has 80 parks totaling over 900 acres. The District had 12,573 participants in our recreational programs in 2020. 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 significantly impacted this statistic, resulting in lower participation than in previous years. In addition to the parks and programs, the District has the following major facilities:

Triphahn Center (TC) the home of the District's administrative offices and is the central recreation point for District activities. Located on the south side of Hoffman Estates, it houses a full-size gymnasium, fitness center, and locker rooms with 509 members at the end of 2020. 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. As a result 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 26,701 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. The course saw an increase over 2018/2019 with 28,238 rounds of golf played in 2020.

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 remained closed during the 2020 season due to COVID restrictions.

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 child care are also available. Monthly membership dues generate the most revenue for the facility, with 1,992 members at the end of 2020. This facility was closed for a portion of the year due to COVID. There were 91,141 visits in 2020. As a part of our commitment to maintaining state-of-the-art facilities, the Club underwent a renovation 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 for medical reasons. 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 93 members at the end of 2020, 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 586 annual dog park members at the end of 2020. 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 4,932 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 is also an excellent spot for many of our summer camps and special events. This historic site housed the District's first administrative offices after it was purchased in 1969. The park area was completely revamped and the historic house refurbished as part of a 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 will open at this location.

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 and Administration, 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 Comprehensive Annual Financial Report.

Local Economy

The local, state and national economies are all still navigating through and beginning recovery from the 2020 COVID-19 pandemic. The most dramatic aspect of the effect of the pandemic is seen in user access. User access has declined significantly in connection with closures and mitigation recommendations as advised and required by the State of Illinois and the CDC.

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 district's EAV since 2009 dropped losing more than a third in value (2009-\$1,907,073,711 and 2015-\$1,221,136,659). The 2018 EAV has dropped slightly from 2017 to \$1,394,409,666. The 2019 EAV reflects improvement over prior years at \$1,622,870,712, 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 of 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 park district operations are supported by user fees, tax dollars, and alternative revenues. The tax dollars are capped each year based on the taxes collected from our current annual levy plus an increase for CPI. This increase was 1.90% for 2019 and 2.30% for 2020. 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 and ADA and other specific program areas for seniors and at-risk youth. The majority of our other operations are supported and paid for by user fees. This includes our operations at BPC, The Club, and most programming, whether early childhood, athletics, or ice.

The Governor's Shelter in Place order during 1st and 2nd quarters in 2020 has impacted the District, local, and state-wide economies. At the issuance of this report, the District has started to see an increase in user 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 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 2020 was just over \$61,000.

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 for staffing 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 2019). 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. While in 2020, only two playgrounds were renovated, the Southridge project was a huge undertaking. Every time a playground is renovated, community meetings are held to gather public input on the functionality, usage, and design. Additionally, any time a capital project impacts the use of our land or facilities, we hold public input meetings. The Southridge project brought a water feature to the north side of our community, a wish list item from public input surveys. Below are some of the significant initiative projects for 2020: Princeton Park, Southridge Park, The Club at Prairie Stone tennis court conversion to a High Intensity Interval Training room, and a locker room renovation Triphahn Center Ice Rink 2 Underfloor Replacement. The Club locker room renovation included introducing anti-microbial

solutions for both the lockers and the flooring. The locker material, Nanolam, reduces the incidence of staph bacteria by 99.79 percent.

Park Improvements

Princeton Park



Before



After

Southridge Park



Before



After – Fitness Obstacle Course



After



After – Zip Line



After – Splash Pad

The Club at Prairie Stone, Tennis Court Conversion to HIIT Room



Before



After

The Club at Prairie Stone, Locker Room Renovation

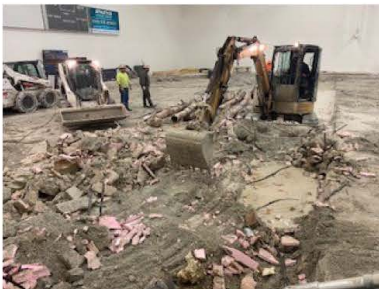


Before



After

Triphahn Center Ice Rink 2 Underfloor



Before



After

Awards and Acknowledgements

The District received its seventh Government Finance Officers Association of the United States and Canada (GFOA) award of Certificate of Achievement for Excellence in Financial Reporting in 2021 for our 2019 Comprehensive Annual Financial Report. This prestigious award recognizes a government for publishing an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both GAAP and applicable legal requirements. We believe that our Comprehensive Annual Financial Report for 2020 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.

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 2023.

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, 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 will occur in 2021.

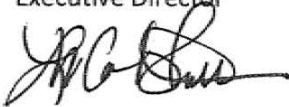
In 2013, 2015, and 2018, the District was named the Hoffman Estates Chamber of Commerce Public Sector of the Year as determined by the Hoffman Estates Chamber of Commerce, in which the District is an active member. The District was also awarded our annual accreditation from the National Association for the Education of Young Children (NAEYC) for both of our preschool locations (Triphahn Center and Willow Recreation Center). In 2020 we will begin the process of reaccreditation through ExceleRate. For the sixth year in a row, 2014-2019, we received the Four-Star Aquatic Safety Award from Starfish Aquatics Institute to recognize exceptional operational safety standards for lifeguard professionalism and excellence in risk management practices.

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

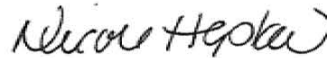
Respectfully submitted,



Craig Talsma, CPA, CPRE
Executive Director



Lynne Cotshott, CPRP
Superintendent of Business



Nicole Hopkins, CPA
Director of Finance & Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hoffman Estates Park District
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

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 4, 2021

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hoffman Estates Park District, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hoffman Estates Park District, Illinois, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

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

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

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

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, 2020. Please read it in conjunction with the transmittal letter, which can be found in the introductory section and the District's financial statements, which can be found in the financial section of this report.

FINANCIAL HIGHLIGHTS

- The Hoffman Estates Park District's net position decreased \$999,926, which is approximately 25.9 percent from the prior year net position. This was primarily due to the Southridge and Birch projects. These projects were OSLAD grant funds from the State of Illinois that will be recognized in 2021, since they were not completed at the end of the fiscal year. Additionally, the pandemic resulted in lost revenue which impacted the net position for operational funds.
- During the year, government-wide revenues for the primary government totaled \$15,362,345 while expenses totaled \$16,362,271, resulting in a decrease to net position of \$999,926.
- The Hoffman Estates Park District's net position totaled \$2,860,096 on December 31, 2020, which includes (\$10,596,190) net investment in capital assets, \$7,328,178 subject to external restrictions, and \$6,128,108 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit for the year of \$1,346,119, prior to disposal of capital assets and transfers in of \$3,961. The net change in fund balance of (\$1,342,158) brings the fund balance in the General Fund to \$3,743,907, resulting in a decrease of 26.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities 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 government wide financial statements which can be found in the financial section of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and government and recreation services. There are no business-type activities reported by the District.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District are reported as governmental funds.

Governmental Funds

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

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

USING THIS ANNUAL REPORT - Continued

Governmental Funds - Continued

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balances sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Recreation Fund, Bridges of Poplar Creek Country Club Fund, 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.

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

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 \$2,860,096.

	Net Position	
	2020	2019
Current and Other Assets	\$ 27,164,370	27,655,202
Capital Assets	58,278,238	56,767,039
Total Assets	85,442,608	84,422,241
Deferred Outflows	418,873	983,878
Total Assets/ Deferred Outflows	85,861,481	85,406,119
Long-Term Debt	65,131,316	64,784,787
Other Liabilities	5,550,909	6,051,743
Total Liabilities	70,682,225	70,836,530
Deferred Inflows	12,319,160	10,709,567
Total Liabilities/ Deferred Inflows	83,001,385	81,546,097
Net Investment in Capital Assets	(10,596,190)	(11,260,420)
Restricted	7,328,178	7,959,434
Unrestricted	6,128,108	7,161,008
Total Net Position	2,860,096	3,860,022

A large portion of the District's net position, (\$10,596,190), 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, \$7,328,178, of the District's net position represents resources that are subject to external restrictions on how they may be used. Essentially, these restrictions represent property taxes levied for a specific purpose. The remaining \$6,128,108, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 5,034,893	9,595,799
Grants/Contributions	142,975	153,320
General Revenues		
Property Taxes	9,644,470	9,468,088
Replacement Taxes	59,446	66,514
Other General Revenues	480,561	842,655
Total Revenues	<u>15,362,345</u>	<u>20,126,376</u>
Expenses		
Recreation	12,833,777	16,703,853
Interest on Long-Term Debt	3,528,494	3,560,170
Total Expenses	<u>16,362,271</u>	<u>20,264,023</u>
Change in Net Position	(999,926)	(137,647)
Net Position-Beginning	<u>3,860,022</u>	<u>3,997,669</u>
Net Position-Ending	<u><u>2,860,096</u></u>	<u><u>3,860,022</u></u>

Net position of the District's governmental activities decreased by 25.9 percent (\$2,860,096 at December 31, 2020 compared to net position of \$3,860,022 at December 31, 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$6,128,108 at December 31, 2020.

Governmental Activities

Revenues for governmental activities totaled \$15,362,345, while the cost of all governmental functions totaled \$16,362,271. This results in a deficit of \$999,926. For the year ended December 31, 2019, revenues of \$20,126,376 were lower than expenses of \$20,264,023, resulting in a deficit of \$137,647. During 2020, the Southridge and Birch park improvements were partially funded by OSLAD grants. The grants will be recognized in the 2021 financial statements.

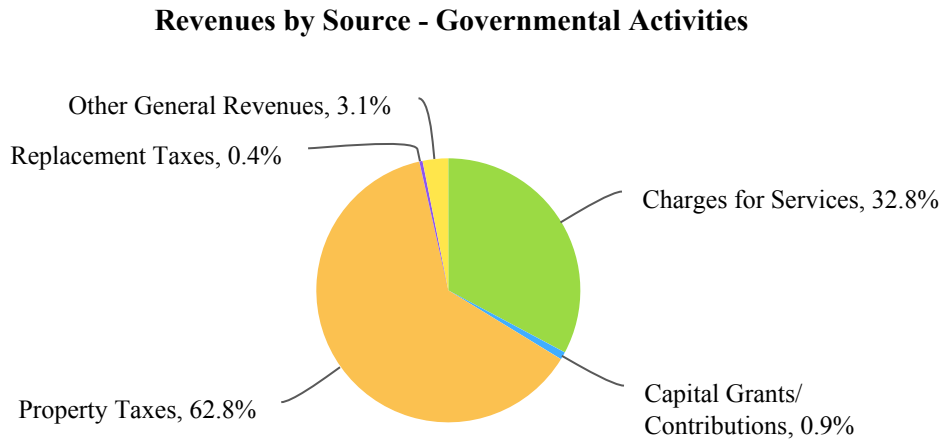
Management's Discussion and Analysis

December 31, 2020

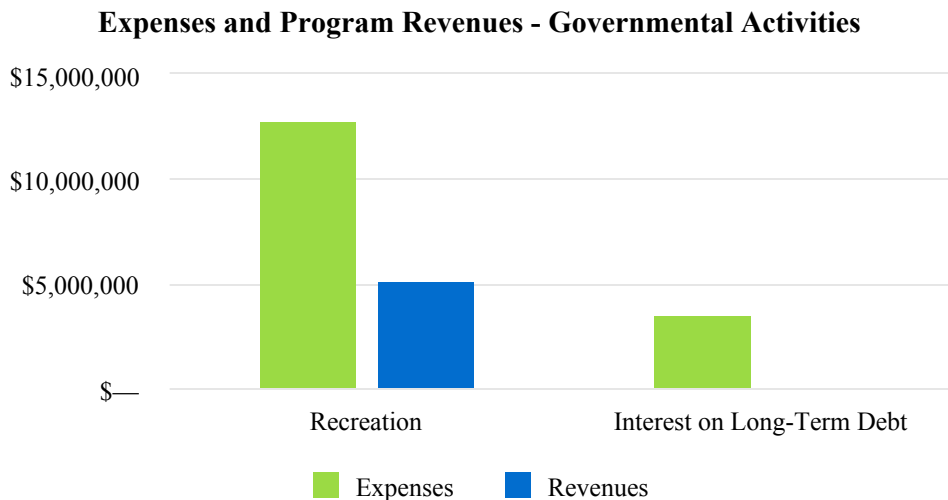
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

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



The Expenses and Program Revenues Chart identifies those governmental functions where program expenses greatly exceed revenues. Although in the government-wide statements expenses normally exceed revenues, general revenues such as property and replacement taxes support the general government expenses, a portion of recreation expenses, and interest expenses. During 2020, the COVID-19 pandemic resulted in the District shutting down and limiting District operations.



HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

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 \$13,144,054 which is \$2,165,513, or 14.1 percent, lower than last year's total of \$15,309,567. 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, 2020, unassigned fund balance in the General Fund was \$1,117,522, which represents 29.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 21.5 percent of total General Fund expenditures. The General Fund decreased \$1,342,158 due to the development of Southridge and Birch Parks. This was an anticipated drawdown of reserves and, additionally, grant funds of \$400,000 will not be recognized until 2021 for these projects.

The Recreation Fund reported a deficit for the year ended of \$272,601, to an ending fiscal year end balance of \$1,324,718. This is a decrease of 17.1 percent due to lost revenue from facility closures and reductions to capacity mandated by the State to combat the COVID-19 pandemic.

The Bridges of Poplar Creek Country Club Fund reported a surplus for the year of \$126,905, to an ending fiscal year end balance of \$456,181. This is an increase of 38.5 percent and is due to a rise in golf rounds. Favorable weather and golf being one of the few recreational opportunities available during COVID-19 restrictions resulted in a surge in popularity.

The Club at Prairie Stone Fund reported deficit for the year of \$106,073, to an ending fiscal year end balance of (\$33,911). This is a decrease of 147.0 percent due to lost revenue from facility closures and limits on services as mandated by the State.

The Debt Service Fund reported an increase of \$995,555, to an ending fiscal year end balance of \$3,826,188 and was due to debt issuance, premium on debt issuance, and payment to escrow agent with an offset of principal and interest expense. The fund balance in the Debt Service Fund is restricted for future debt service payments.

The Capital Projects Fund reported a decrease in fund balance of \$1,903,103 to an ending fiscal year end balance of \$1,382,782. This decrease is due to a shift in funding due to a reduction in facility revenue. The second phase of The Club remodeling was planned for 2021 but was completed in 2020 as capacity and access restrictions enabled construction without disruption to the customer experience.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2020, the District did not revise the annual operating budget of the General Fund. The fund is reported as a major fund, and accounts for the routine park operations of the District. The overall performance of the fund was greater than budgeted. The actual revenues for the year total \$3,841,364, compared to budgeted revenue of \$4,421,875. The \$580,511 difference in projected and actual revenues was mainly due to the OSLAD grant revenue will not be recognized until 2021, since the project was not completed at the end of the fiscal year. Expenditures had a favorable budget variance by \$395,172 and this was due expenditures in administration and maintenance being lower than budgeted as a result of the COVID-19 pandemic impacting District operations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2020 was \$58,278,238 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction, machinery and equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 11,313,465	11,313,465
Land Improvements	4,698,700	5,235,441
Construction	39,489,645	37,121,788
Machinery and Equipment	2,657,487	2,956,750
Vehicles	118,941	139,595
Totals	<u>58,278,238</u>	<u>56,767,039</u>

This year's major additions included:

Land Improvements	\$ 81,968
Construction	4,300,733
Machinery and Equipment	250,468
Vehicles	35,501
Totals	<u>4,668,670</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, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$64,210,000 as compared to \$66,835,000 the previous year, a decrease of 3.93 percent. The District's debt consists of General Obligation Bonds comprised of \$56,270,000 in Alternate Revenue Bonds and \$7,940,000 in Limited Bonds. The Limited Bonds are measured against the current legal debt limit of \$46,657,533. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2020	2019
General Obligation Park Bonds	\$ 64,210,000	66,835,000

The decrease is the result of issuing \$18,465,000 in General Obligation Park Refunding (ARS) Bonds of 2020A, \$2,680,000 in General Obligation Limited Park Bonds of 2020B, and \$560,000 in General Obligation Limited Park Bonds of 2020C with an offset of payments to principal.

The District was upgraded to 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. Moody'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 facilitates. The COVID-19 pandemic has impacted operations in the early part of 2021, although we already see increases to participation and memberships. The District continues to monitor the situation, make adjustments to expenses and change our processes as the situation unfolds.

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, 2020

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Statement of Net Position
December 31, 2020**

ASSETS	
Current Assets	
Cash and Investments	\$ 13,935,933
Receivables - Net of Allowances	
Taxes	9,537,000
Accounts	649,252
Accrued Interest	22,906
Prepays/Inventory	<u>52,402</u>
Total Current Assets	<u>24,197,493</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	11,313,465
Depreciable	93,384,489
Accumulated Depreciation	<u>(46,419,716)</u>
Total Capital Assets	58,278,238
Net Pension Asset - IMRF	<u>2,966,877</u>
Total Noncurrent Assets	<u>61,245,115</u>
Total Assets	85,442,608
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>418,873</u>
Total Assets and Deferred Outflows of Resources	<u>85,861,481</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 478,885
Accrued Payroll	197,111
Deposits Payable	46,832
Accrued Interest Payable	324,981
Other Payables	593,611
Current Portion of Long-Term Debt	3,909,489
Total Current Liabilities	<u>5,550,909</u>
Noncurrent Liabilities	
Compensated Absences Payable	133,102
General Obligation Bonds Payable - Net	64,998,214
Total Noncurrent Liabilities	<u>65,131,316</u>
Total Liabilities	<u>70,682,225</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	9,537,000
Grant Revenue	200,000
Deferred Items - IMRF	2,582,160
Total Deferred Inflows of Resources	<u>12,319,160</u>
Total Liabilities and Deferred Inflows of Resources	<u>83,001,385</u>

NET POSITION

Net Investment in Capital Assets	(10,596,190)
Restricted	
Capital Projects	1,382,782
Debt Service	3,501,207
Employee Retirement	1,878,151
Special Recreation	566,038
Unrestricted	<u>6,128,108</u>
Total Net Position	<u>2,860,096</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, 2020

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	(Expenses)/ Revenues and Changes in Net Position
Governmental Activities					
Culture and Recreation	\$ 12,833,777	5,034,893	—	142,975	(7,655,909)
Interest on Long-Term Debt	3,528,494	—	—	—	(3,528,494)
Total Governmental Activities	16,362,271	5,034,893	—	142,975	(11,184,403)

General Revenues	
Taxes	
Property Taxes	9,246,233
TIF Distributions	398,237
Intergovernmental - Unrestricted	
Replacement Taxes	59,446
Interest	296,051
Miscellaneous	184,510
	<u>10,184,477</u>
Change in Net Position	(999,926)
Net Position - Beginning	<u>3,860,022</u>
Net Position - Ending	<u><u>2,860,096</u></u>

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2020

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2020

	General	Recreation	Special Revenue Bridges of Poplar Creek Country Club
ASSETS			
Cash and Investments	\$ 4,026,999	1,622,724	492,594
Receivables - Net of Allowances			
Taxes	3,806,000	1,607,000	—
Accounts	472,859	111,286	21,907
Accrued Interest	22,906	—	—
Prepays	11,716	2,685	264
Inventory	—	—	37,473
Total Assets	8,340,480	3,343,695	552,238
LIABILITIES			
Accounts Payable	243,136	146,860	16,197
Accrued Payroll	82,396	73,738	16,872
Deposits Payable	10,000	3,750	27,441
Other Payables	255,041	187,629	35,547
Total Liabilities	590,573	411,977	96,057
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,806,000	1,607,000	—
Grant Revenue	200,000	—	—
Total Deferred Inflows of Resources	4,006,000	1,607,000	—
Total Liabilities and Deferred Inflows of Resources	4,596,573	2,018,977	96,057
FUND BALANCES			
Nonspendable	11,716	2,685	37,737
Restricted	—	—	—
Assigned	2,614,669	1,341,974	418,444
Unassigned	1,117,522	(19,941)	—
Total Fund Balances	3,743,907	1,324,718	456,181
Total Liabilities, Deferred Inflows of Resources and Fund Balances	8,340,480	3,343,695	552,238

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

The Club at Prairie Stone	Debt Service	Capital Projects	Nonmajor	Totals
110,390	3,826,188	1,412,849	2,444,189	13,935,933
—	3,344,000	—	780,000	9,537,000
43,200	—	—	—	649,252
—	—	—	—	22,906
264	—	—	—	14,929
—	—	—	—	37,473
153,854	7,170,188	1,412,849	3,224,189	24,197,493
42,625	—	30,067	—	478,885
24,105	—	—	—	197,111
5,641	—	—	—	46,832
115,394	—	—	—	593,611
187,765	—	30,067	—	1,316,439
—	3,344,000	—	780,000	9,537,000
—	—	—	—	200,000
—	3,344,000	—	780,000	9,737,000
187,765	3,344,000	30,067	780,000	11,053,439
264	—	—	—	52,402
—	3,826,188	1,382,782	2,444,189	7,653,159
—	—	—	—	4,375,087
(34,175)	—	—	—	1,063,406
(33,911)	3,826,188	1,382,782	2,444,189	13,144,054
153,854	7,170,188	1,412,849	3,224,189	24,197,493

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, 2020

Total Governmental Fund Balances	\$ 13,144,054
 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.	58,278,238
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	2,966,877
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(2,163,287)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable General Obligation Park Bonds Payable - Net Accrued Interest Payable	(166,377) (68,874,428) <u>(324,981)</u>
Net Position of Governmental Activities	<u>2,860,096</u>

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2020**

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, 2020**

	General	Recreation	Special Revenue Bridges of Poplar Creek Country Club
Revenues			
Taxes	\$ 3,471,549	1,129,483	—
Intergovernmental	124,848	—	—
Charges for Services	65,841	2,315,941	1,565,324
Interest	151,659	15,000	2,175
Miscellaneous	27,467	132,308	22,322
Total Revenues	<u>3,841,364</u>	<u>3,592,732</u>	<u>1,589,821</u>
Expenditures			
Current			
Recreation	3,509,468	3,161,233	1,308,751
Capital Outlay	1,678,015	—	63,345
Debt Service			
Principal Retirement	—	—	—
Interest and Fiscal Charges	—	—	—
Total Expenditures	<u>5,187,483</u>	<u>3,161,233</u>	<u>1,372,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,346,119)</u>	<u>431,499</u>	<u>217,725</u>
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Premium on Debt Issuance	—	—	—
Payment to Escrow Agent	—	—	—
Disposal of Capital Assets	181	—	—
Transfers In	3,780	45,900	9,180
Transfers Out	—	(750,000)	(100,000)
	<u>3,961</u>	<u>(704,100)</u>	<u>(90,820)</u>
Net Change in Fund Balances	(1,342,158)	(272,601)	126,905
Fund Balances - Beginning	<u>5,086,065</u>	<u>1,597,319</u>	<u>329,276</u>
Fund Balances - Ending	<u><u>3,743,907</u></u>	<u><u>1,324,718</u></u>	<u><u>456,181</u></u>

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

The Club at Prairie Stone	Debt Service	Capital Projects	Nonmajor	Totals
—	3,480,418	—	1,563,020	9,644,470
—	77,573	—	—	202,421
1,087,787	—	—	—	5,034,893
8,200	43,219	9,000	66,798	296,051
2,413	—	—	—	184,510
1,098,400	3,601,210	9,000	1,629,818	15,362,345
1,231,473	—	—	1,028,115	10,239,040
—	—	2,762,103	179,881	4,683,344
—	3,830,000	—	—	3,830,000
—	2,986,526	—	—	2,986,526
1,231,473	6,816,526	2,762,103	1,207,996	21,738,910
(133,073)	(3,215,316)	(2,753,103)	421,822	(6,376,565)
—	21,705,000	—	—	21,705,000
—	3,525,311	—	—	3,525,311
—	(21,019,440)	—	—	(21,019,440)
—	—	—	—	181
27,000	—	850,000	—	935,860
—	—	—	(85,860)	(935,860)
27,000	4,210,871	850,000	(85,860)	4,211,052
(106,073)	995,555	(1,903,103)	335,962	(2,165,513)
72,162	2,830,633	3,285,885	2,108,227	15,309,567
(33,911)	3,826,188	1,382,782	2,444,189	13,144,054

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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (2,165,513)

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	4,668,670
Depreciation Expense	(3,157,471)

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

Change in Deferred Items - IMRF	(2,089,031)
---------------------------------	-------------

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	34,461
Change in Net Pension (Asset) - IMRF	2,631,797
Retirement of Long-Term Debt	24,330,000
Change in Premium on Debt Issuance	(3,471,969)
Issuance of Debt	(21,705,000)

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.

	<u>(75,870)</u>
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Changes in Net Position of Governmental Activities

	<u><u>(999,926)</u></u>
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HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

BASIS OF PRESENTATION

Government-Wide Statements

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

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (general government, recreation, etc.). The functions are supported by general government revenues (property 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.

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 funds of that category or type; and

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 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:

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 purposes 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

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

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

Cash and Investments

For 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.

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. 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.

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	20 Years
Construction	7 - 50 Years
Machinery and Equipment	5 - 20 Years
Vehicles	5 - 20 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Compensated Absences

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

All vacation pay is accrued when incurred in the government-wide 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.

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.”

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Debt Service	\$ 113,811
Capital Projects	317,103

DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund	Deficit
The Club at Prairie Stone	\$ 33,911

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$6,669,032 and the bank balances totaled \$6,751,269.

Investments. The District has the following recurring fair value measurements as of December 31, 2020:

		<u>Fair Value Measurements Using</u>		
		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	\$ 4,667,227	4,667,227	—	—
Investments Measured at the Net Asset Value (NAV)				
IPDLAF	2,599,674			
	<u>7,266,901</u>			

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District limits its exposure to interest rate risk by structuring its investments so that they mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term certificates. The District's investment in the Illinois Park District Liquid Asset Fund 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, 2020, 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 \$4,667,227 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).

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, 2020, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. At December 31, 2020, the District's investment in the Illinois Park District Liquid Asset Fund is not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2019 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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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	18,745,674	81,968	—	18,827,642
Construction	60,055,055	4,300,733	—	64,355,788
Machinery and Equipment	8,877,167	250,468	—	9,127,635
Vehicles	1,037,923	35,501	—	1,073,424
	<u>88,715,819</u>	<u>4,668,670</u>	<u>—</u>	<u>93,384,489</u>
Less Accumulated Depreciation				
Land Improvements	13,510,233	618,709	—	14,128,942
Construction	22,933,267	1,932,876	—	24,866,143
Machinery and Equipment	5,920,417	549,731	—	6,470,148
Vehicles	898,328	56,155	—	954,483
	<u>43,262,245</u>	<u>3,157,471</u>	<u>—</u>	<u>46,419,716</u>
Total Net Depreciable Capital Assets	<u>45,453,574</u>	<u>1,511,199</u>	<u>—</u>	<u>46,964,773</u>
Total Net Capital Assets	<u>56,767,039</u>	<u>1,511,199</u>	<u>—</u>	<u>58,278,238</u>

Depreciation expense was charged to governmental activities as follows:

Recreation \$ 3,157,471

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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
Capital Projects	Recreation	750,000
Capital Projects	Bridges of Poplar Creek Country	<u>100,000</u>
		<u><u>935,860</u></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.

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 2010B (\$1,520,000), due in annual installments of \$195,000 to \$245,000, plus interest at 3.80% to 5.60% through December 1, 2022.	Debt Service	\$ 705,000	—	705,000	—
General Obligation Park (Alternate Revenue Source) Bonds of 2010C (\$20,500,000), due in annual installments of \$635,000 to \$1,590,000, plus interest at 4.00% to 5.375% through December 1, 2040.	Debt Service	20,500,000	—	20,500,000 *	—

*Refunded

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 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	15,250,000	—	100,000	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	4,990,000	—	425,000	4,565,000
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	2,735,000	—	2,600,000	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	—	18,465,000

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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	—	2,680,000
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
		<u>66,835,000</u>	<u>21,705,000</u>	<u>24,330,000</u>	<u>64,210,000</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	\$ 200,838	34,461	68,922	166,377	33,275
General Obligation Park Bonds	66,835,000	21,705,000	24,330,000	64,210,000	3,655,000
Plus: Unamortized Premium	1,192,459	3,525,311	53,342	4,664,428	221,214
	<u>68,228,297</u>	<u>25,264,772</u>	<u>24,452,264</u>	<u>69,040,805</u>	<u>3,909,489</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, 2020

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	
	Principal	Interest
2021	\$ 3,655,000	2,833,220
2022	955,000	2,710,450
2023	1,310,000	2,667,800
2024	1,330,000	2,612,250
2025	1,275,000	2,557,050
2026	1,565,000	2,502,550
2027	1,565,000	2,435,650
2028	1,765,000	2,367,850
2029	1,915,000	2,292,100
2030	2,050,000	2,214,738
2031	2,235,000	2,132,062
2032	1,655,000	2,042,838
2033	2,120,000	1,968,088
2034	2,225,000	1,873,238
2035	2,395,000	1,773,738
2036	3,040,000	1,666,888
2037	3,245,000	1,528,250
2038	3,470,000	1,380,000
2039	3,705,000	1,222,150
2040	4,135,000	1,054,250
2041	4,750,000	867,750
2042	5,250,000	634,000
2043	5,250,000	394,000
2044	3,350,000	134,000
Totals	<u>64,210,000</u>	<u>43,864,910</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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."

Assessed Valuation - 2019	<u>\$ 1,622,870,712</u>
Legal Debt Limit - 2.875% of Assessed Value	46,657,533
Amount of Debt Applicable to Limit	<u>7,940,000</u>
Legal Debt Margin	<u>38,717,533</u>
Non-Referendum Legal Debt Limit	
0.575% of Assessed Valuation	9,331,507
Amount of Debt Applicable to Debt Limit	<u>7,940,000</u>
Non-Referendum Legal Debt Margin	<u>1,391,507</u>

Defeased Debt

On September 2, 2020, the District issued \$18,465,000 par value General Obligation Refunding Park (Alternative Revenue Source) Bonds of 2020A to refund \$20,500,000 of the General Obligation Park (Alternate Revenue Source) Bonds of 2010C. The District defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the District reduced its total debt service by \$4,171,055 and obtained an economic gain of \$3,888,522.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 58,278,238
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	(4,565,000)
General Obligation Limited Tax Park Bonds of 2019A	(135,000)
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2019B	(6,285,000)
General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2020A	(18,465,000)
General Obligation Limited Park Bonds of 2020B	(2,680,000)
General Obligation Limited Park Bonds of 2020C	(560,000)
Unamortized Premiums	<u>(4,664,428)</u>
Net Investment in Capital Assets	<u><u>(10,596,190)</u></u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - 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 assigned 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, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - 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:

	General	Special Revenue			Debt Service	Capital Projects	Nonmajor	Totals
		Recreation	Poplar Creek Country Club	Bridges of The Club at Prairie Stone				
Fund Balances								
Nonspendable								
Prepays	\$ 11,716	2,685	264	264	—	—	—	14,929
Inventory	—	—	37,473	—	—	—	—	37,473
	<u>11,716</u>	<u>2,685</u>	<u>37,737</u>	<u>264</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>52,402</u>
Restricted								
Capital Projects	—	—	—	—	—	1,382,782	—	1,382,782
Debt Service	—	—	—	—	3,826,188	—	—	3,826,188
Employee Retirement	—	—	—	—	—	—	1,878,151	1,878,151
Special Recreation	—	—	—	—	—	—	566,038	566,038
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,826,188</u>	<u>1,382,782</u>	<u>2,444,189</u>	<u>7,653,159</u>
Assigned								
Capital Projects	2,614,669	1,341,974	418,444	—	—	—	—	4,375,087
	<u>1,117,522</u>	<u>(19,941)</u>	<u>—</u>	<u>(34,175)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,063,406</u>
	<u>3,743,907</u>	<u>1,324,718</u>	<u>456,181</u>	<u>(33,911)</u>	<u>3,826,188</u>	<u>1,382,782</u>	<u>2,444,189</u>	<u>13,144,054</u>

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, 2020 to January 1, 2021:

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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	\$250,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/Occurrence/Annual Aggregate
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/Occurrence/Annual Aggregate
Auto Physical Damage			
Comprehensive and Collision	\$1,000	\$1,000,000	Included
Course of Construction	\$1,000	Included	\$25,000,000
Tax Revenue Interruption	\$1,000	\$1,000,000	\$300,000,000/Reported Values
			\$100,000,000/Non-Reported Values
Business Interruption, Rental Income	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equipment Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - Included
Business Income	48 Hours	N/A	Included
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/Occurrence
Seasonal Employees	\$1,000	\$9,000	\$1,000,000/Occurrence
Blanket Bond	\$1,000	\$24,000	\$2,000,000/Occurrence
WORKERS COMPENSATION			
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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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			
Outbreak Expense	24 Hours	N/A	\$15,000 per Day
			\$1,000,000 Aggregate Policy Limit
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
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 Loan	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 Hourly Sublimit/\$50,000 Forensic
			Exp./\$150,000 Dependent Bus. Interruption
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 and AD&D
			Excess of any other Collectible Insurance
UNDERGROUND STORAGE TANK LIABILITY			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
UNEMPLOYMENT COMPENSATION			
Unemployment Compensation	N/A	N/A	Statutory

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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2019 and the statement of revenues and expenses for the period ending December 31, 2019. The District's portion of the overall equity of the pool is 1.795% or \$885,759.

Assets	\$ 70,609,234
Deferred Outflows of Resources - Pension	2,207,181
Liabilities	23,059,101
Deferred Inflows of Resources - Pension	404,213
Total Net Position	49,353,101
Operating Revenues	19,983,615
Nonoperating Revenues	6,014,647
Expenditures	20,463,511

Since 89.34% 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, 2020

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, 2019 and the statement of revenues and expenses for the period ending December 31, 2019.

Assets	\$ 26,084,474
Deferred Outflows of Resources - Pension	933,533
Liabilities	6,616,310
Deferred Inflows of Resources - Pension	173,234
Total Net Position	20,228,463
Operating Revenues	36,581,515
Nonoperating Revenues	2,343,640
Expenditures	36,884,494

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, 2020

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, 2020.

The future minimum lease payments are as follows:

Fiscal Year	Lease Payment
2021	<u>\$ 23,504</u>

JOINT VENTURES – NORTHWEST SPECIAL RECREATION ASSOCIATION

The District is a member of the Northwest Special Recreation Association (NWSRA), an association of seventeen area park districts that provides recreation programs and other activities for handicapped and impaired individuals. Each member agency shares ratably in NWSRA, and generally provides funding based on its equalized assessed valuation. For the fiscal year ended December 31, 2020, the District contributed \$307,468 to NWSRA.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES – NORTHWEST SPECIAL RECREATION ASSOCIATION - Continued

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

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

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

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

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	75
Inactive Plan Members Entitled to but not yet Receiving Benefits	155
Active Plan Members	<u>98</u>
Total	<u><u>328</u></u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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, 2020, the District's contribution was 7.37% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability 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, 2020, using the following actuarial methods and assumptions:

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

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.

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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. 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	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

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, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the District calculated using the discount rate as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	208,683	(2,966,877)	(5,429,624)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2019	\$ 26,276,052	26,611,132	(335,080)
Changes for the Year:			
Service Cost	453,021	—	453,021
Interest on the Total Pension Liability	1,879,850	—	1,879,850
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(393,089)	—	(393,089)
Changes of Assumptions	(184,687)	—	(184,687)
Contributions - Employer	—	312,134	(312,134)
Contributions - Employees	—	189,847	(189,847)
Net Investment Income	—	3,745,233	(3,745,233)
Benefit Payments, Including Refunds of Employee Contributions	(1,147,201)	(1,147,201)	—
Other (Net Transfer)	—	139,678	(139,678)
Net Changes	607,894	3,239,691	(2,631,797)
Balances at December 31, 2020	26,883,946	29,850,823	(2,966,877)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the District recognized pension expense of \$228,810. At December 31, 2020, 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	\$ 295,653	(277,280)	18,373
Change in Assumptions	123,220	(130,276)	(7,056)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,174,604)	(2,174,604)
Total Deferred Amounts Related to IMRF	<u>418,873</u>	<u>(2,582,160)</u>	<u>(2,163,287)</u>

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
2021	\$ (462,192)
2022	(395,914)
2023	(938,329)
2024	(366,852)
2025	—
Thereafter	—
Total	<u>(2,163,287)</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020.

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, 2020**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 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 December 31, 2020

	<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	<u>(353,158)</u>
Net Change in Total Pension Liability	1,973,146
Total Pension Liability - Beginning	<u>16,407,937</u>
Total Pension Liability - Ending	<u><u>18,381,083</u></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	<u>(353,158)</u>
Other (Net Transfer)	39,043
Net Change in Plan Fiduciary Net Position	1,432,667
Plan Net Position - Beginning	<u>16,867,868</u>
Plan Net Position - Ending	<u><u>18,300,535</u></u>
Employer's Net Pension Liability	<u><u>\$ 80,548</u></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 as a Percentage of Covered Payroll	1.90%

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

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/30/2019	12/31/2020
466,157	488,542	471,584	469,459	448,736	453,021
1,381,820	1,498,741	1,549,103	1,636,304	1,766,474	1,879,850
139,385	(751,348)	500,736	678,884	—	(393,089)
—	—	(625,519)	688,705	409,376	(184,687)
(379,791)	(499,425)	(612,510)	(851,799)	(978,645)	(1,147,201)
1,607,571	736,510	1,283,394	2,621,553	1,645,941	607,894
18,381,083	19,988,654	20,725,164	22,008,558	24,630,111	26,276,052
19,988,654	20,725,164	22,008,558	24,630,111	26,276,052	26,883,946
1,542,502	426,171	414,380	357,848	246,776	312,134
216,204	206,657	231,252	232,413	217,744	189,847
94,950	1,301,895	3,402,387	(1,147,162)	4,164,491	3,745,233
(379,791)	(499,425)	(612,510)	(851,799)	(978,645)	(1,147,201)
(671,056)	83,346	(141,032)	360,697	92,304	139,678
802,809	1,518,644	3,294,477	(1,048,003)	3,742,670	3,239,691
18,300,535	19,103,344	20,621,988	23,916,465	22,868,462	26,611,132
19,103,344	20,621,988	23,916,465	22,868,462	26,611,132	29,850,823
885,310	103,176	(1,907,907)	1,761,649	(335,080)	(2,966,877)
95.57%	99.50%	108.67%	92.85%	101.28%	111.04%
4,804,541	4,592,363	5,134,810	5,126,761	4,838,744	4,234,629
18.43%	2.25%	(37.16%)	34.36%	(6.92%)	(70.06%)

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,400,000	3,400,000	3,357,361
TIF Distribution	220,000	220,000	114,188
Intergovernmental			
Replacement Taxes	48,000	48,000	59,446
Grants	437,500	437,500	65,402
Charges for Services	64,375	64,375	65,841
Interest	242,000	242,000	151,659
Miscellaneous	10,000	10,000	27,467
Total Revenues	<u>4,421,875</u>	<u>4,421,875</u>	<u>3,841,364</u>
Expenditures			
Recreation			
Administration	2,059,254	2,059,254	1,775,753
Cost Reimbursements			
FICA	(204,307)	(204,307)	(163,216)
IMRF	(166,309)	(166,309)	(151,578)
Maintenance	2,506,517	2,506,517	2,048,509
Capital Outlay	1,387,500	1,387,500	1,678,015
Total Expenditures	<u>5,582,655</u>	<u>5,582,655</u>	<u>5,187,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,160,780)</u>	<u>(1,160,780)</u>	<u>(1,346,119)</u>
Other Financing Sources			
Disposal of Capital Assets	—	—	181
Transfers In	3,780	3,780	3,780
	<u>3,780</u>	<u>3,780</u>	<u>3,961</u>
Net Change in Fund Balance	<u>(1,157,000)</u>	<u>(1,157,000)</u>	(1,342,158)
Fund Balance - Beginning			<u>5,086,065</u>
Fund Balance - Ending			<u><u>3,743,907</u></u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,170,000	1,170,000	1,129,483
Charges for Services	4,791,494	4,791,494	2,315,941
Interest	13,615	13,615	15,000
Miscellaneous	186,500	186,500	132,308
Total Revenues	<u>6,161,609</u>	<u>6,161,609</u>	<u>3,592,732</u>
Expenditures			
Recreation	<u>5,372,509</u>	<u>5,372,509</u>	<u>3,161,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>789,100</u>	<u>789,100</u>	<u>431,499</u>
Other Financing Sources (Uses)			
Transfers In	45,900	45,900	45,900
Transfers Out	(750,000)	(750,000)	(750,000)
	<u>(704,100)</u>	<u>(704,100)</u>	<u>(704,100)</u>
Net Change in Fund Balance	<u>85,000</u>	<u>85,000</u>	(272,601)
Fund Balance - Beginning			<u>1,597,319</u>
Fund Balance - Ending			<u>1,324,718</u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Golf Operations	\$ 1,183,811	1,183,811	1,346,138
Food and Beverage Operations	871,548	871,548	214,736
Rentals	29,000	29,000	4,450
Interest	2,500	2,500	2,175
Miscellaneous			
Advertising	2,200	2,200	6,230
Water Maintenance Fees	11,000	11,000	11,000
Miscellaneous	5,500	5,500	5,092
Total Revenues	<u>2,105,559</u>	<u>2,105,559</u>	<u>1,589,821</u>
Expenditures			
Recreation	1,936,533	1,936,533	1,308,751
Capital Outlay	78,206	78,206	63,345
Total Expenditures	<u>2,014,739</u>	<u>2,014,739</u>	<u>1,372,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,820</u>	<u>90,820</u>	<u>217,725</u>
Other Financing Sources (Uses)			
Transfers In	9,180	9,180	9,180
Transfers Out	(100,000)	(100,000)	(100,000)
	<u>(90,820)</u>	<u>(90,820)</u>	<u>(90,820)</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	126,905
Fund Balance - Beginning			<u>329,276</u>
Fund Balance - Ending			<u><u>456,181</u></u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Rentals	\$ 206,052	206,052	126,913
Fitness	1,940,854	1,940,854	887,290
Recreation	74,880	74,880	41,999
Aquatics	120,240	120,240	31,585
Interest	8,500	8,500	8,200
Miscellaneous	2,250	2,250	2,413
Total Revenues	<u>2,352,776</u>	<u>2,352,776</u>	<u>1,098,400</u>
Expenditures			
Recreation	1,929,776	1,929,776	1,231,473
Capital Outlay	450,000	450,000	—
Total Expenditures	<u>2,379,776</u>	<u>2,379,776</u>	<u>1,231,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,000)	(27,000)	(133,073)
Other Financing Sources			
Transfers In	27,000	27,000	27,000
Net Change in Fund Balance	<u>—</u>	<u>—</u>	(106,073)
Fund Balance - Beginning			<u>72,162</u>
Fund Balance - Ending			<u><u>(33,911)</u></u>

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, 2020**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 1,100,000	1,100,000	1,055,665
TIF Distribution	70,000	70,000	73,818
Total Taxes	1,170,000	1,170,000	1,129,483
Charges for Services			
Rentals	79,000	79,000	36,433
Triphahn Center	302,185	302,185	136,105
Willow Racquet Club	198,345	198,345	99,224
General Leisure Services	472,298	472,298	156,151
Senior Programs	61,394	61,394	16,151
Early Childhood	2,123,045	2,123,045	939,049
Adult Athletics	35,360	35,360	12,391
Youth Athletics	213,250	213,250	102,846
Seascape Aquatic Center	256,425	256,425	—
Ice Center	1,050,192	1,050,192	817,591
Total Charges for Services	4,791,494	4,791,494	2,315,941
Interest	13,615	13,615	15,000
Miscellaneous	186,500	186,500	132,308
Total Revenues	6,161,609	6,161,609	3,592,732

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Recreation - Special Revenue Fund
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended December 31, 2020**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 1,931,221	1,931,221	1,460,505
Cost Reimbursements			
FICA	(235,922)	(235,922)	(142,992)
IMRF	(126,094)	(126,094)	(99,271)
	<u>1,569,205</u>	<u>1,569,205</u>	<u>1,218,242</u>
Communication and Marketing	<u>538,237</u>	<u>538,237</u>	<u>299,238</u>
Maintenance	<u>517,035</u>	<u>517,035</u>	<u>419,754</u>
Programs			
Triphahn Center	155,142	155,142	66,401
Willow Racquet Club	145,710	145,710	56,895
General Leisure Services	358,441	358,441	115,009
Senior Programs	47,293	47,293	8,970
Early Childhood	1,099,120	1,099,120	601,260
Adult Athletics	22,116	22,116	8,150
Youth Athletics	123,674	123,674	57,445
Seascape Aquatic Center	383,134	383,134	49,049
Ice Center	413,402	413,402	260,820
	<u>2,748,032</u>	<u>2,748,032</u>	<u>1,223,999</u>
Total Expenditures	<u>5,372,509</u>	<u>5,372,509</u>	<u>3,161,233</u>

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, 2020

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 388,829	388,829	312,416
Cost Reimbursements			
FICA	(71,642)	(71,642)	(48,661)
IMRF	(36,717)	(36,717)	(37,301)
	<u>280,470</u>	<u>280,470</u>	<u>226,454</u>
Maintenance	<u>566,169</u>	<u>566,169</u>	<u>491,898</u>
Golf Operations	<u>331,579</u>	<u>331,579</u>	<u>251,365</u>
Food and Beverage Operations	<u>758,315</u>	<u>758,315</u>	<u>339,034</u>
Total Recreation	1,936,533	1,936,533	1,308,751
Capital Outlay	<u>78,206</u>	<u>78,206</u>	<u>63,345</u>
Total Expenditures	<u>2,014,739</u>	<u>2,014,739</u>	<u>1,372,096</u>

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, 2020**

	Budget		Actual
	Original	Final	
Recreation			
Administration	\$ 1,064,083	1,064,083	770,232
Cost Reimbursements			
FICA	(78,785)	(78,785)	(48,502)
IMRF	(39,823)	(39,823)	(29,127)
	<u>945,475</u>	<u>945,475</u>	<u>692,603</u>
Communications and Marketing	<u>155,381</u>	<u>155,381</u>	<u>49,589</u>
Maintenance	<u>386,820</u>	<u>386,820</u>	<u>280,811</u>
Programs			
Fitness	312,181	312,181	162,130
Recreation	52,545	52,545	26,481
Aquatics	77,374	77,374	19,859
	<u>442,100</u>	<u>442,100</u>	<u>208,470</u>
Total Recreation	1,929,776	1,929,776	1,231,473
Capital Outlay	<u>450,000</u>	<u>450,000</u>	<u>—</u>
Total Expenditures	<u><u>2,379,776</u></u>	<u><u>2,379,776</u></u>	<u><u>1,231,473</u></u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,271,433	3,271,433	3,328,406
TIF Distributions	210,000	210,000	152,012
Intergovernmental	152,000	152,000	77,573
Interest	15,567	15,567	43,219
Total Revenues	<u>3,649,000</u>	<u>3,649,000</u>	<u>3,601,210</u>
Expenditures			
Debt Service			
Principal Retirement	3,340,000	3,340,000	3,830,000
Interest and Fiscal Charges	3,362,715	3,362,715	2,986,526
Total Expenditures	<u>6,702,715</u>	<u>6,702,715</u>	<u>6,816,526</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,053,715)</u>	<u>(3,053,715)</u>	<u>(3,215,316)</u>
Other Financing Sources (Uses)			
Debt Issuance	1,585,715	1,585,715	21,705,000
Premiums on Debt Issuance	—	—	3,525,311
Payment to Escrow Agent	—	—	(21,019,440)
	<u>1,585,715</u>	<u>1,585,715</u>	<u>4,210,871</u>
Net Change in Fund Balance	<u>(1,468,000)</u>	<u>(1,468,000)</u>	995,555
Fund Balance - Beginning			<u>2,830,633</u>
Fund Balance - Ending			<u><u>3,826,188</u></u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 9,000	9,000	9,000
Expenditures			
Capital Outlay	2,445,000	2,445,000	2,762,103
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,436,000)	(2,436,000)	(2,753,103)
Other Financing Sources			
Debt Issuance	750,000	750,000	—
Transfers In	850,000	850,000	850,000
	1,600,000	1,600,000	850,000
Net Change in Fund Balance	(836,000)	(836,000)	(1,903,103)
Fund Balance - Beginning			3,285,885
Fund Balance - Ending			1,382,782

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Nonmajor Governmental Funds - Special Revenue Funds

Combining Balance Sheet

December 31, 2020

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
ASSETS				
Cash and Investments	\$ 969,513	908,638	566,038	2,444,189
Receivables - Net of Allowances				
Property Taxes	100,000	100,000	580,000	780,000
Total Assets	<u>1,069,513</u>	<u>1,008,638</u>	<u>1,146,038</u>	<u>3,224,189</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	100,000	100,000	580,000	780,000
FUND BALANCES				
Restricted	<u>969,513</u>	<u>908,638</u>	<u>566,038</u>	<u>2,444,189</u>
Total Deferred Inflows of Resources and Fund Balances	<u>1,069,513</u>	<u>1,008,638</u>	<u>1,146,038</u>	<u>3,224,189</u>

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, 2020

	Illinois Municipal Retirement	Social Security	Special Recreation	Totals
Revenues				
Taxes	\$ 395,297	598,655	569,068	1,563,020
Interest	26,099	21,599	19,100	66,798
Total Revenues	421,396	620,254	588,168	1,629,818
Expenditures				
Current				
Recreation	317,276	403,371	307,468	1,028,115
Capital Outlay	—	—	179,881	179,881
Total Expenditures	317,276	403,371	487,349	1,207,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	104,120	216,883	100,819	421,822
Other Financing (Uses)				
Transfers Out	—	—	(85,860)	(85,860)
Net Change in Fund Balances	104,120	216,883	14,959	335,962
Fund Balances - Beginning	865,393	691,755	551,079	2,108,227
Fund Balances - Ending	969,513	908,638	566,038	2,444,189

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 400,000	400,000	383,878
TIF Distributions	30,000	30,000	11,419
Interest	3,943	3,943	26,099
Total Revenues	433,943	433,943	421,396
Expenditures			
Recreation			
Contractual	—	—	317,276
Net Change in Fund Balance	433,943	433,943	104,120
Fund Balance - Beginning			865,393
Fund Balance - Ending			969,513

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 600,000	600,000	575,817
TIF Distributions	40,000	40,000	22,838
Interest	656	656	21,599
Total Revenues	<u>640,656</u>	<u>640,656</u>	620,254
Expenditures			
Recreation			
Contractual	<u>590,656</u>	<u>590,656</u>	403,371
Net Change in Fund Balance	<u>50,000</u>	<u>50,000</u>	216,883
Fund Balance - Beginning			<u>691,755</u>
Fund Balance - Ending			<u>908,638</u>

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, 2020

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 580,000	580,000	545,106
TIF Distributions	40,000	40,000	23,962
Interest	4,000	4,000	19,100
Total Revenues	<u>624,000</u>	<u>624,000</u>	<u>588,168</u>
Expenditures			
Recreation			
NWSRA Special Assessments	307,468	307,468	307,468
Capital Outlay	270,672	270,672	179,881
Total Expenditures	<u>578,140</u>	<u>578,140</u>	<u>487,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,860	45,860	100,819
Other Financing (Uses)			
Transfers Out	<u>(85,860)</u>	<u>(85,860)</u>	<u>(85,860)</u>
Net Change in Fund Balance	<u>(40,000)</u>	<u>(40,000)</u>	14,959
Fund Balance - Beginning			<u>551,079</u>
Fund Balance - Ending			<u>566,038</u>

SUPPLEMENTAL SCHEDULES

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Park (Alternate Revenue Source) Bonds of 2013A

December 31, 2020

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
2021	\$ —	809,738	809,738	2021	404,869	2021	404,869
2022	—	809,738	809,738	2022	404,869	2022	404,869
2023	—	809,738	809,738	2023	404,869	2023	404,869
2024	—	809,738	809,738	2024	404,869	2024	404,869
2025	—	809,738	809,738	2025	404,869	2025	404,869
2026	—	809,738	809,738	2026	404,869	2026	404,869
2027	—	809,738	809,738	2027	404,869	2027	404,869
2028	—	809,738	809,738	2028	404,869	2028	404,869
2029	—	809,738	809,738	2029	404,869	2029	404,869
2030	—	809,738	809,738	2030	404,869	2030	404,869
2031	—	809,738	809,738	2031	404,869	2031	404,869
2032	—	809,738	809,738	2032	404,869	2032	404,869
2033	—	809,738	809,738	2033	404,869	2033	404,869
2034	—	809,738	809,738	2034	404,869	2034	404,869
2035	—	809,738	809,738	2035	404,869	2035	404,869
2036	870,000	809,738	1,679,738	2036	404,869	2036	404,869
2037	1,000,000	769,500	1,769,500	2037	384,750	2037	384,750
2038	1,000,000	723,250	1,723,250	2038	361,625	2038	361,625
2039	1,000,000	677,000	1,677,000	2039	338,500	2039	338,500
2040	1,000,000	630,750	1,630,750	2040	315,375	2040	315,375
2041	3,500,000	583,750	4,083,750	2041	291,875	2041	291,875
2042	4,000,000	400,000	4,400,000	2042	200,000	2042	200,000
2043	4,000,000	210,000	4,210,000	2043	105,000	2043	105,000
	<u>16,370,000</u>	<u>16,950,058</u>	<u>33,320,058</u>		<u>8,475,029</u>		<u>8,475,029</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Park (Alternate Revenue Source) Bonds of 2014A

December 31, 2020

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
2021	\$ —	605,062	605,062	2021	302,531	2021	302,531
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>11,448,432</u>	<u>26,598,432</u>		<u>5,724,216</u>		<u>5,724,216</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2017A

December 31, 2020

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
2021	\$ 525,000	127,250	652,250	2021	63,625	2021	63,625
2022	70,000	116,750	186,750	2022	58,375	2022	58,375
2023	150,000	115,350	265,350	2023	57,675	2023	57,675
2024	225,000	112,350	337,350	2024	56,175	2024	56,175
2025	330,000	107,850	437,850	2025	53,925	2025	53,925
2026	430,000	97,950	527,950	2026	48,975	2026	48,975
2027	380,000	85,050	465,050	2027	42,525	2027	42,525
2028	475,000	73,650	548,650	2028	36,825	2028	36,825
2029	530,000	59,400	589,400	2029	29,700	2029	29,700
2030	610,000	43,500	653,500	2030	21,750	2030	21,750
2031	740,000	25,200	765,200	2031	12,600	2031	12,600
2032	100,000	3,000	103,000	2032	1,500	2032	1,500
	<u>4,565,000</u>	<u>967,300</u>	<u>5,532,300</u>		<u>483,650</u>		<u>483,650</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2019A

December 31, 2020

Date of Issue	December 2, 2019
Date of Maturity	December 1, 2021
Authorized Issue	\$2,735,000
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
2021	\$ 135,000	5,400	140,400	2021	2,700	2021	2,700

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

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
2021	\$ —	251,400	251,400	2021	125,700	2021	125,700
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>3,153,600</u>	<u>9,438,600</u>		<u>1,576,800</u>		<u>1,576,800</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Park (Alternate Revenue Source) Bonds of 2020A

December 31, 2020

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
2021	\$ 555,000	923,250	1,478,250	2021	461,625	2021	461,625
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>18,465,000</u>	<u>11,169,000</u>	<u>29,634,000</u>		<u>5,584,500</u>		<u>5,584,500</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Park Bonds of 2020B

December 31, 2020

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
2021	\$ 1,880,000	107,200	1,987,200	2021	53,600	2021	53,600
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
	<u>2,680,000</u>	<u>167,200</u>	<u>2,847,200</u>		<u>83,600</u>		<u>83,600</u>

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Park Bonds of 2020C

December 31, 2020

Date of Issue	December 1, 2020
Date of Maturity	December 1, 2021
Authorized Issue	\$560,000
Denomination of Bonds	\$5,000
Interest Rate	0.70%
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
2021	<u>\$ 560,000</u>	<u>3,920</u>	<u>563,920</u>	2021	<u>1,960</u>	2021	<u>1,960</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the 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, 2020 (Unaudited)

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2011	2012	2013
Governmental Activities			
Net Investment in Capital Assets	\$ (4,743,739)	(5,847,563)	(7,252,365)
Restricted			
Capital Projects	1,515,393	4,895	7,071
Debt Service	4,051,148	4,989,329	4,502,710
Employee Retirement	165,192	304,014	372,205
Special Recreation	504,840	387,967	327,058
Working Cash	1,060,857	1,070,224	1,073,306
Unrestricted	5,570,440	4,832,249	5,406,783
Total Governmental Activities Net Position	8,124,131	5,741,115	4,436,768

* Accrual Basis of Accounting

Data Source: District Records

2014	2015	2016	2017	2018	2019	2020
(8,388,077)	(11,506,289)	(12,571,252)	(11,010,334)	(11,377,542)	(11,260,420)	(10,596,190)
21,642	2,165,445	2,047,943	2,561,919	3,309,111	3,285,885	1,382,782
3,549,607	3,927,498	4,354,943	4,366,639	4,167,163	2,565,322	3,501,207
456,057	650,897	899,820	1,098,030	1,440,408	1,557,148	1,878,151
209,435	252,393	300,443	331,515	429,954	551,079	566,038
1,078,598	—	—	—	—	—	—
5,842,202	7,128,298	8,525,941	6,368,739	6,028,575	7,161,008	6,128,108
2,769,464	2,618,242	3,557,838	3,716,508	3,997,669	3,860,022	2,860,096

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2011	2012	2013
Expenses			
Governmental Activities			
General Government	\$ 16,544,013	16,302,374	16,688,231
Interest on Long-Term Debt	2,900,900	3,039,903	3,531,336
Total Governmental Activities Expenses	<u>19,444,913</u>	<u>19,342,277</u>	<u>20,219,567</u>
Program Revenues			
Governmental Activities			
Charges for Services	10,623,145	10,397,240	10,295,375
Operating Grants/Contributions	14,469	46,818	39,698
Capital Grants/Contributions	—	112,500	155,007
Total Governmental Activities Program Revenues	<u>10,637,614</u>	<u>10,556,558</u>	<u>10,490,080</u>
Governmental Activities Net (Expenses) Revenues	<u>(8,807,299)</u>	<u>(8,785,719)</u>	<u>(9,729,487)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes			
Property	8,103,975	8,173,119	8,267,244
Supplemental TIF	—	—	—
Intergovernmental			
Replacement	51,605	51,700	57,314
Interest	54,102	48,184	37,799
Gain on Sale of Capital Assets	—	—	33,857
Miscellaneous	156,575	16,828	28,926
Total Governmental Activities General Revenues	<u>8,366,257</u>	<u>8,289,831</u>	<u>8,425,140</u>
Governmental Activities Changes in Net Position	<u>(441,042)</u>	<u>(495,888)</u>	<u>(1,304,347)</u>

* Accrual Basis of Accounting

Data Source: District Records

2014	2015	2016	2017	2018	2019	2020
17,354,202	16,645,756	17,556,853	16,933,719	16,451,052	16,703,853	12,833,777
3,757,266	3,185,335	3,219,455	3,015,836	3,213,483	3,560,170	3,528,494
21,111,468	19,831,091	20,776,308	19,949,555	19,664,535	20,264,023	16,362,271
10,166,116	10,451,392	10,771,859	10,290,410	9,881,859	9,595,799	5,034,893
30,851	19,244	7,388	24,800	—	—	—
242,556	167,939	160,293	152,073	152,749	153,320	142,975
10,439,523	10,638,575	10,939,540	10,467,283	10,034,608	9,749,119	5,177,868
(10,671,945)	(9,192,516)	(9,836,768)	(9,482,272)	(9,629,927)	(10,514,904)	(11,184,403)
8,164,393	8,421,532	8,444,000	8,334,018	8,898,307	9,060,676	9,246,233
619,029	606,492	635,007	561,630	601,355	407,412	398,237
58,998	62,891	55,727	58,849	53,500	66,514	59,446
125,440	105,021	216,037	146,439	206,075	686,666	296,051
—	—	—	—	—	—	—
36,781	80,775	8,932	227,921	151,851	155,989	184,510
9,004,641	9,276,711	9,359,703	9,328,857	9,911,088	10,377,257	10,184,477
(1,667,304)	84,195	(477,065)	(153,415)	281,161	(137,647)	(999,926)

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)**

	2011	2012	2013
General Fund			
Nonspendable	\$ 15,682	10,118	21,260
Assigned	1,561,576	1,785,488	1,755,695
Unassigned	665,307	546,140	925,538
Total General Fund	2,242,565	2,341,746	2,702,493
All Other Governmental Funds			
Nonspendable			
Recreation	7,048	10,248	8,551
Bridges of Poplar Creek County Club	121,647	138,703	165,376
The Club at Prairie Stone	15,341	14,158	18,958
Debt Service	—	—	—
Restricted			
Recreation	1,000,000	1,000,000	1,000,000
IMRF	165,192	166,144	204,306
Debt Service	4,051,148	3,989,329	3,502,710
Special Recreation	504,840	387,967	327,058
FICA	117,133	137,870	167,899
Capital Projects	—	1,601,666	2,900,317
Working Cash	1,060,857	1,070,224	1,073,306
Assigned			
Recreation	1,229,940	1,983,392	2,145,933
Capital Projects	1,515,393	—	—
Bridges of Poplar Creek County Club	9,730	—	—
The Club at Prairie Stone	609,622	893,647	910,384
Unassigned			
Recreation	118,212	—	—
The Club at Prairie Stone	252,477	—	—
Bridges Poplar Creek	—	(6,975)	(3,765)
Total All Other Governmental Funds	10,778,580	11,386,373	12,421,033
Total Governmental Funds	13,021,145	13,728,119	15,123,526

* Modified Accrual Basis of Accounting

Data Source: District Records

2014	2015	2016	2017	2018	2019	2020
6,445	6,613	13,436	18,264	15,051	206,469	11,716
1,802,258	1,645,970	1,980,544	1,923,637	1,946,757	3,166,748	2,614,669
1,155,480	1,571,914	1,812,443	2,173,894	2,639,431	1,712,848	1,117,522
2,964,183	3,224,497	3,806,423	4,115,795	4,601,239	5,086,065	3,743,907
12,407	5,992	7,753	26,664	13,782	19,689	2,685
131,137	132,724	122,795	83,544	88,081	85,463	37,737
12,681	13,121	12,223	12,503	564	8,443	264
—	—	—	—	—	16,200	—
—	—	—	—	—	—	—
235,584	338,096	492,953	600,411	816,340	865,393	969,513
3,549,607	3,927,498	4,354,943	4,629,949	4,432,956	691,755	908,638
209,435	252,393	300,443	331,515	429,954	2,814,433	3,826,188
220,473	312,801	406,867	497,619	624,068	551,079	566,038
3,554,839	3,275,445	2,047,943	2,561,919	3,309,111	3,285,885	1,382,782
1,078,598	—	—	—	—	—	—
2,206,251	2,572,732	2,921,934	2,087,691	1,539,781	1,490,119	1,341,974
—	—	—	—	—	—	—
35,997	—	46,061	173,482	123,652	4,472	418,444
954,809	1,026,845	1,015,583	48,358	75,237	63,719	—
—	—	—	—	—	87,511	(19,941)
—	—	—	—	—	—	(34,175)
—	(31,182)	—	—	—	239,341	—
12,201,818	11,826,465	11,729,498	11,053,655	11,453,526	10,223,502	9,400,147
15,166,001	15,050,962	15,535,921	15,169,450	16,054,765	15,309,567	13,144,054

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2011	2012	2013
Revenues			
Taxes	\$ 8,155,580	8,224,819	8,324,557
Charges for Services	10,623,145	10,336,271	10,236,604
Communications and Marketing	—	55,853	63,681
Water Maintenance Fees	11,000	11,000	11,000
Intergovernmental	—	159,318	189,919
Grants and Donations	14,469	—	—
Investment Income	54,102	48,184	37,799
Miscellaneous	149,352	10,944	17,803
Total Revenues	<u>19,007,648</u>	<u>18,846,389</u>	<u>18,881,363</u>
Expenditures			
Current			
Recreation	14,244,407	13,355,663	13,550,881
Capital Outlay	1,539,609	1,362,986	1,415,748
Debt Service			
Principal Retirement	3,120,000	3,148,000	18,310,000
Interest and Fiscal Charges	2,798,387	2,905,035	3,686,613
Other Charges	30,057	—	—
Total Expenditures	<u>21,732,460</u>	<u>20,771,684</u>	<u>36,963,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,724,812)</u>	<u>(1,925,295)</u>	<u>(18,081,879)</u>
Other Financing Sources (Uses)			
Debt Issuance	2,393,000	2,500,000	19,105,000
Premium on Bonds Issued	—	82,475	338,429
Payment to Escrow Agent	—	—	—
Sales of Capital Assets	—	—	33,857
Transfers In	—	2,323,289	2,335,245
Transfers Out	—	(2,323,289)	(2,335,245)
	<u>2,393,000</u>	<u>2,582,475</u>	<u>19,477,286</u>
Net Change in Fund Balances	<u>(331,812)</u>	<u>657,180</u>	<u>1,395,407</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>29.31%</u>	<u>31.19%</u>	<u>61.88%</u>

* 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

2014	2015	2016	2017	2018	2019	2020
8,842,419	9,090,914	9,134,735	8,895,648	9,499,662	9,468,088	9,644,470
10,111,848	10,310,353	10,541,994	10,290,410	9,881,859	9,595,799	5,034,893
50,866	61,158	—	—	—	—	—
11,000	11,000	11,000	—	—	—	—
271,585	187,183	167,681	235,722	206,249	219,834	202,421
—	—	—	—	—	—	—
125,440	105,021	216,037	146,439	206,075	686,666	296,051
31,006	149,657	227,796	227,921	151,851	155,989	184,510
19,444,164	19,915,286	20,299,243	19,796,140	19,945,696	20,126,376	15,362,345
14,017,732	14,694,812	13,750,553	13,792,038	13,678,069	13,324,280	10,239,040
2,725,411	2,006,890	2,629,161	3,404,982	1,585,572	3,819,052	4,683,344
17,475,000	2,840,000	3,085,000	8,010,000	3,238,000	3,311,000	3,830,000
3,859,392	3,305,722	3,301,150	3,345,079	3,224,721	3,287,696	2,986,526
—	—	—	—	—	—	—
38,077,535	22,847,424	22,765,864	28,552,099	21,726,362	23,742,028	21,738,910
(18,633,371)	(2,932,138)	(2,466,621)	(8,755,959)	(1,780,666)	(3,615,652)	(6,376,565)
18,490,000	2,790,000	2,910,000	8,273,000	2,646,000	9,020,000	21,705,000
161,996	—	—	99,769	—	889,735	3,525,311
—	—	—	—	—	(7,040,578)	(21,019,440)
23,850	27,099	41,580	16,719	19,981	1,297	181
3,221,645	3,745,874	1,465,000	1,585,860	1,660,860	585,860	935,860
(3,221,645)	(3,745,874)	(1,465,000)	(1,585,860)	(1,660,860)	(585,860)	(935,860)
18,675,846	2,817,099	2,951,580	8,389,488	2,665,981	2,870,454	4,211,052
42,475	(115,039)	484,959	(366,471)	885,315	(745,198)	(2,165,513)
60.35%	29.24%	31.30%	45.27%	32.04%	33.06%	39.93%

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years December 31, 2020 (Unaudited)

Tax Levy Year	Total Equalized Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value (1)	Total Direct Tax Rate (2)
2010	\$ 1,726,136,225	\$ 5,178,408,675	33.33%	0.4646
2011	1,541,658,746	4,624,976,238	33.33%	0.5203
2012	1,415,413,914	4,246,241,742	33.33%	0.5845
2013	1,250,292,037	3,750,876,111	33.33%	0.6690
2014	1,262,575,231	3,787,725,693	33.33%	0.6727
2015	1,221,136,659	3,663,409,977	33.33%	0.7003
2016	1,408,437,259	4,225,311,777	33.33%	0.6212
2017	1,425,444,338	4,276,333,014	33.33%	0.6388
2018	1,394,409,666	4,183,228,998	33.33%	0.6684
2019	1,622,870,712	4,868,612,136	33.33%	0.5877

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

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

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

Data Source: Office of the County Clerk

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2020 (Unaudited)

	2010	2011	2012
Direct Rates			
Corporate	0.1327	0.1539	0.1842
Recreation	0.0699	0.0738	0.0702
Illinois Municipal Retirement	0.0233	0.0289	0.0351
Social Security	0.0276	0.0321	0.0368
Special Recreation	0.0400	0.0400	0.0400
Debt Service	0.1711	0.1916	0.2182
Total Direct Rates	0.4646	0.5203	0.5845
Overlapping Rates			
Village of Hoffman Estates	0.9860	1.1160	1.2240
School Districts			
School District #54	2.9950	3.1950	3.5780
High School District #211	2.2040	2.4820	2.7720
Community College #512	0.2950	0.3340	0.3730
Metropolitan Water Reclamation District	0.2740	0.3200	0.3700
Cook County	0.4230	0.4620	0.5360
Cook County Forest Preserve District	0.0510	0.0580	0.0580
Poplar Creek Library District	0.3940	0.4490	0.5150
All Others	—	—	—
Total Overlapping Rates	7.6220	8.4160	9.4260

Data Source: Office of the County Clerk

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

2013	2014	2015	2016	2017	2018	2019
0.2121	0.2180	0.2267	0.2049	0.2109	0.1986	0.2134
0.0801	0.0793	0.0809	0.0719	0.0740	0.1277	0.0671
0.0428	0.0397	0.0449	0.0360	0.0379	0.0195	0.0244
0.0428	0.0436	0.0449	0.0432	0.0443	0.0408	0.0366
0.0400	0.0397	0.0400	0.0356	0.0400	0.0400	0.0346
0.2512	0.2524	0.2629	0.2296	0.2317	0.2418	0.2116
0.6690	0.6727	0.7003	0.6212	0.6388	0.6684	0.5877
0.7060	1.4430	1.5630	1.4170	1.4700	1.5280	1.3770
4.1480	4.1680	4.3320	3.7900	3.8440	4.0300	3.5450
3.1970	3.2130	3.3090	2.8710	2.9220	3.0440	2.7490
0.4440	0.4510	0.4660	0.4160	0.4250	0.4430	0.4030
0.4700	0.4300	0.4260	0.4060	0.4020	0.3960	0.3890
0.6600	0.5680	0.5520	0.5960	0.5580	0.5490	0.4540
—	—	0.0690	—	—	0.0600	0.0590
—	0.6320	0.0663	—	0.5900	0.3720	0.5460
1.2550	—	—	0.5400	0.4700	0.7800	0.4980
10.8800	10.9050	10.7833	10.0360	10.6810	11.2020	10.0200

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
December 31, 2020 (Unaudited)**

Taxpayer	2019 Tax Levy			2010 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	\$ 45,599,112	1	252.00%	\$ 186,638,143	1	8.07%
MB Hoffman Estates LLC	32,318,495	2	179.00%			
Amita Health/David Hill	21,976,323	3	122.00%			
Paul Hasting LLP	20,411,999	4	113.00%			
Lincoln Property Co.	19,307,772	5	107.00%			
Hmc Pt Poplar Creek Cr.	19,273,200	6	107.00%			
Anerican Heritage	18,808,200	7	104.00%			
Cabelas	14,909,555	8	83.00%	18,480,505	7	0.80%
Tr Greenspoint LLC	13,883,210	9	77.00%			
Wells Fargo Bank	13,841,389	10	77.00%			
AT & T /SBC Ameritech				130,888,897	2	5.66%
Property Tax Advisors				47,742,024	3	2.06%
Terry Kemp				34,703,011	4	1.50%
Madkatstep Entertainment				24,931,447	5	1.08%
Stonegate Properties				20,931,319	6	0.91%
American Heritage				17,132,745	8	0.74%
Trans America				15,983,784	9	0.69%
Thompson Property				14,395,930	10	0.62%
	<u>220,329,255</u>		<u>1221.00%</u>	<u>511,827,805</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

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 8,019,750	\$ 7,919,226	98.75%	\$ —	\$ 7,919,226	98.75%
2011	8,020,212	7,952,752	99.16%	—	7,952,752	99.16%
2012	8,273,599	8,173,120	98.79%	—	8,173,120	98.79%
2013	8,364,464	8,267,244	98.84%	—	8,267,244	98.84%
2014	8,492,924	8,444,915	99.43%	—	8,444,915	99.43%
2015	8,552,045	8,444,121	98.74%	—	8,444,121	98.74%
2016	8,749,212	8,334,018	95.25%	—	8,334,018	95.25%
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%

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, 2020 (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				
2011	\$ 41,400,000	\$ 847,878	\$ 15,505,000	\$ 10,293,000	\$ 68,045,878	4.11 %	\$ 1,311.22
2012	41,020,000	864,911	15,130,000	10,400,000	67,414,911	3.86 %	1,299.06
2013	45,070,000	1,055,423	14,740,000	7,535,000	68,400,423	3.94 %	1,318.05
2014	60,820,000	1,124,285	—	7,540,000	69,484,285	3.88 %	1,338.94
2015	60,720,000	1,001,419	—	7,590,000	69,311,419	3.71 %	1,335.61
2016	60,425,000	922,256	—	7,710,000	69,057,256	3.64 %	1,330.71
2017	60,125,000	387,867	—	8,273,000	68,785,867	3.56 %	1,325.48
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

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, 2020 (Unaudited)**

Fiscal Year	Governmental Activities <u>General</u> Obligations Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2011	\$ 68,045,878	\$ —	\$ 68,045,878	1.31%	\$ 1,311.22
2012	67,414,911	—	67,414,911	1.46%	1,299.06
2013	68,400,423	—	68,400,423	1.61%	1,318.05
2014	69,484,285	—	69,484,285	1.85%	1,338.94
2015	69,311,419	—	69,311,419	1.83%	1,335.61
2016	69,057,256	4,354,943	64,702,313	1.77%	1,246.79
2017	68,785,867	4,366,639	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

(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, 2020 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (1)	District's Share of Debt
District	\$ 68,874,428	100.00%	\$ 68,874,428
Overlapping Debt			
Village of Hoffman Estates	99,580,000	83.95%	83,597,410
Village of Schaumburg	296,715,000	1.60%	4,747,440
Schools			
District No. 15	34,771,203	8.85%	3,077,251
District No. 220	20,255,000	8.65%	1,752,058
District No. 300	276,882,030	1.32%	3,654,843
District No. 46	260,263,433	2.88%	7,495,587
Junior College District No. 512	117,785,000	6.32%	7,444,012
Junior College District No. 509	168,661,226	1.87%	3,153,965
Gail Borden Library	10,805,000	4.68%	505,674
Poplar Creek Library	15,700,000	5.78%	907,460
Metropolitan Water Reclamation District	3,135,897,000	0.96%	30,104,611
Cook County including Forest Preserve District	3,099,411,751	0.95%	29,444,412
Total Overlapping Debt	7,536,726,643		175,884,723
Totals	7,605,601,071		244,759,151

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, 2020 (Unaudited)**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Legal Debt Margin - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

	2010	2011	2012	2013
Equalized Assessed Valuation	\$ 1,726,136,225	1,541,658,746	1,415,413,914	1,250,292,037
Bonded Debt Limit - 2.875% of Assessed Value	49,626,416	44,322,689	40,693,150	35,945,896
Bonded Debt Limit - 0.575% of Assessed Value	9,925,283	8,864,538	8,138,630	7,189,179
General Obligation Limited Debt				
General Obligation (Limited) Dated				
December 1, 2002	3,100,000	3,100,000	3,100,000	—
December 1, 2006	4,800,000	4,800,000	4,800,000	4,800,000
December 1, 2010	2,395,000	—	—	—
December 1, 2011	—	2,393,000	—	—
December 1, 2012	—	—	2,500,000	—
December 2, 2013	—	—	—	2,735,000
December 18, 2014	—	—	—	—
December 1, 2015	—	—	—	—
November 1, 2017	—	—	—	—
December 1, 2017	—	—	—	—
December 1, 2018	—	—	—	—
December 2, 2019	—	—	—	—
December 1, 2020	—	—	—	—
December 1, 2020	—	—	—	—
Total General Limited Debt	<u>10,295,000</u>	<u>10,293,000</u>	<u>10,400,000</u>	<u>7,535,000</u>
Debt Certificates:				
Certificates Dated				
March 4, 2004	<u>15,865,000</u>	<u>15,505,000</u>	<u>15,130,000</u>	<u>14,740,000</u>
General Bonded Debt (Alternate Revenue Source)				
May 1, 1999	15,175,000	—	—	—
December 1, 2000	4,420,000	—	—	—
December 1, 2001	5,100,000	4,735,000	4,355,000	—
December 1, 2008	4,615,000	4,615,000	4,615,000	—
December 1, 2009	3,350,000	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
December 18, 2014	—	—	—	—
December 2, 2019	—	—	—	—
September 2, 2020	—	—	—	—
Total General Obligation Bonds (Alternate Revenue Source)	<u>61,360,000</u>	<u>41,400,000</u>	<u>41,020,000</u>	<u>45,070,000</u>
Total Bonded Debt	<u>87,520,000</u>	<u>67,198,000</u>	<u>66,550,000</u>	<u>67,345,000</u>
Legal Debt Margin	<u>23,466,416</u>	<u>18,524,689</u>	<u>15,163,150</u>	<u>13,670,896</u>
Nonreferendum Debt Margin	<u>7,530,283</u>	<u>6,471,538</u>	<u>5,638,630</u>	<u>4,454,179</u>

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

2014	2015	2016	2017	2018	2019
1,262,575,231	1,221,136,659	1,408,437,259	1,425,444,338	1,394,409,666	1,622,870,712
36,299,038	35,107,679	40,492,571	40,981,525	40,089,278	46,657,533
7,259,808	7,021,536	8,098,514	8,196,305	8,017,856	9,331,507
—	—	—	—	—	—
4,800,000	4,800,000	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2,740,000	—	—	—	—	—
—	2,790,000	—	—	—	—
—	—	5,590,000	5,340,000	4,990,000	4,565,000
—	—	2,683,000	—	—	—
—	—	—	2,646,000	—	—
—	—	—	—	2,735,000	135,000
—	—	—	—	—	2,680,000
—	—	—	—	—	560,000
7,540,000	7,590,000	8,273,000	7,986,000	7,725,000	7,940,000
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
6,680,000	6,680,000	6,680,000	6,680,000	6,680,000	—
1,520,000	1,520,000	1,325,000	1,125,000	920,000	—
20,500,000	20,500,000	20,500,000	20,500,000	20,500,000	—
16,370,000	16,370,000	16,370,000	16,370,000	16,370,000	16,370,000
15,750,000	15,650,000	15,550,000	15,450,000	15,350,000	15,150,000
—	—	—	—	—	6,285,000
—	—	—	—	—	18,465,000
60,820,000	60,720,000	60,425,000	60,125,000	59,820,000	56,270,000
68,360,000	68,310,000	68,698,000	68,111,000	67,545,000	64,210,000
28,759,038	27,517,679	32,219,571	32,995,525	32,364,278	38,717,533
4,519,808	4,231,536	2,508,514	210,305	292,856	1,391,507

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Fiscal Year	Net REC Operations	Net CPS Operations	Net Ice Operations	Annual Rollover Bond (Non Ref)
2011	\$ 1,017,191	\$ 555,499	\$ (212,280)	\$ 2,393,000
2012	1,278,940	613,637	163,269	2,500,000
2013	833,369	633,987	129,883	2,735,000
2014	770,324	588,148	5,523	2,740,000
2015	1,110,065	622,476	(65,592)	2,790,000
2016	1,138,463	565,340	67,314	2,910,000
2017	(61,232)	(418,945)	203,990	2,683,000
2018	218,308	587,940	95,527	2,646,000
2019	(2,144)	469,361	108,363	2,735,000
2020	431,499	(133,073)	217,725	695,000

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

Data Source: District Records

BAB Rebate	Net Available Revenue	Debt Service		Coverage
		Principal	Interest	
\$ 163,194	\$ 3,916,604	\$ 725,000	\$ 2,870,116	\$ 1.09
163,194	4,719,040	755,000	2,968,690	1.27
150,220	4,482,459	790,000	2,936,590	1.20
151,362	4,255,357	1,110,000	3,089,200	1.01
151,963	4,608,912	100,000	2,980,622	1.50
152,015	4,833,132	295,000	3,008,250	1.46
152,073	2,558,886	300,000	3,238,841	0.72
152,749	3,700,524	555,000	3,199,721	0.99
153,320	3,463,900	665,000	3,189,919	0.90
77,573	1,288,724	1,230,000	3,218,586	0.29

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	51,895	\$ 1,655,762	\$ 31,906	8.10%
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%

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, 2020 (Unaudited)**

Employer	2020			2011		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
St. Alexius Medical Center	2,500	1	4.80%	2,750	2	5.30%
CDK Global	650	2	1.30%			
Siemens Medical Systems	600	3	1.20%	500	6	1.00%
Transformco	600	4	1.20%			
Liberty Mutual	400	5	0.80%	400	8	0.80%
Claire's	400	6	0.80%	350	10	0.70%
FANUC America	370	7	0.70%			
Village of Hoffman Estates	365	8	0.70%	350	9	0.70%
Vistex	330	9	0.60%			
Leopardo Companies, Inc.	300	10	0.60%	400	7	0.80%
Sears Holdings				6,200	1	11.90%
AT&T (Ameritech)				2,500	3	4.80%
GE Commercial Finances				800	4	1.50%
Automated Data Processing				600	5	1.20%
Totals	<u>6,515</u>		<u>12.70%</u>	<u>14,850</u>		<u>28.70%</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, 2020 (Unaudited)**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Full-Time Employees	27	26	28	36	36	43	39	38	37	42
Part-Time Employees	7	7	7	4	3	2	4	4	3	1
	<u>34</u>	<u>33</u>	<u>35</u>	<u>40</u>	<u>39</u>	<u>45</u>	<u>43</u>	<u>42</u>	<u>40</u>	<u>43</u>
Culture and Recreation										
Full-Time Employees	33	39	34	35	35	38	38	37	38	20
Part-Time Employees	392	416	496	481	484	424	445	405	386	379
Seasonal Employees	301	289	220	231	242	285	240	250	250	61
	<u>726</u>	<u>744</u>	<u>750</u>	<u>747</u>	<u>761</u>	<u>747</u>	<u>723</u>	<u>692</u>	<u>674</u>	<u>460</u>
Total Full-Time Employees	60	65	62	71	71	81	77	75	75	62
Total Part-Time/Seasonal	<u>700</u>	<u>712</u>	<u>723</u>	<u>716</u>	<u>729</u>	<u>711</u>	<u>689</u>	<u>659</u>	<u>639</u>	<u>441</u>
	<u>760</u>	<u>777</u>	<u>785</u>	<u>787</u>	<u>800</u>	<u>792</u>	<u>766</u>	<u>734</u>	<u>714</u>	<u>503</u>

Data Source: District Records

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

See Following Page

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function/Program	2011	2012	2013
Recreation			
Number of Participants	24,277	24,853	25,479
Annual Attendance			
The Club at Prairie Stone	232,077	395,763	716,635
Seascape Family Aquatic Center	33,718	32,150	28,935
Triphahn Center and Ice Arena	48,947	681,264	707,044
Willow Recreation Center	103,430	106,324	109,541
Memberships			
50+ Active Adults	—	380	1,097
Bo's Run Dog Park	533	443	371
Dog Park Combo (Admit to Both Sites)	—	62	83
Freedom Run Dog Park	—	213	338
The Club at Prairie Stone	3,409	3,433	3,489
Seascape Family Aquatic Center	1,831	1,857	1,827
Triphahn Center and Ice Arena	980	947	924
Willow Recreation Center	372	373	378
Bridges Poplar Creek Country Club			
Rounds	27,660	34,627	31,147

Notes:

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

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

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

Data Source: District Departments

2014	2015	2016	2017	2018	2019	2020
24,397	23,540	23,311	22,544	21,254	23,301	12,085
696,067	897,021	757,983	773,143	705,192	694,422	91,141
26,202	27,901	33,601	27,740	28,202	31,864	—
701,670	948,002	916,718	907,551	827,787	720,175	26,701
107,514	203,544	191,942	184,264	168,069	189,893	4,932
618	586	673	296	397	369	—
329	249	297	318	287	329	257
80	72	76	85	81	66	79
351	281	321	321	315	288	250
3,389	3,481	2,940	3,000	2,881	2,837	1,992
1,415	1,337	1,459	1,437	1,302	1,366	—
917	892	863	854	809	781	509
371	370	349	335	329	253	93
28,525	29,393	31,279	31,323	26,109	24,538	28,238

HOFFMAN ESTATES PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2020 (Unaudited)

Function/Program	2011	2012	2013
Recreation			
Acreage - Owned	815	829	829
Facilities	7	7	7
Number of Parks - Owned	69	70	70
Natural Areas	13	13	13
Pathway Distance	64,187	64,187	64,187
Retention Ponds/Lakes	25	25	25
Amenities			
Ball Diamonds	29	29	29
Basketball Courts	13	13	13
Cricket Fields	1	1	1
Disc Golf Courses	1	1	1
Dog Parks	1	2	2
Fishing Areas	15	15	15
Football Fields	1	1	1
Indoor Ice Arenas	2	2	2
Playgrounds	44	44	44
Shelter Areas	25	25	25
Skate Parks	1	3	3
Sled Hills	1	1	1
Soccer Fields	14	14	14
Splash Pads	3	4	4
Tennis Courts	17	17	17
Volleyball Courts	4	5	5

Data Source: District Departments

2014	2015	2016	2017	2018	2019	2020
828	884	924	924	927	933	933
7	7	7	7	7	7	7
71	73	80	80	80	80	80
13	13	23	23	23	23	23
64,187	64,187	72,388	72,388	72,388	72,716	72,716
25	25	28	28	28	28	28
28	29	29	29	26	29	29
13	13	15	15	15	15	15
1	1	1	1	1	1	1
1	1	1	1	1	1	1
2	2	2	2	2	2	2
15	15	16	16	16	16	16
1	1	2	2	2	2	2
2	2	2	2	2	2	2
45	45	46	46	46	47	47
19	22	24	24	24	25	25
3	3	2	2	2	2	2
2	2	2	2	2	2	2
18	18	16	16	14	16	16
4	4	4	4	4	4	4
17	17	17	17	17	17	17
5	5	5	5	5	5	5

HOFFMAN ESTATES PARK DISTRICT,
ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020



May 4, 2021

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

In planning and performing our audit of the financial statements of the Hoffman Estates Park District (the District), Illinois, for the year ended December 31, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Executive Director and senior management of the Hoffman Estates Park District, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATION

1. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the District's financial statements for the year ended December 31, 2022.

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new lease criteria in conjunction with the District's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Management Response

Management acknowledges this comment and will work with Lauterbach & Amen to implement for our December 31, 2022 financial statements.

PRIOR RECOMMENDATION

1. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
Recreation	\$ 162,774	—
Debt Service	72,704	738,940
Capital Projects	53,225	317,103

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

Management Response

Recreation Fund: The Recreation Fund did not have an excess of actual expenditures for 2020.

Debt Service Fund: The net change in fund balance was \$995,555 greater than budgeted. Interest rates were significantly reduced as a result of the pandemic allowing the District the opportunity to realize significant savings from refinancing existing debt. The new issuance allowed us to refund our remaining Series 2010 bonds that offset the increased expense.

Capital Project Fund: Due to the pandemic, capital expenses budgeted in the Recreation Fund and The Club Fund were paid by the Capital Project Fund. Additionally, as the facilities were closed or had limited access for much of the year, the locker room renovation at the Club was completed one year earlier to limit disruption to patrons.

This comment was implemented; however, the pandemic resulted in changes that were approved by the Board for additional resources to offset the additional expenses.

Status

This comment has not been implemented and will be repeated in the future.