

**AGENDA  
HIGGINS-HASSELL TIF  
ANNUAL MEETING  
JOINT REVIEW BOARD  
JULY 20, 2022  
1900 HASSELL ROAD  
Hoffman Estates, IL**

**9:50 a.m. – Hennessy Room**

- I. Call to Order**
- II. Approval of Minutes – July 14, 2021**
- III. Review of Year 2021 Audit & Compliance Report**
- IV. Question and Answers**
- V. Adjournment**

**Minutes  
Higgins-Hassell TIF  
Annual Meeting  
Joint Review Board  
July 14, 2021**

**Board Members Present:** Eric Palm, Village of Hoffman Estates, Chairman  
Bev Romanoff, Resident Member  
Suzanne McVey, Schaumburg Township  
Lynne Cotshott, Hoffman Estates Park District  
Bob Grapenthien, Harper College  
Helen Reynolds, School District 54  
Lauren Hummel, Palatine-Schaumburg HS District 211  
Anne Miskewitch, Schaumburg Township District Library  
Elizabeth Valenziano, Schaumburg Township Dist. Library

**Guests Present:** Rachel Musiala, Director of Finance  
Arthur Janura, Corporation Counsel  
Patti Cross, Asst. Corporation Counsel  
Kevin Kramer, Director of Economic Development  
Laurel Warren, Fiscal Operations Manager  
Ashley Hines, Development Services Intern

**I. Call to Order**

Village Manager Eric Palm called the meeting to order at 1:14 p.m. Notices were sent via email to all members of the Joint Review Board in which they also received a copy of the Annual Report. No questions were received from the members. A distribution list and annual report will be attached to the minutes. Village Manager Palm gave a brief introduction. No questions were asked.

**II. Election of Chairperson**

Bev Romanoff made a motion to elect Eric Palm as Chairperson. Lynne Cotshott seconded the motion. A voice vote was taken. All ayes. Motion carried.

**III. Approval of Minutes – July 20, 2020**

A motion to approve the minutes was made by Bev Romanoff and seconded by Suzanne McVey. A voice vote was taken. All ayes. Motion carried.

**IV. Review of Year 2020 Audit & Compliance Report**

Rachel Musiala, Director of Finance for the Village of Hoffman Estates, gave a brief overview of the financial activity on page five of the auditor's report prepared by BKD. She explained that the debt of the TIF is in the form of a note. The amount issued in 2020 was \$1.4 million. Kevin Kramer presented an overview of projects in the TIF. The main tenants are still Garibaldi's, Gigi's Playhouse and Poplar Creek Bowl. In 2020, a 7-11 occupied the former McDonald's site on the corner and Buona Beef tore down their old building and rebuilt a newer format on half of the lot,

DRAFT #1

leaving an outlot remaining. The old Menard's site is still vacant as there is not a lot of demand for that kind of retail space now.

**V. Question and Answers**

No questions were asked.

**VI. Adjournment**

Motion to adjourn was made by Bev Romanoff and seconded by Lauren Hummel. A voice vote was taken. All ayes. Motion carried. Chairman Palm adjourned the meeting at 1:18 p.m.



# HOFFMAN ESTATES

GROWING TO GREATNESS

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June 27, 2022

**TO: ALL TAXING DISTRICTS ON ATTACHED LIST**

**FROM: RACHEL MUSIALA, DIRECTOR OF FINANCE**

**SUBJECT: HIGGINS/HASSELL ROAD TIF DISTRICT ANNUAL REPORT**

In accordance with 65 ILCS 5/11-74.4-5-(d), the Village of Hoffman Estates is transmitting to all affected taxing districts the 2021 Annual Report of the Higgins/Hassell Road Tax Increment Financing District. This TIF was created in May, 2012 and will expire in May, 2035.

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

Rachel Musiala  
Director of Finance

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**

**HIGGINS/HASSELL ROAD TIF DISTRICT**

**ANNUAL REPORT**

**DISTRIBUTION LIST**

**COOK COUNTY CLERK'S OFFICE**

118 North Clark Street  
Chicago, IL 60602  
[clerk.yarbrough@cookcountyil.gov](mailto:clerk.yarbrough@cookcountyil.gov)

**NORTHWEST MOSQUITO ABATEMENT  
DISTRICT**

147 West Hintz Road  
Wheeling, IL 60090  
James Thennisch, Director  
[jthennisch@nwmadil.com](mailto:jthennisch@nwmadil.com)  
Eva Migacz, Office Manager  
[office@nwmadil.com](mailto:office@nwmadil.com)

**METROPOLITAN WATER RECLAMATION  
DISTRICT**

100 East Erie Street  
Chicago, IL 60611  
Shellie Riedle, Budget Officer  
[riedles@mwrld.org](mailto:riedles@mwrld.org)

**PALATINE-SCHAUMBURG HIGH SCHOOL  
DISTRICT #211**

1750 S. Roselle Road  
Palatine, IL 60067  
Lisa Small, Superintendent  
[lsmall@d211.org](mailto:lsmall@d211.org)  
Lauren Hummel, Chief Operating Officer  
[lhummel@d211.org](mailto:lhummel@d211.org)

**HARPER COLLEGE DISTRICT #512**

1200 W. Algonquin Road  
Palatine, IL 60067  
Rob Galick, Exec. V.P. of Finance/Adm Svcs.  
[rgalick@harpercollege.edu](mailto:rgalick@harpercollege.edu)  
Dulse Barraza, Exec. Asst. Finance & Admin Svcs.  
[dbarraza@harpercollege.edu](mailto:dbarraza@harpercollege.edu)  
Robert Grapenthien, Controller  
[rgrapent@harpercollege.edu](mailto:rgrapent@harpercollege.edu)

**SCHAUMBURG TOWNSHIP**

One Illinois Blvd  
Hoffman Estates, IL 60169  
Melissa Williams, Administrator  
[mwilliams@schaumburgtownship.org](mailto:mwilliams@schaumburgtownship.org)  
Timothy M. Heneghan, Supervisor  
[theneghan@schaumburgtownship.org](mailto:theneghan@schaumburgtownship.org)

**FOREST PRESERVE DISTRICT OF COOK COUNTY**

536 N. Harlem Avenue  
River Forest, IL 60305  
Arnold Randall, General Superintendent  
[arnold.randall@cookcountyil.gov](mailto:arnold.randall@cookcountyil.gov)

**HOFFMAN ESTATES PARK DISTRICT**

1685 West Higgins Road  
Hoffman Estates, IL 60169  
Nicole Hopkins, Director of Finance  
[nhopkins@heparks.org](mailto:nhopkins@heparks.org)  
Craig Talsma, Executive Director  
[ctalsma@heparks.org](mailto:ctalsma@heparks.org)

**SCHAUMBURG TOWNSHIP DISTRICT LIBRARY**

130 South Roselle Road  
Schaumburg, IL 60193  
Annie Miskewitch, Executive Director  
[amiskewitch@stdl.org](mailto:amiskewitch@stdl.org)  
Elizabeth Valenziano, Finance Director  
[evalenziano@stdl.org](mailto:evalenziano@stdl.org)

**COMMUNITY SCHOOL DISTRICT #54**

524 E. Schaumburg Rd  
Schaumburg, IL 60194  
Ric King, Asst. Superintendent of Business Operations  
[RicKing@sd54.org](mailto:RicKing@sd54.org)  
Andrew DuRoss, Superintendent  
[andyduross@sd54.org](mailto:andyduross@sd54.org)

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
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**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
REDEVELOPMENT PLAN AMENDMENTS

A Higgins/Hassell TIF Redevelopment Plan was approved on May 7, 2012. No amendments were made to the plan during the fiscal year ended December 31, 2021.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

CERTIFICATE OF COMPLIANCE

I, William D. McLeod, duly elected Village President of the Village of Hoffman Estates, State of Illinois, do hereby certify that the Village of Hoffman Estates has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the fiscal year January 1, 2021 through December 31, 2021.

6-10-2022  
Date

William D. McLeod  
William D. McLeod  
Village President



**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**CERTIFICATE OF COMPLIANCE**

[See Attachment]

THE LAW OFFICE OF  
**ARTHUR JANURA, PC**

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2123 MULGUY COURT | INVERNESS, IL 60010  
O: 224.655.7615 C: 224.210.4593 | JANURALAW@GMAIL.COM

March 22, 2022

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

**Re: Village of Hoffman Estates  
Higgins/Hassell TIF District  
2021 Compliance**

Dear Comptroller Mendoza:

Subject to the qualifications and limitation herein, we are of the opinion that, for the period of January 1, 2021 to December 31, 2021, we are not aware of any material violation by the Village of any of the applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act (the "Act") except for the annual meeting of the Joint Review Board.

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

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

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

Very truly yours,

  
Arthur Janura P.C.

AJ/ds

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

HIGGINS/HASSELL ROAD TIF DISTRICT

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021

Receipts	
Property Taxes	\$ 440,784
Interest Earnings	44
Note Proceeds	448,430
Sub-total	<u>\$ 889,258</u>
Disbursements	
Economic Development	\$ 457,431
Principal Expense	217,499
Sub-total	<u>\$ 674,930</u>
Excess (Deficit) of Receipts over Disbursements	<u>\$ 214,328</u>
Balance, January 1, 2021	<u>\$ 12,194</u>
Balance, December 31, 2021	<u><u>\$ 226,522</u></u>
Ending Balance By Source:	
Property Taxes	\$ 226,522
Interest Earnings	-
Total	<u><u>\$ 226,522</u></u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF FUND BALANCE BY SOURCE AND YEAR

2021		
	Property Taxes	\$ 226,522
	Interest Earnings	<u>-</u>
	Total Fund Balance, December 31, 2021	<u><u>226,522</u></u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Initial EAV of the Redevelopment Project Area	\$ 5,653,528
2020 EAV of the Redevelopment Project Area	\$ 10,156,166
Incremental Revenues Received During 2021	\$ 440,784
Incremental Revenues Received in Previous Year	\$ 453,944
Increase (Decrease) in Incremental Revenues	\$ (13,160)
<u>Breakdown of Change by Taxing District:</u>	
Cook County	\$ (587.28)
Consolidated Elections	-
Cook County Forest Preserve	(75.20)
Schaumburg Township	(127.05)
General Assistance - Schaumburg	(19.45)
Road & Bridge - Schaumburg	(40.19)
Village of Hoffman Estates	(1,842.21)
School District #54	(4,634.72)
Palatine Township High School District #211	(3,613.13)
Harper College District #512	(530.24)
Hoffman Estates Park District	(773.97)
Schaumburg Township Library District	(413.55)
Metropolitan Water Reclamation District	(490.05)
Northwest Mosquito Abatement District	(12.96)
TOTAL	<u>\$ (13,160.00)</u>

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF PROPERTY PURCHASED

During the year ended December 31, 2021, the Village of Hoffman Estates did not purchase any property within the redevelopment project area.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

REDEVELOPMENT ACTIVITIES

During the year ending December 31, 2021, redevelopment activities are described below.

More façade work on the main center was completed while Popeye's Louisiana Kitchen began the entitlement process for the new construction of a restaurant on the outlot between Buona Beef and McDonald's.

Economic activities in 2021 included the promotion of the district in various video productions, on social media, and in other advertising outlets including a return to tradeshow. Various networking and business development events throughout the year were attended by the Economic Development Director and Village Manager, both in-person and virtually.

**VILLAGE OF HOFFMAN ESTATES, ILLINOIS**  
**HIGGINS/HASSELL ROAD TIF DISTRICT**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF INDEBTEDNESS

On May 14, 2012, the Village of Hoffman Estates authorized a non-interest bearing TIF Note up to a principal amount of \$9,000,000 which would be payable from the Higgins/Hassell Road TIF District.

Redevelopment costs have been incurred by the developer. The approved reimbursement balance as of December 31, 2021 is \$6,581,584. This amount will be paid to the developer from the Higgin-Hassell Road TIF District only if tax increment revenues are available for the payment of the debt service.

6/21/2022

Date

Bev Romanoff

Bev Romanoff  
Village Clerk



# VILLAGE OF HOFFMAN ESTATES

## Memo

**TO:** Rachel Musiala, Director of Finance  
**FROM:** Kevin Kramer, Director of Economic Development  
**RE:** BARRINGTON SQUARE TOWN CENTER TIF (REIMBURSEMENT REQUEST #6)  
**DATE:** March 16, 2021

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On March 15, 2021, the Village Board approved Reimbursement Request #6 related to the Barrington Square redevelopment project in the amount of \$1,494,765.36. This approval causes an increase in the Barrington Square TIF Note, from the initial/current amount of \$7,062,699.58 to a new amount of \$7,511,129.19. The Redevelopment Agreement provides the ability for the Village's Finance Director to revise the TIF Note upon Village Board approval of Reimbursement Requests. Thus, I attached a copy of the original TIF Note Schedule A and request that you fill in the Reimbursement Request #6 amount of \$448,429.61 in columns "C" and add that amount to column "E" bringing that new total to \$6,799,082.76, and sign in column "F". The Prior Principal Payment (Column "D") should reflect the \$712,046.43 of funds paid through 2020.

Please see me if you have any questions.



---

Kevin Kramer  
Director of Economic Development

Attachment

ORIGINAL

SCHEDULE A

CERTIFICATE OF OUTSTANDING PRINCIPAL AMOUNT  
(BARRINGTON SQUARE TOWN CENTER PROJECT), SERIES 2012

This Note is valid to the Outstanding Principal Amount set forth below in column E below as of the date of the endorsement noted in column B below.

A	B	C	D	E	F
Request For Reimbursement	Date of this Endorsement	Maximum Reimbursement Amount	Prior Principal Payments	Outstanding Principal Amount	Authorized Village Signatory
No. 1	5-15-2012	\$1,133,414.73	0	\$1,133,414.73	Rachel Lunala
No. 2	8-5-2013	\$712,531.72	0	\$1,845,946.45	Rachel Lunala
No. 3	8-5-2016	\$1,104,808.19	0	\$2,950,749.64	Rachel Lunala
No. 4	5-3-2017	\$2,700,763.49	0	\$5,651,513.13	Rachel Lunala
No. 5	9-21-2020	\$1,411,186.45	\$487,697.85	\$6,575,001.70	Rachel Lunala
No. 6	3/15/2021	\$448,439.61	\$718,046.43	\$6,799,082.76	Rachel Lunala
No. 7	- -2015	_____	_____	_____	_____
No. 8	- -2015	_____	_____	_____	_____

April 19, 2022

Ms. Rachel Musiala  
Finance Director  
Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, Illinois 60169

Re: Higgins/Hassell Tax Increment Financing District Obligations

Dear Rachel,

The Village of Hoffman Estates, Illinois (the “Village”) has engaged Speer Financial, Inc. (“Speer”) as municipal advisor with respect to the Village’s Higgins/Hassell Tax Increment Financing District (the “Higgins/Hassell TIF”). As municipal advisor, Speer has prepared the following analysis in order to aid the Village in complying with its annual reporting requirements for the Higgins/Hassell TIF (the “Annual TIF Analysis”). The Annual TIF Analysis describes the following:

- 1) Whether any obligations were issued related to the Higgins/Hassell TIF; and
- 2) The nature and term of the obligation and projected debt service including required reserves and debt coverage.

The Village has existing obligations related to the Higgins/Hassell TIF. The Tax Increment Allocation Revenue Note (Barrington Square Town Center Project), Series 2012 (the “2012 TIF Note”) was issued on November 21, 2016 in an amount up to \$9,000,000. In review of the information supplied by the Village and after due diligence, Speer has determined that \$448,429.61 in additional debt was issued in FY2021 against the 2012 TIF Note, related to the Higgins/Hassell TIF.

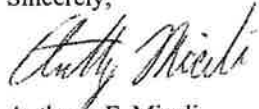
During FY2021, \$217,498.66 of principal was paid on the 2012 TIF Note and the outstanding principal amount was \$6,581,584.10

The 2012 TIF Note is non-interest bearing and payable only from certain incremental taxes received from the Higgins/Hassell TIF, if any. The 2012 TIF Note does not constitute an indebtedness of the Village. Should the incremental taxes pledged as security to the 2012 TIF Note be insufficient to pay the principal due, the owner of the 2012 TIF Note shall have no recourse against the Village and no right to compel the exercise of the taxing authority of the Village or to use any funds of the Village (other than the pledged funds) for payment of principal on the 2012 TIF Note. The Village has a continuing obligation to repay the 2012 TIF Note until it is paid in full, or the earlier of (i) the date which is twenty years from the issuance date or (ii) the date in which the Higgins/Hassell TIF has expired.

Pursuant to these terms, it is Speer’s understanding that the Village was not required to carry any reserves dedicated to the 2012 TIF Note and as such there were no reserves held. Further, due to the nature of the obligations, there is no level of debt service coverage required.

Speer has relied on information provided by the Village to prepare this analysis. This analysis is intended to aid the Village in complying with the reporting requirements for the Higgins/Hassell TIF; however, there may be additional reporting requirements beyond the scope of this analysis required to be provided by the Village.

Sincerely,



Anthony F. Miceli  
Senior Vice President

afm

# **Village of Hoffman Estates, Illinois**

Higgins/Hassell Road TIF District Fund

Independent Auditor's Report on Compliance With Public Act 85-1142  
and Independent Auditor's Report and Financial Statements

December 31, 2021

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**December 31, 2021**

**Contents**

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## **Independent Auditor's Report**



1901 S. Meyers Road, Suite 500 / Oakbrook Terrace, IL 60181

P 630.282.9500 / F 630.282.9495

[forvis.com](http://forvis.com)

## Independent Auditor's Report

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

### ***Opinion***

We have audited the financial statements of the Higgins/Hassell Road TIF District Fund (the Fund), a special revenue fund of the Village of Hoffman Estates, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Higgins/Hassell Road TIF District Fund, a special revenue fund of the Village of Hoffman Estates, Illinois, as of December 31, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Higgins/Hassell Road TIF District Fund and do not purport to, and do not, present fairly the financial position of the Village of Hoffman Estates, Illinois, as of December 31, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, schedule of fund balance by source, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Honorable Village President  
Members of the Board of Trustees  
Village of Hoffman Estates, Illinois  
Page 3

The schedule of fund balance by source is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**FORVIS, LLP**

Oakbrook Terrace, Illinois  
June 20, 2022

## **Financial Statements**

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Balance Sheet**  
**December 31, 2021**

**Assets**

Cash and investments	\$ 226,522
Property tax receivable	<u>457,063</u>
Total assets	<u><u>\$ 683,585</u></u>

**Deferred Inflows of Resources  
and Fund Balance**

<b>Deferred Inflows of Resources</b>	
Unavailable revenue - property taxes	\$ 457,063
<b>Fund Balance</b>	
Restricted for economic development	<u>226,522</u>
Total deferred inflows of resources and fund balance	<u><u>\$ 683,585</u></u>

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Year Ended December 31, 2021**

<b>Revenues</b>	
Property taxes	\$ 440,784
Investment income	44
Total revenues	440,828
 <b>Expenditures</b>	
Current	
Economic development	457,431
Debt service	
Principal retirement	217,499
Total expenditures	674,930
 <b>Excess (Deficiency) of Revenues</b>	
<b>Over Expenditures</b>	
	(234,102)
 <b>Other Financing Sources</b>	
Issuance of debt	448,430
 <b>Net Change in Fund Balance</b>	
	214,328
 <b>Fund Balance</b>	
January 1, 2021	12,194
December 31, 2021	\$ 226,522

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 1: Summary of Significant Accounting Policies**

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

***Reporting Entity***

The Higgins/Hassell Road TIF District Fund (Fund) was established to account for transactions related to the Redevelopment Plan and Redevelopment Project within the municipal boundaries established by village ordinance.

***Fund Accounting***

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The Fund is classified as a Governmental Special Revenue Fund.

***Basis of Accounting***

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

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

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

***Investments***

Investments with a maturity date of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value.

***Property Taxes***

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, on properties assessed as of the same date. Taxes are levied on a calendar year basis by the last Tuesday of December. Tax bills are prepared and mailed by the County on or about February 1, 2022 and August 1, 2022, and are payable in two installments, on or about March 1, 2022 and September 1, 2022. The County collects such taxes and remits them periodically. Since the 2021 levy is intended to finance the 2022 fiscal year, the levy has been recorded as receivable and unavailable revenue. The revenues in the current year financial statements represent the 2020 property tax levy.

***Fund Balance***

The components of fund balance include the following line item:

Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.

**Note 2: Cash and Investments**

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

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

***Deposits With Financial Institutions***

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

At December 31, 2021, the Fund's depository account has a carrying value and bank balance of \$226,522. These amounts are fully covered by the FDIC insurance or fully collateralized.

***Investments***

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

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

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

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



**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 3: Long-Term Debt**

***Tax Increment Redevelopment Note Disclosures***

The Village, pursuant to an economic development agreement dated May 14, 2012, has agreed to reimburse The Handels-En Productiemaatschappij De Schouw B.V. for certain project costs incurred as the Village’s agent in furthering the economic development plan and project in an amount up to \$9,000,000. An economic redevelopment note was issued in 2012 and 2013 totaling \$1,845,946. During fiscal year 2016, an additional \$1,104,803 was added to the note. During fiscal year 2017, an additional \$2,700,763 was added to the note, during fiscal year 2020, an additional \$1,411,186 was added to the note. During fiscal year 2021, an additional \$448,430 was added to the note. The note is payable from and secured solely by the pledged incremental revenues deposited in the Fund.

The following is included in the Village’s footnotes to its governmental activities financial statements. It is not recorded herein because long-term liabilities are not reported by special revenue governmental funds.

<b>Issue</b>	<b>Balances January 1</b>	<b>Issuances or Accretions</b>	<b>Retirements or Accretions</b>	<b>Balances December 31</b>	<b>Current Portion</b>
Tax Increment Redevelopment Notes due in annual installments only if tax increment revenues are available	\$ 6,350,651	\$ 448,430	\$ 217,499	\$ 6,581,582	\$ -

***Debt Service Requirements to Maturity***

The Higgins/Hassell Redevelopment Note provides that the payment of principal and interest on the note is due only if tax increment revenues are available for payment of debt service. The note does not bear interest. Therefore, no set debt service schedule is available.

## **Supplementary Information**

**Village of Hoffman Estates, Illinois**  
**Higgins/Hassell Road TIF District Fund**  
**Schedule of Fund Balance by Source**  
**Year Ended December 31, 2021**

<b>Beginning Balance, January 1</b>	<u>\$ 12,194</u>
Deposits	
Property tax	440,784
Investment income	44
Note proceeds	<u>448,430</u>
Total deposits	<u>889,258</u>
<b>Beginning Balance Plus Deposits</b>	<u>901,452</u>
Expenditures	
Economic development	
Other contractual services	457,431
Debt service	
Principal retirement	<u>217,499</u>
Total expenditures	<u>674,930</u>
<b>Ending Balance, December 31</b>	<u><u>\$ 226,522</u></u>
<b>Ending Balance by Source</b>	
Property tax	\$ 226,522
Less surplus funds	<u>-</u>
<b>Ending Balance, December 31</b>	<u><u>\$ 226,522</u></u>

**Independent Auditor's Report  
on Compliance With Public Act 85-1142**



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## Independent Auditor's Report on Compliance With Public Act 85-1142

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

We have audited the Village of Hoffman Estates' compliance with the provisions of subsection (q) of Section 11-74.4-5 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for its Higgins/Hassell Road TIF District Fund for the year ended December 31, 2021. The management of the Hoffman Estates, Illinois is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements.

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 Village complied in all material respects with the requirements referred to above. An audit includes examining, on a test basis, evidence about the Hoffman Estates, Illinois' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Hoffman Estates, Illinois complied, in all material respects, with the requirements of subsection (q) of Section 11-74.4-5 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the Higgins/Hassell Road TIF District Fund for the year ended December 31, 2021.

**FORVIS,LLP**

Oakbrook Terrace, Illinois  
June 20, 2022